

**BLACKLINE**

## FRANCHISE DISCLOSURE DOCUMENT



### FRANCHISOR:

Motto Franchising, LLC  
a Delaware limited liability company  
5075 South Syracuse Street  
Denver, Colorado 80237-2712  
(866) 668-8649  
franchise@mottomortgage.com  
www.mottomortgage.com

We offer franchises for businesses offering mortgage brokerage services using the Motto® system.

The total investment necessary to begin operation of a Motto mortgage broker franchised business ranges from \$55,700 to \$239,750. This amount includes \$35,000 that must be paid to us or an affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Contract Administration Department at 5075 South Syracuse Street, Denver, Colorado 80237-2712, or by telephone at (866) 668-8649.

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

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

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

Issuance date: April 11, 2025 as amended ~~August 25~~January 7, 2025~~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 <u>Exhibit D</u> and <u>Exhibit E</u> . |
| <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 <u>Exhibit C</u> 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 Motto Mortgage 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 a Motto Mortgage franchisee?</b>                                 | Item 20 or <u>Exhibit D</u> and <u>Exhibit E</u> list current and former franchisees. You can contact them to ask about their experiences.                                                                                                                                             |
| <b>What else should I know?</b>                                                          | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.                                                                                |

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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, if any.

## 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 litigation only in Colorado. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with the franchisor in Colorado than in your own state.
2. **Market Competition.** You will face market competition, as well as other business risks, including fluctuations in demand for mortgages, changes in mortgage rates and availability of financing, and changing economic conditions, both locally and nationally, which may include prolonged recessions that may significantly impact the residential and commercial mortgage lending.
3. **Mandatory Minimum Payments.** You must make minimum royalty and marketing fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

**THE FOLLOWING PROVISIONS APPLY ONLY TO  
TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW**

**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.
- (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 franchisee 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.

(j) If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

**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 the notice should be directed to:

State of Michigan  
Consumer Protection Division  
Attention: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa  
Lansing, Michigan 48909  
Telephone: 517-373-7117

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Copies of Receipt

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

## Item 1

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

The Franchisor is Motto Franchising, LLC and will be referred to in this Disclosure Document as “**Motto Mortgage**” or simply “**we**” or “**us**.” “**You**” means the individual, corporation, or other entity that buys the franchise. We are a Delaware limited liability company formed on August 25, 2016. Our principal business address is 5075 South Syracuse Street, Denver, Colorado 80237-2712. We operate under our legal name, “Motto”, “Motto Mortgage”, and no other name.

We began offering franchises for the first time in October 2016. We do not operate any franchises or Motto Mortgage Offices (defined below). We have no other business activities. Other than the entities described below, we have no affiliates who offer franchises in any line of business or who provide products or services to our franchisees. If we have an agent in your state for service of process, we disclose that agent in Exhibit H.

#### Parents, Predecessors, and Affiliates

Our predecessor is Full House Mortgage Connection, Inc. (“**Full House**”), a Michigan corporation formed on March 31, 2015. Its principal business address was 770 S. Adams Road, Suite 103, Birmingham, Michigan 48009. Full House offered franchises for residential mortgage businesses offering mortgage broker services from May 2015 to July 2016. We acquired certain assets of Full House on September 12, 2016.

Our direct parent is RE/MAX, LLC, a Delaware limited liability company formed on April 15, 2010 with its principal business address at 5075 South Syracuse Street, Denver, Colorado 80237-2712. RE/MAX, LLC is the franchisor and owner of the RE/MAX<sup>®</sup> franchise system. RE/MAX, LLC offers franchises to operate real estate offices which offer a variety of real estate services to the general public. RE/MAX, LLC has sold franchises since August 9, 1974, however it has never offered franchises or conducted business of the type described in this Disclosure Document. As of December 31, 2024, there were 3,150 RE/MAX, LLC franchises open and operating in the United States, Guam, Puerto Rico, and the U.S. Virgin Islands.

RE/MAX, LLC is a wholly owned subsidiary of our indirect parent RMCO, LLC (“**RMCO**”), a Delaware limited liability company which was formed on April 7, 2010. RMCO has the same principal business address as RE/MAX, LLC.

RMCO has two members which are both our indirect parents: RE/MAX Holdings, Inc. (“**RE/MAX Holdings**”), a Delaware corporation formed on June 23, 2013, and RIHI, Inc. (“**RIHI**”), a Delaware corporation formed on December 18, 2002. RE/MAX Holdings is the majority owner and the sole manager of RMCO; its principal business address is the same as RE/MAX, LLC. RE/MAX Holdings is a public company with shares listed on The New York Stock Exchange under the symbol “RMAX.” RIHI is the minority owner of RMCO. RIHI’s principal business address is 8822 S. Ridgeline Blvd., Suite 250, Highlands Ranch, Colorado 80129. Neither RE/MAX Holdings nor RIHI has ever sold any franchises in any line of business.

#### Affiliates

Our affiliate, Motto Marketing Fund, LLC (“**MMF**”) is a Delaware limited liability company, which was established for the purpose of creating, distributing, and placing advertising and public relations programs and related materials. It was formed on January 16, 2019 and its principal place of business

address is 5075 South Syracuse Street, Denver, Colorado 80237-2712. MMF is our wholly owned subsidiary. MMF has never operated a Motto Mortgage Office or offered franchises in any line of business.

Wemlo, LLC (“**wemlo**”), is a Delaware limited liability company, which was formed on November 13, 2018 as Wemlo, Inc. as a Florida corporation. RE/MAX, LLC acquired Wemlo, Inc. on August 25, 2020 and later converted it to a limited liability company. Wemlo provides loan processing services to mortgage brokerages and loan originators. Wemlo began offering loan processing services to Motto Mortgage Offices in 2021. You will be required to use certain wemlo products and services pursuant to the Franchise Agreement. See Item 8.

### International Affiliates

REMAX Canada, Inc., a British Columbia corporation, f/k/a RE/MAX Ontario-Atlantic Canada, Inc., is the subfranchisor that offers REMAX franchises in all Canadian jurisdictions except for Quebec. REMAX Canada, Inc. offers REMAX franchises in Canada under two separate franchise disclosure documents – a franchise disclosure document for the provinces of New Brunswick, Nova Scotia, Ontario, Prince Edward Island, and Newfoundland and Labrador, and a separate franchise disclosure document for the Western Canada Region comprised of British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Territories, Yukon, and Nunavut. REMAX Canada, Inc. is a wholly-owned subsidiary of RE/MAX of Western Canada (1998), LLC (the predecessor subfranchisor for the Western Canada Region), which is a wholly owned subsidiary of RE/MAX, LLC. On July 1, 2025, RE/MAX of Western Canada (1998), LLC assigned its assets, including all subsisting franchise agreements, to RE/MAX Ontario-Atlantic Canada, Inc. as part of a corporate restructure.

### Competition and Market Fluctuation

You will provide services to the general public, competing with other businesses which offer mortgage brokerage services. The market for mortgage origination services is developed and highly competitive. You should expect to face competition from other mortgage loan originators, such as mortgage brokers, mortgage lenders, mortgage bankers and other businesses that offer mortgages, including from retail locations or online. Competition may come from organizations that offer a variety of business models. These include both established firms and more recent entrants at national, regional and local levels. You will also face competition when sourcing loan originators.

In addition to market competition, you will face factors such as fluctuations in mortgage rates and availability of financing as well as changing economic conditions, both locally and nationally, which may include prolonged recessions that may significantly impact real estate markets. Because the demand for mortgage financing is significantly impacted by the real estate market, you should also be aware that real estate markets tend to be cyclical; however, these markets are impacted by changes to general economic conditions and therefore the market for mortgage origination services can be unpredictable.

### Industry Specific Regulations

Residential mortgage origination is a highly regulated business. You must comply with all applicable federal, state and local laws, regulations and ordinances related to the origination of mortgages. These laws and regulations include: (i) the Truth In Lending Act (“**TILA**”) and Regulation Z (“**Reg Z**”) thereunder; (ii) the Equal Credit Opportunity Act and Regulation B thereunder; (iii) the Fair Credit Reporting Act and several implementing regulations; (iv) the Real Estate Settlement Procedures Act (“**RESPA**”), and Regulation X thereunder; (v) the Fair Housing Act; (vi) the Gramm-Leach-Bliley Act and its implementing regulations; (vii) the Consumer Financial Protection Act (“**Dodd - Frank Act**”), and its implementing regulations; (viii) the Secure and Fair Enforcement for Mortgage Licensing Act (the “**SAFE**

*Act*"); and (ix) the Telephone Consumer Protection Act (the "*TCPA*") and other state and federal laws pertaining to the solicitation of consumers.

If you are affiliated with a real estate brokerage, you will be subject to the Affiliated Business Arrangement ("*AFBA*") provisions under RESPA. In addition, the law of the state(s) where you will do business may impose additional requirements or restrictions, such as requiring additional disclosures when you work with a customer referred by an affiliated real estate broker or placing conditions on which referrals are permissible. AFBA also has specific requirements regarding financial gain and ownership interest. AFBA requires that the only financial gain that the owner of a mortgage brokerage may receive from the mortgage brokerage, directly or indirectly, is a return on its ownership interest in the mortgage brokerage business.

### Professional Licensing Requirements

State law requires you to be properly authorized to be able to provide mortgage brokerage services under the laws of the state(s) where you do business, including the requirement to obtain a mortgage broker license and to pay fees required to obtain this license. You will need to comply with state laws which require your employees to be licensed as loan originators and they will need to complete their own requirements for licensure, including pre-licensing education, pre-licensure testing, post-licensure continuing education, and background and credit checks. Many states require all loan originators to be employees (rather than independent contractors) of their respective mortgage services company.

Many states require that a person with supervisory responsibility for the mortgage brokerage have experience in the mortgage industry, typically 2 to 5 years, and states including Arizona, Nevada, Missouri, and Hawaii require a mortgage brokerage to maintain a physical office. In addition, in some states the use of the "Motto Mortgage" fictitious business name may require approval from a state authority that regulates corporations, mortgage brokerages and/or real estate brokerages.

States' laws on the licensing of mortgage brokerage companies in states including Alabama, California, Connecticut, Delaware, Illinois, Massachusetts, Maryland, Maine, Michigan, North Carolina, North Dakota, New Hampshire, New Jersey, Rhode Island, Tennessee, Wisconsin, and West Virginia will require a specific minimum tangible net worth. Most states also require mortgage brokerage companies to post a surety bond in a specific amount; the amount will depend on the state and the size of your business.

Some states such as Tennessee have a rule that provides that a brokerage fee of more than a specified percentage of the principal amount of the loan is presumed unfair and unreasonable and grounds to revoke a broker's license unless the broker can provide evidence the fee is fair and reasonable.

At least one state, Kentucky, takes the position that a qualifying individual must have a specified minimum ownership interest in the mortgage brokerage business.

There may be other laws, rules and interpretations specific to your state, and these laws may be changed and updated from time-to-time. You should investigate with the help of your advisors.

The federal U.S. governmental agency, the Consumer Financial Protection Bureau ("*CFPB*") and many states have taken the position that mortgage brokers must utilize adequate compliance systems and procedures and designate a compliance manager to achieve compliance and to address other concerns such as consumer privacy, consumer complaints and information security.

Commercial mortgage origination is also subject to federal and state laws, such as the Equal Credit Opportunity Act, laws regarding unfair business practices, and, in some states, licensing requirements.

## Description of Business

We grant franchises for businesses which provide mortgage loan origination services, operating under the name “Motto Mortgage” and other trademarks, trade names, service marks, and commercial symbols (collectively, the “**Marks**”). For reference purposes in this Disclosure Document, we collectively refer to all businesses using the System (defined below) and the Marks as “**Motto Mortgage Offices**,” and we call the Motto franchised business that you will operate the “**Office**.” In some cases, we may grant you the right to establish one or more additional office locations known as a “**Branch Office**” or a “**Branchise<sup>SM</sup>**” (see Item 12 below for a description of Branch Offices). Motto Mortgage Offices offer high quality mortgage brokerage services (collectively, the “**Services**”), including the processing, originating and solicitation of mortgage loan applications for purchasing a residence or other property or refinancing an existing mortgage. As of the issuance date of this Disclosure Document, Motto Mortgage Offices are offered primarily to owners who operate an existing real estate brokerage business. Subject to our approval and the terms of the Franchise Agreement, you may operate real estate brokerages or other ancillary businesses (each an “**Existing Business**”) in connection with your Motto Mortgage Office. We anticipate that such owners may commonly locate the office space for the Motto Mortgage Office (the “**Premises**”) in office space adjacent to and/or subleased from their Existing Businesses. You are responsible for soliciting and obtaining mortgage customers for whom you will provide the Services. The Services are performed utilizing the System (as defined below). Services are provided by Motto Mortgage franchisees operating Motto Mortgage Offices, which use our business formats, methods, procedures, signs, designs, layouts, standards and specifications, all of which serve to protect the value of the Marks (the “**System**”), all of which we may improve, further develop or otherwise modify.

You must provide the Services in compliance with the System and as set forth in the franchise agreement (the “**Franchise Agreement**”) attached as Exhibit A to this Disclosure Document, and our confidential operations manual, which consists of the materials (which may include digital and print materials) we generally provide to franchisees for use in the operation of Motto Mortgage Offices (the “**Office Materials**”).

As a mortgage broker you will execute mortgage brokerage agreements with wholesale lenders that underwrite and fund mortgages. These agreements allow your Motto Mortgage Office to originate loans made by the lenders, who will, unless you are compensated directly by the consumer, compensate you for your services, typically at a predetermined percentage of the loan amount, with the total amount of compensation for many loans subject to regulation. See Item 8. You will, in turn, recruit and compensate the licensed individuals who work with potential borrowers to help them find the right loan (“**Loan Originators**”). Loan Originator compensation may include salary, other benefits and, most typically, a commission calculated as a percentage of the loan amount. You will set the pricing for loans your Office originates depending on your pricing strategy which will take into account the compensation levels set with lenders as well as the interest rates and loan products then available to you as well as your analysis of what is competitive in your market.

### Referral Program

~~As of the issuance date of this Disclosure Document we offer a referral program under where eligible and participating franchisees are paid a total referral fee of \$4,500 for leads to qualified candidates subject to program criteria. The referral fee and referral program is subject to change and/or elimination at any time.~~

## Item 2

### BUSINESS EXPERIENCE

#### **Chairman of the Board of RE/MAX Holdings: David L. Liniger**

Mr. Liniger is founder of RE/MAX, LLC as well as Chairman of the Board of RE/MAX Holdings, a position he has held since July 2013, located in Denver, Colorado. He served as Chairman of the Board of RE/MAX, LLC from the time it was established in August 1974 until March 2019, when the structure of RE/MAX, LLC changed from Board managed to Member managed. Mr. Liniger served as Co-Chief Executive Officer of Motto Franchising, LLC from May 2017 to February 2018 and as its Chief Executive Officer from September 2016 to May 2017.

#### **Chief Executive Officer of RE/MAX Holdings: Erik Carlson**

Mr. Carlson has served as Chief Executive Officer of RE/MAX Holdings, Inc. since November 13, 2023. From December 2015 until November 12, 2023, Mr. Carlson served as President and Chief Executive Officer and a member of the Board of Directors of DISH Network Corporation, located in Englewood, Colorado.

#### **President of Mortgage Services: Victor Lombardo**

Mr. Lombardo has served as President of Mortgage Services of Motto Franchising, LLC, located in Denver, Colorado, since August 2025. From February 2025 until August 2025, he served as Chief Operating Officer of Guaranteed Rate Affinity, located in Chicago, Illinois. From May 2016 until February 2025, he served as National Vice President of Corporate Relocation and Centralized Sales at Guaranteed Rate Affinity, located in Chicago, Illinois.

#### **Executive Vice President, Human Resources and Administration: Robert M. Fuchs**

Mr. Fuchs has been Executive Vice President, Human Resources and Administration since June 2024. From October 2023 to May 2024, he served as Senior Vice President of Human Resources and Safety of Full Circle Fiber Partners, in Englewood, Colorado. From May 2023 to October 2023, Mr. Fuchs was on a personal sabbatical. From October 2018 to May 2023, Mr. Fuchs served as the Chief Human Resources Officer of ViewRay, Inc., in Denver, Colorado.

#### **Vice President, Franchise Growth and Development: Adam Sartin**

Mr. Sartin has served as Vice President, Franchise Growth and Development for Motto Franchising, LLC since February 2023. Mr. Sartin has served in various capacities for RE/MAX, LLC prior to becoming an officer of Motto Franchising, LLC. For RE/MAX, LLC he served as Area Vice President, Region Development, from October 2020 to February 2023; Area Vice President, Business Growth, from January 2019 to October 2020; Region Vice President of the RE/MAX California and Hawaii Region from April 2017 to January 2019; and Director of that same region from February 2016 to April 2017. Mr. Sartin had served in various other capacities for RE/MAX, LLC since January 2011.

#### **Chief Financial Officer: Karri Callahan**

Ms. Callahan has served as Chief Financial Officer of Motto Franchising, LLC since September 2016. She served as Chief Financial Officer for Wemlo, LLC from August 2020 to September 2022. Ms. Callahan has been Chief Financial Officer of RE/MAX, LLC and RE/MAX Holdings, since March 2016,



and has been Treasurer of both companies since March 2018. Ms. Callahan has served in various other capacities for RE/MAX, LLC since May 2013.

**Executive Vice President, General Counsel, Chief Compliance Officer, and Secretary: Susan Winders**

Ms. Winders has served as Executive Vice President, General Counsel, Chief Compliance Officer, and Secretary for Motto Franchising, LLC, RE/MAX, LLC, and RE/MAX Holdings since February 2024. She was Senior Vice President, General Counsel and Chief Compliance Officer for Motto Franchising, LLC, RE/MAX, LLC, and RE/MAX Holdings from February 2023 to February 2024. She served as Vice President, General Counsel and Chief Compliance Officer from July 2022 to February 2023. Ms. Winders served as RE/MAX, LLC's Vice President and Assistant General Counsel from December 2016 to July 2022 and has served in various other capacities for RE/MAX, LLC since January 2009.

**Vice President, Chief Accounting Officer: Leah Jenkins**

Ms. Jenkins has served as Vice President, Chief Accounting Officer for Motto Franchising, LLC and RE/MAX, LLC since August 2023. For both Motto Franchising, LLC and RE/MAX, LLC she served as Executive Director, Financial Reporting and Technical Accounting from May 2022 to August 2023 and as Director, Technical Accounting and Projects from January 2020 to May 2022. Ms. Jenkins previously served as Senior Manager of Technical Accounting for RE/MAX, LLC from June 2016 to January 2020.

**Vice President, Business Technology: Chris Erickson**

Mr. Erickson has served as Vice President, Business Technology for Motto Franchising, LLC and as Vice President for Wemlo, LLC since May 2022. From May 2021 to March 2022, Mr. Erickson was Vice President, Product Management for Guaranteed Mortgage, Chicago, Illinois. From April 2017 to May 2021, Mr. Erickson served as Head of Product, Rental Property Solutions for CoreLogic, a company located in Coppell, Texas, that provides property data and services to the real estate and mortgage industries.

**Senior Vice President, Marketing & Advertising Mortgage Services: Kelly Gill**

Ms. Gill has served as Senior Vice President, Marketing & Advertising Mortgage Services since February 2023, and has been Vice President of Wemlo, LLC since August 2020. She served as Vice President, Marketing and Advertising of Motto Franchising LLC from January 2020 to February 2023 and was Brand Director from April 2018 to December 2019. From April 2015 to April 2018, Ms. Gill served as Vice President, Marketing for PrimeLending, a mortgage company in Dallas, Texas.

**Director, Motto Franchise Sales: Kurt Cramer**

Mr. Cramer has served as Director, Motto Franchise Sales since May 2022. From April 2019 to May 2022, Mr. Cramer was a Senior Business Development Consultant for Motto Franchising, LLC. He was a Senior Business Development Consultant for RE/MAX, LLC from January 2018 to April 2019 and a Business Development Consultant for RE/MAX, LLC from October 2015 to January 2018.

### Item 3

#### LITIGATION

##### **Actions Brought Against Motto Franchising, LLC and its Affiliates**

None

##### **Actions Brought Against Franchisees in the Past Fiscal Year or As of the Date of this Disclosure Document**

During Motto Mortgage's 2024 fiscal year, we initiated four lawsuits against franchisees as follows:

Motto Franchising, LLC v. Brooke Marin and Marin AB Holdings, LLC, Case No. 24-CV-02083, pending in the United States District Court, District of Colorado, filed July 29, 2024. Motto Mortgage filed this action against a franchisee for breach of the franchise agreement and prior settlement agreement, including confidentiality and non-disparagement provisions of the settlement agreement. Motto Mortgage is seeking injunctive relief for breach of the confidentiality and non-disparagement provisions, in addition to payment of past due fees, as well as attorney's fees in connection with the proceeding. Defendant brought a motion to dismiss which was denied on February 11, 2025.

##### **Suits to Collect Royalty Payments**

Motto Franchising, LLC v. Patrick Winsey, Jemila Winsey, and Steven Griffin, Case No.: 2024-CV-030723, pending in the District Court, County of Denver, filed March 6, 2024; default judgement entered October 9, 2024.

Motto Franchising, LLC v. Free Lunch LLC, Andrew Chock, and Simon Overmiller, Case No.: 2024-SU-002620, pending in the Supreme Court of Pennsylvania, Court of Common Pleas, York County, filed September 6, 2024.

Motto Franchising, LLC v. Michael Guimares, Jr., Case No.: 2483-CV-00516, pending in the Trial Court of Massachusetts, Plymouth County Superior Court, filed July 3, 2024.

Other than the actions identified above, 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

Initial Franchise Fee. You must pay us a nonrefundable initial franchise fee when you sign the Franchise Agreement. As of the issuance date of this Disclosure Document our standard initial franchise fee for a full franchise is \$35,000. Initial franchise fees under the Franchise Agreements are fully earned when paid and are not refundable under any circumstances. Except as stated in this Item, the initial franchise fee is uniform for all Motto Mortgage Offices.

Initial Branch Office Fee. If you qualify to purchase a Branch Office, and we grant you the right to do so, ~~they~~you shall pay us a nonrefundable Branch Office Initial Fee ~~is of~~ \$2,500 when you sign the Branch Office Amendment. You will be required to pay us ~~a nonrefundable \$2,500~~the Branch Office Initial Fee for each Branch Office that ~~we allow you~~ are permitted to open.

During the 2024 calendar year, franchisees paid initial franchise fees for Motto Mortgage Offices ranging from \$20,000 to \$35,000. In addition, during the 2024 calendar year, franchisees did not pay initial franchise fees for Branch Offices. Discounts to the initial fees were granted based on factors including the purchase of a RE/MAX franchise, assistance with expansion in certain markets and discounts in connection with limited time special programs/growth initiatives offered during the year or in connection with certain events.

We may vary, waive, reduce, defer or make an exception to our fee structure and/or payment terms for any reason, including, without limitation, purchase of a RE/MAX franchise, assistance with expansion in certain markets and discounts in connection with special programs/growth initiatives. Exceptions to our fee structure may be for a limited time and/or offered in connection with specific campaigns or promotions, provided we make no representations that these or any other opportunities or variations to the standard initial franchise fee (“**Incentives**”) will continue to be made available and they may be discontinued at any time. In addition, we reserve the right not to make any Incentives available. Your compliance at all times with all of the material provisions of the Franchise Agreement will be required for you to remain eligible for any and all Incentives. If you receive an Incentive and you later default in any of your material obligations under your Franchise Agreement, we reserve the right to terminate your eligibility for any and all Incentives. If you fail to cure such default within the cure period provided in your franchise agreement, or if such default cannot be cured, then in addition to any other remedies available to us, we reserve the right to require you to repay on demand any and all Incentives that you received from us prior to such default.

Discount Program. As of September 27, 2022 (“**Discount Program Start Date**”) we introduced a pilot program offering initial franchise fee discounts for franchisees who expand to additional offices (“**Discount Program**”) with the discounts listed below available for purchase of multiple Motto Mortgage Offices:

| <u>New Full Office Purchased</u> | <u>Initial Franchise Fee</u>              |
|----------------------------------|-------------------------------------------|
| First                            | \$35,000                                  |
| Second                           | 50% of then current Initial Franchise Fee |
| Third+                           | 25% of then current Initial Franchise Fee |

After a prospective or existing franchisee purchases a franchise (one that is not a transfer or a Branch Office) for a \$35,000 Initial Franchise Fee (“**First Office**”) then the initial franchise fee for the second franchise will be discounted to 50% of the then current Initial Franchise Fee. The initial franchise fee for a third and any future franchises will be discounted to 25% of the then current Initial Franchise Fee.

To be eligible for discounts under the Discount Program the franchisee must: (1) purchase the First Office and pay the \$35,000 initial franchise fee after the Discount Program Start Date; and (2) maintain a Controlling Interest (more than 50% ownership interest) in all of the offices purchased under the Discount Program. As of the date of this Disclosure Document the Discount Program remains in effect. However, we may discontinue or modify this program at any time in our sole discretion. In the event the Discount Program is discontinued each franchisee who purchased a franchise under the Discount Program will have 24 months from the date the Discount Program is discontinued to purchase any additional franchises under the Discount Program. If you default on your material obligations under any Franchise Agreement we may terminate your eligibility for future discounts under the Discount Program, but you will not be required to repay any incentives that you previously received from us under the Discount Program.

Financing. You may finance a portion of the Renewal Fee. See Item 10.

## Item 6

### OTHER FEES

| Type of Fee <sup>1</sup>                                                                              | Amount                                                                              | Due Date                                                                                       | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <del>Continuing Service and Royalty Fee</del> <sup>2,3</sup><br><u>Royalty Fee</u> <sup>2,3,4,5</sup> | <del>\$0—\$4,650 per 2,500 plus 25 BPs per transaction per month</del> <sup>2</sup> | Due by the 20 <sup>th</sup> <del>business</del> <u>calendar</u> day of each month <sup>3</sup> | Payable to us, the <del>Continuing Service and Royalty Fee</del> (“ <del>Royalty</del> ” or “ <del>Royalty Fee</del> ”) is due beginning <del>with month seven where the Contract Month (as defined in Note 2 below) is month one</del> <u>in the seventh month of the term of the franchise agreement</u> ; provided, in the event you enter into your franchise agreement on the 15 <sup>th</sup> of the month or after we may, in our discretion, adjust your Royalty start time to month eight. The <del>amount that you must pay us will be equal to the amount in the table in Note 2 below. The</del> Royalty increases by \$250 monthly per loan originator beyond <del>37</del> <u>37</u> loan originators working for your Office. Upon notice to you, we may increase the <u>Fixed Royalty Component of the</u> Royalty by up to 10% each year beginning 12 months from the date that you open. <u>See Note 2 for more details. From the Flat Fee Component, we will contribute \$350 per month to the Marketing Fund, and we reserve the right to increase the contribution amount by up to 20% annually beginning 12 months after you open. However, if you have a Branch Office, you pay us a separate Marketing Fund Fee for the Brand Office, as noted below.</u> |

| Type of Fee <sup>1</sup>                                        | Amount                                                                    | Due Date                            | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Branch Royalty Fee <sup>2,3</sup>                               | \$1,550 <sup>2</sup><br>plus \$250 per Branch Loan Originator             | Same as Royalty.                    | Payable to us, the Branch Office Royalty Fee (“ <b>Branch Royalty</b> ” or “ <b>Branch Royalty Fee</b> ”) will be due initially 90 days from the effective date of the Branch Office Amendment; and, thereafter, by the 20th day of each month throughout the remainder of the term of the Branch Office Amendment and any renewals of the Amendment. In addition, you must pay a \$250 monthly fee for each Branch Loan Originator. Upon notice to you, we may increase the Branch Royalty Fee by up to 10% each year beginning 12 months from the date that you open. |
| <del>Marketing and Development Fund Fee<sup>2,3,4,5</sup></del> | <del>\$350 per month</del>                                                | <del>Same as Royalty.</del>         | <del>Payable to us or our designee beginning in month 7 where the Contract Month is Month 1. If, in our discretion, we adjust your Royalty start time to month eight we may also adjust your Marketing Fund Fee start time to month eight. See Item 11 for a detailed discussion about this Fund. We may increase this fee by up to 20% each year beginning 12 months from the date that you open.</del>                                                                                                                                                                |
| Branch Office Marketing Fund Fees <sup>3,4,5</sup>              | \$350 per month                                                           | Same as Royalty.                    | Payable to us or our designee, the Branch Office Marketing Fund Fees will be due initially by the earlier of 90 days from the effective date of the Branch Office Amendment; and, thereafter, by the 20th day of each month throughout the remainder of the term of the Branch Office Amendment and any renewals of the Amendment. We may increase this fee by up to 20% each year beginning 12 months from the date that you open the Branch Office.                                                                                                                   |
| Initial Education                                               | As set by us or our affiliate (\$0 to \$500 per attendee beyond 2 people) | When education or assistance begins | We provide initial education, which is required, for 2 people at no cost. Additional attendees may attend initial education at our then current fee which we estimate will be \$0 to \$500 per attendee. You will be required to pay for all related travel, meal, lodging, and entertainment expenses in connection with attending all education courses.                                                                                                                                                                                                              |

| Type of Fee <sup>1</sup>           | Amount                                                                                                                           | Due Date                            | Remarks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additional Education or Assistance | As set by us or our affiliate (not to exceed \$1,000 per trainer per day)                                                        | When education or assistance begins | We provide for refresher education courses and additional or special assistance, consultation or education you need or request. Our optional live education engagements (including through in person education or webinars) cover various intensive/advance topics, including origination and process automation. These education sessions are offered for periods of 1 to 5 days and are charged on a time basis in amounts ranging from \$1,000 to \$10,000 (typically 1 to 2 trainers for a period of up to 5 days). You will be required to pay for all related travel, meal, lodging, and entertainment expenses in connection with attending all education courses. |
| Transfer                           | \$2,500 per franchise agreement, plus any amounts necessary to cover our other costs, such as administrative and legal expenses. | Before consummation of transfer     | Payable to us when the Franchise Agreement, assets of the Office, or controlling interest in you is transferred. No transfer fee is payable if the Franchise Agreement is transferred to an entity you control within 1 year after signing. Our costs could be significantly higher than the transfer fee depending upon the nature and complexity of the transaction.                                                                                                                                                                                                                                                                                                    |
| wemlo processing services fees     | \$825 per closed loan                                                                                                            | At loan closing                     | <p>This fee is payable to wemlo at the then current wemlo rate (as of the Issuance Date of this Disclosure Document wemlo fees are \$825 for each closed loan). In states where wemlo offers processing services you must engage wemlo to perform processing. You pay processing services fees in those cases in which the processing fees are not paid by the borrower as a settlement charge. In some states (including New Jersey) these charges cannot be passed along to the borrower and in some cases you may elect to pay processing fees.</p> <p>The amount that wemlo charges may increase in the future.</p>                                                   |

| <b>Type of Fee<sup>1</sup></b>         | <b>Amount</b>                                 | <b>Due Date</b>                                                                                        | <b>Remarks</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------|-----------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renewal <sup>6</sup>                   | 50% of the then current initial franchise fee | At least 90 days prior to the expiration of your expiring Franchise Agreement                          | Payable to us. You must meet certain conditions to have the option to renew.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Branch Office Renewal Fee <sup>6</sup> | \$1,000                                       | Upon signing Branch Office Amendment (at least 90 days prior to expiration of the Franchise Agreement) | Payable to us. You must meet certain conditions to qualify for renewal.                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Supplier Evaluation Cost               | Cost of review of supplier                    | As incurred                                                                                            | Payable to us, this covers the costs of evaluating a new supplier or wholesale lender you propose and, if we approve the supplier or lender, configuring computer systems and other processes to work with the new supplier or lender. The amount depends on the circumstances, including the location of a supplier or lender, evaluation required, and the item involved.                                                                                                                                |
| Audit                                  | Cost of inspection or examination             | 15 days after billing or as incurred                                                                   | We have the right at any time during business hours, and upon notice as provided in the Franchise Agreement, to audit the business and accounting records of the Office to determine compliance with the Franchise Agreement. The cost of inspection or examination is payable if you fail to furnish reports, supporting records or other required information; if you, without our knowledge, use more than 3 loan originators in your Office; or you understate the amounts owed to us by more than 5%. |

| Type of Fee <sup>1</sup>          | Amount                                                                                                                                                                                                                                                                                                                 | Due Date              | Remarks                                                                                                                                                                                                                                                                          |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Interest and Late Charges         | <del>As liquidated damages and not as a penalty</del> 10% of amount owed to us or maximum rate allowed by law <u>(whichever is less)</u> , plus interest of 1% per month compounded (or maximum rate allowed by law, <u>whichever is less</u> ) of amount owed; \$100 per day for the failure to timely submit reports | 15 days after billing | Due on all overdue amounts or for the failure to timely submit reports.                                                                                                                                                                                                          |
| Legal Document Preparation Fee    | Will vary under the circumstances                                                                                                                                                                                                                                                                                      | As incurred           | Payable to us for legal documents we must prepare outside of the normal course of business due to your failure to comply with ownership change, renewal, or transfer requirements of the Franchise Agreement and are dependent on the nature and complexity of each transaction. |
| Insurance                         | Will vary under the circumstances                                                                                                                                                                                                                                                                                      | As incurred           | If you fail or refuse to obtain the required insurance coverage for your Office, we may obtain coverage at your expense.                                                                                                                                                         |
| Insufficient Funds Processing Fee | \$100 (plus reimbursement of our additional administrative expenses and charges)                                                                                                                                                                                                                                       | As incurred           | Payable to us; applies to any insufficient fund payment made by electronic transfers or checks to us.                                                                                                                                                                            |
| Costs and Attorneys' Fees         | Will vary under circumstances                                                                                                                                                                                                                                                                                          | As incurred           | Payable if we engage legal counsel in connection with your failure to comply with the Franchise Agreement.                                                                                                                                                                       |

| <b>Type of Fee<sup>1</sup></b> | <b>Amount</b>                             | <b>Due Date</b>                                                                                                               | <b>Remarks</b>                                                                                                                                                                                                                                                                                                               |
|--------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Holdover Fee                   | \$1,500 per month per Office              | Upon receipt of invoice                                                                                                       | Payable if with our permission you continue to operate the Office as a Motto Mortgage Office after the end of the Term without proper renewal.                                                                                                                                                                               |
| Holdover Fee – Branch Office   | \$400 per month per Branch Office         | Upon receipt of invoice                                                                                                       | Payable if with our permission you continue to operate the Branch Office after the end of the term of the Branch Office without proper renewal.                                                                                                                                                                              |
| De-identification Fee          | \$500 per day                             | As incurred.<br><br>Payable if you fail to de-identify within 10 days of termination of expiration of the Franchise Agreement | Payable to us.                                                                                                                                                                                                                                                                                                               |
| Indemnification                | Will vary under circumstances             | As incurred                                                                                                                   | You must reimburse us if you are held liable for claims, or otherwise incurs legal or other costs, arising from the operation of your Office. You must reimburse us and the loan origination platform provider for claims arising from use of the loan origination platform by you, your employees and your loan processors. |
| Convention Fee                 | \$100 - \$500 registration fee per person | As incurred                                                                                                                   | Attendance is highly recommended. You are responsible for all related travel and lodging expenses.                                                                                                                                                                                                                           |
| Lost Future Revenue            | Will vary under circumstances             | Upon early termination or abandonment                                                                                         | Payable to us if the Franchise Agreement is terminated early for any other reason than mutual consent.                                                                                                                                                                                                                       |

| Type of Fee <sup>1</sup> | Amount                                                                             | Due Date    | Remarks                                                                                                                                                                                                                                                                               |
|--------------------------|------------------------------------------------------------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Loan Data Export Fee     | \$250 per hour; or \$2,000 per export; dependent on the circumstances of each case | As incurred | We will facilitate the export of certain loan files and related data that you have entered into our designated loan origination platform and your transfer of data into an alternative system; provided you pay our then current fees and make a timely written request. See Item 11. |

- <sup>1</sup>. Except as otherwise noted in this Item 6, all fees are uniformly imposed and collected by and payable to us or one of our affiliates. All fees are nonrefundable unless otherwise noted.

From time to time, and solely at our discretion, we may vary, waive, reduce, defer, make an exception to, or offer a completely different alternative fee structure to the ones currently disclosed in Item 6, and such exceptions to our fee structure may be for a limited time and/or offered in connection with specific campaigns or promotions. We make no representations that such programs (“*Incentives*”) will continue to be made available and they may be discontinued at any time. In addition, we reserve the right not to make any such Incentives available in certain circumstances. Your compliance at all times with all of the material provisions the Franchise Agreement will be required for you to be eligible for any and all Incentives. If you receive any Incentives from us and you default in any of your material obligations to us under the Franchise Agreement, we will reserve the right to terminate your eligibility for any and all such Incentives. If you fail to cure any such default within the cure period provided in your Franchise Agreement, or if such default cannot be cured, then in addition to any other remedies available to us, we will reserve the right to require you to repay on demand any and all Incentives that you received from us prior to such default.

- ~~<sup>2</sup>—Except where we expressly provide otherwise, the “Contract Month” is the month in which you sign your Franchise Agreement. The Royalty Fee is due beginning with Month 7 where the Contract Month is Month 1; provided, if you enter into your Franchise Agreement on the 15th of the month or after we may, in our discretion, adjust your Royalty Fee start time to Month 8.~~

- <sup>2</sup> The Royalty will be comprised of a fixed fee component of \$2,500 per month (the “*Fixed Royalty Component*”) plus 25 Basis Points (BPs) per completed transaction per month (the “*BPs Component*”). Royalty payments begin in the seventh (7<sup>th</sup>) month after the Franchise Agreement has been signed, after expiration of the Ramp-Up Period (defined below). This initial seven-month period, from the date you sign the franchise agreement until the end of the sixth (6<sup>th</sup>) month of the franchise agreement term, is referred to as the “*Ramp-Up Period*.” If you sign your Franchise Agreement on or after the fifteenth (15<sup>th</sup>) day of the month, we may, in our discretion, extend the Ramp-Up Period to include the seventh (7<sup>th</sup>) month and start your Royalty payments in the eighth (8<sup>th</sup>) month instead.

~~Royalty~~ Loan Originator Fee:

~~The amount of the Royalty will be equal to the following schedule:~~

| <del>Time Period During the Term of the Franchise Agreement</del>  | <del>Royalty Amount (per month)</del> |
|--------------------------------------------------------------------|---------------------------------------|
| <del>Months 1 through 6, where the Contract Month is Month 1</del> | <del>\$0</del>                        |



| <u>Time Period During the Term of the Franchise Agreement</u>         | <u>Royalty Amount<br/>(per month)</u> |
|-----------------------------------------------------------------------|---------------------------------------|
| Months 7 through 9                                                    | \$2,650                               |
| Months 10 through 12                                                  | \$3,650                               |
| Month 13 and for the remainder of the term of the Franchise Agreement | \$4,650                               |

The Royalty will increase by \$250 per each additional loan originator (~~sometimes~~ referred to as a “**Loan Originator Fee**”) beyond ~~3~~seven (7) loan originators working with your Office. We also may, upon notice to you, increase the Royalty by up to 10% each year beginning twelve (12) months from the date that you open your Office. ~~In addition, we may, We reserve the right to reduce or modify the amount of the Royalty we charge for any franchisee in our sole discretion, and upon notice to you, reduce or modify royalties for a period of time.~~

Royalty Schedule for Renewals and Transfers:

~~Renewal. At renewal you will pay Royalties at the then current Royalty rate and schedule. The “Contract Month” for purposes of the renewal Royalty schedule is defined as the month in which you signed your original franchise agreement.~~

If you are renewing your franchise with us or are acquiring an existing Motto Mortgage Office, there is no Ramp-Up Period and you begin paying Royalties to us upon signing of your Franchise Agreement.

~~Transfers. When an existing franchise is transferred to you, you begin paying Royalties at transfer at the then current Royalty rates. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which the original franchise agreement was signed for the franchised business being transferred.~~

If you are operating a Branch Office and wish to transfer the rights granted by the Branch Office Amendment, the Branch Office must be transferred together with the Office. The transferee will be required to sign a new Branch Office Amendment as of the date the new franchise agreement is executed and the new Brand Office Amendment may have different terms that may be materially different from your current Branch Office Amendment.

- You will be required to pay all fees, dues, and charges in accordance with such procedures that we may specify. As of the issuance date of this Disclosure Document, we accept payment via credit card, electronic funds transfer (“**EFT**”), or automated clearinghouse transfer (“**ACH**”). We reserve the right to specify alternate methods of payment or to require payment other than these payment methods you agree to comply with our payment instructions and procedures. If we elect to accept other alternative forms of payment, you agree to pay any associated processing fees and surcharges. Before your Office begins operating, you may be required to sign and deliver to us the documents we require to authorize us to debit your business checking account for the Royalties, Marketing Fund Fees, and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates (the “**Electronic Depository Transfer Account**” or “**EDTA**”). We will debit the EDTA for these amounts on their due dates. You will be required to ensure that funds are available in the EDTA to cover for such withdrawals. A copy of the form of Withdrawal Authorization Form (Automatic Bank Draft) current as of the issuance date of this Disclosure Document is attached to this Disclosure Document as Exhibit J. If there are insufficient funds in the EDTA to cover any amount you owe, (i) you will be required to pay us, on demand, a processing fee of \$100, plus reimbursement of our administrative expenses and charges; and (ii) we may also require that you make some or all subsequent payments to us by certified check or other form of payment we may designate. In addition to any other

remedies we may have under the Franchise Agreement, failure to timely complete the documents we need to automatically debit your checking account or debit card may result in a processing fee of \$100 per month. We reserve the right to vary the frequency and method of payment or collection or require payment other than by credit card, ACH or EFT, and you will be required to comply with those payment instructions.

4. We may increase the Marketing Fund Fee and the Branch Office Advertising Fund Fee by up to 20% each year beginning twelve (12) months from the date that you open your Office. From time to time in our sole discretion, we may also decrease or modify this fee.

The Branch Office Marketing Fund Fee is \$350 monthly per Branch Office.

5. ~~The You do not pay us a separate Marketing Fund Fee is due and payable beginning in Month 7 where the Contract Month is Month 1~~ for your Office but each month we allocate \$350 of the Fixed Royalty Component payment to the Marketing Fund.

The Branch Office Marketing Fund Fee will be due initially by (i) 90 days from the effective date of the Branch Office Amendment; and (ii) thereafter, by the 20th day of each month throughout the remainder of the term of the Branch Office Amendment and any renewals of the Amendment.

In addition to your Marketing Fund contributions, you will be required to spend, on an ongoing basis, at least \$200 per month to advertise and promote the Office. We reserve the right to increase this amount by up to 20% each year beginning 12 months from the date that you open your Office.

Marketing Fund Fee for Renewals and Transfers:

~~Renewals. At renewal you will continue paying Marketing Fund Fees, but at the then current Marketing Fund Fee rates and schedule. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which you signed your original franchise agreement.~~

If you are renewing your franchise with us or are acquiring an existing Motto Mortgage Office, there is no Ramp-Up Period.

~~Transfers. When you purchase an existing franchise, you begin paying Marketing Fund Fees at transfer at the then current Marketing Fund Fee rates. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which the original franchise agreement was signed for the franchised business being transferred.~~

6. Your renewal fee will be 50% of the ~~then current~~then-current initial franchise fee. Your renewal fee will be due at least 90 days prior to expiration of the Franchise Agreement. You must also execute our current form of franchise agreement (including the renewal addendum and additional supplemental agreements) at least 90 days prior to the expiration of the Franchise Agreement. The renewal agreement and renewal addendum shall take effect on the day after the Franchise Agreement expires.

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**Item 7**

**ESTIMATED INITIAL INVESTMENT  
YOUR ESTIMATED INITIAL INVESTMENT<sup>1</sup>**

| <b>Type of Expenditure</b>                            | <b>Amount</b>     | <b>Method of Payment</b> | <b>When Due</b>                  | <b>To Whom Payment is to be Made</b>        |
|-------------------------------------------------------|-------------------|--------------------------|----------------------------------|---------------------------------------------|
| Initial Franchise Fee <sup>2</sup>                    | \$35,000          | Lump Sum                 | Upon signing Franchise Agreement | Us                                          |
| Office Set-Up/Improvements <sup>3</sup>               | \$1,000 - \$4,000 | As Agreed                | As Incurred                      | Third-party vendors                         |
| Furniture, Fixtures and Equipment <sup>4</sup>        | \$1,500 - \$2,000 | As Agreed                | As Incurred                      | Third-party vendors                         |
| Real Estate/Rent <sup>5</sup>                         | \$500 - \$3,500   | As Agreed                | As Incurred                      | Third-party vendors                         |
| Security Deposit                                      | \$500 - \$1,000   | As Agreed                | As Incurred                      | Landlord                                    |
| Computer System and Telephone <sup>6</sup>            | \$2,000 - \$4,000 | As Agreed                | As Incurred                      | Third-party vendors                         |
| Licenses and Permits <sup>7</sup>                     | \$200 - \$3,200   | As Agreed                | As Incurred                      | Government Agencies and third-party vendors |
| Local Advertising <sup>8</sup>                        | \$0 - \$800       | As Agreed                | As Incurred                      | Third-party vendors                         |
| Professional Fees <sup>9</sup>                        | \$1,500 - \$8,500 | As Agreed                | As Incurred                      | Third-party vendors                         |
| Signage                                               | \$500 - \$1,250   | As Agreed                | As Incurred                      | Third-party vendors                         |
| Opening Inventory and Supplies <sup>10</sup>          | \$500             | As Agreed                | As Incurred                      | Third-party vendors                         |
| Education Expenses (out-of-pocket costs for 2 people) | \$1,500 - \$3,500 | As Agreed                | Before Opening                   | Third-party vendors                         |
| Insurance <sup>11</sup>                               | \$1,000 - \$2,500 | As Agreed                | As Incurred                      | Insurance Company                           |

| Type of Expenditure                                        | Amount               | Method of Payment | When Due    | To Whom Payment is to be Made                             |
|------------------------------------------------------------|----------------------|-------------------|-------------|-----------------------------------------------------------|
| Net Worth Maintenance Cost <sup>12</sup>                   | \$0 - \$150,000      | As Agreed         | As Incurred | See Note 12                                               |
| Additional Funds - 4 months <sup>13</sup>                  | \$10,000 - \$20,000  | As Incurred       | As Incurred | Third-party vendors, suppliers, utilities, landlord, etc. |
| <b>TOTAL ESTIMATED INITIAL INVESTMENT</b> <sup>11,14</sup> | \$55,700 - \$239,750 |                   |             |                                                           |

#### Explanatory Notes

1. Unless otherwise noted, all fees listed in this Item 7 are non-refundable.
2. In the event you finance your initial franchise fee you will sign a promissory note as described in Item 10 and attached to this Disclosure Document as Exhibit B.
3. Leasehold improvements may include necessary construction work and other alterations to the proposed site to create a suitable commercial space for the Office. In the event you are required to make more substantial alterations to comport with industry standards or for other reasons, your costs would be higher and you should use the higher estimate listed above and consult an expert in construction/renovation. This estimate excludes any allowances for tenant improvements that you may receive from the landlord of the premises.
4. The costs for furniture, fixtures and equipment vary depending on the size, configuration and condition of the Office.
5. Your Office can be located adjacent to or be subleased from the same office space of an Existing Business. We estimate that your Office should occupy approximately 200 – 500 square feet of space and have access to a conference room. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors and could be considerably higher in large metropolitan areas. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Rent that you pay or that is paid to you should be at fair market value.

We anticipate that some of our franchisees will own an Existing Business and that the office space for the Motto Office will be located in office space adjacent to and/or subleased from their Existing Businesses. However, if you choose to locate your Office adjacent to an Existing Business, you must pay fair market rent under RESPA, and you will pay fair market rent whether you operate your business as a standalone business or adjacent to an Existing Business. Additionally, some states allow for home offices. The estimates above take all these considerations into account. The costs to establish a Motto Mortgage Office in other premises (not located adjacent to or subleased from an Existing Business) may be higher, particularly real estate/rent, furniture, fixtures and equipment, security deposit and computer system and telephone. In addition, all estimates above are based on a Motto Mortgage Office which has a license and operates a physical office in the same state. Additional offices/licenses will require additional expenditures in the range of the amounts listed above for each additional office and/or license.

6. You must install and maintain at the Office a Computer System (defined in Item 11) that meets our specifications. We recommend that you have 2 phone lines. The estimated range of costs for the Computer System hardware and the costs of setting up your computer system and phone lines including the cost of the initial investment for certain computer system software, updates, maintenance, antivirus protection and associated items depends on whether you purchase or lease. If you or someone you employ does not have the expertise, you will need to obtain a maintenance contract with a reputable organization for your Computer System and related equipment. (See Item 11.)
7. This estimate includes the business and professional licenses you must maintain for you (or your manager) to operate the Office. You must at all times have a valid mortgage broker license, or such other license that may be required under applicable law to perform the Services. Your license fees will depend on the state in which you are licensed and in which your Office is located. Some states may have fees that are higher than others or that increase substantially as compared with the previous year, and some states may require separate licenses for your business entity and for your approved Motto Mortgage trade name.
8. Your advertising must comply with our specifications and applicable law.
9. You may need to engage professionals in order to comply with various state licensing requirements, such as hiring an accountant to audit your financials, or for you to establish a compliance management program.
10. This category covers various supplies you will need prior to opening the Office, including items such as branded office décor, including posters, door signage, post of sale materials, counter cards, business cards, letterhead, envelopes, and other items to create a branded business environment.
11. You must obtain and maintain certain types and amounts of insurance. See Item 8. Insurance costs may depend on such factor as: policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, geographic location of the office, business contents, and other factors bearing on risk exposure. Cyber insurance costs also vary depending on the information technology controls that the insured has implemented, including information about how the business encrypts data and whether they have implemented multi-factor authentication.

In addition, your state may require you to maintain a surety bond as a condition of your brokerage license. See Item 1. The cost of a surety bond will depend on a number of factors, including state requirements, the size of your business, and loan volume. You should consult an industry expert to determine this amount according to your circumstances.

12. In certain states, in order to obtain and maintain licensure as a mortgage broker, you are required to meet and maintain a minimum net worth requirement. Some states have a positive net worth requirement without specifying an amount, while others require a specific minimum net worth amount. The business entity through which you operate a mortgage brokerage business must maintain this minimum net worth requirement; personal net worth may not be used to satisfy these state minimum net worth requirements. Many states require this minimum net worth to be met through tangible assets, such as cash. Some states require you to submit audited financials as proof of meeting net worth minimums. In states where there are net worth requirements, this net worth must be maintained to keep an active license. You are responsible for understanding and complying with the minimum net worth requirements in your state, if applicable.
13. This is an estimated range of costs you might incur prior to opening your Office and/or during the first 4 months of operation as a franchisee and is based on the assumption that you have an office with 200 – 500 square feet during the initial phase of the Office’s operation. To compile these estimates we relied on our experience in business and the mortgage industry as well as the experience of our senior executives and employees who work with Motto Mortgage Offices. However, the range of total expenditures you incur may vary considerably from the amounts estimated above. For instance, if your Office is larger than 500 square feet, your initial outlay may be considerably higher than the upper range listed in the table, depending upon how much additional space you lease. Initial investment costs for particular categories may also vary significantly depending on a number of factors including such things as the geographic location of the Office and whether or not it is a conversion of an existing mortgage brokerage office. For example, if the Office is

located in a luxury resort community, your initial investment costs could be substantially higher than the upper range indicated in the table. On the other hand, if you are converting an existing mortgage brokerage office rather than starting a new office, your initial investment costs may be closer to the lower range indicated in the table. Your costs will depend on such factors as: how much you follow our methods and procedures (including those about size of office); your management experience and business acumen, experience in the mortgage or a related industry; local economic conditions; the local market for mortgage services; loan originator compensation rates; competition; and the production volume, if any, reached during the initial period. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

14. This item estimates your initial startup expenses (other than the items identified separately in the table). These expenses include payroll costs (but not any draw or salary for you); installations; utility costs; materials; and any unforeseen incidental expenses related to facilities improvements. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. To compile these estimates, we relied on our experience in business and the mortgage industry as well as the experience of our senior executives and employees who work with Motto Mortgage Offices. However, the range of total expenditures you incur may vary considerably from the amounts estimated above. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

Except as discussed in Items 5 and 10, we do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on many factors, such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan. The monetary figures reflected in this category do not include any amounts you may need for personal or living expenses and do not include any costs which you might incur to acquire an existing business or its assets.

These initial investment costs will also apply to the opening of a Branch Office, should you desire to open one and should we grant you permission to do so. If you open a Branch Office during your initial startup phase you should consider the cost of opening the Branch Office in addition to the cost of opening your Office.

#### Note to Franchise Transferees

It is up to you and the transferring franchisee to negotiate and determine the purchase price for the Office and associated Branch Offices if any, which may include some or all of the items listed in the above chart. We will not necessarily review or comment on the sufficiency or appropriateness of the purchase price to be paid by you. To the extent that any of the items listed above are not included in the purchase price, you may need to incur these costs in addition to the purchase price. If you open any Branch Office subsequent to the transfer, then the items listed in the above chart will apply for each Branch Office (see footnote 11 above).

#### Note to Renewal Franchisees

Upon renewal, as you already have an established office, you will not incur all of the above estimated amounts. However, we may require you to take certain actions to bring the Office (and/or Branch Offices, if any) up to date with our then current standards. You may also be required to take additional educational courses as a requirement of renewal. The costs of such actions will vary depending on the circumstances. If you open any Branch Office subsequent to renewal, then the items listed in the above chart will apply for each Branch Office (see footnote 12 above).

## Item 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You will be required to operate the Office according to the mandatory elements of the System. The System also includes recommended practices that exist as a resource for franchisees to control the manner and means of their independently owned, operated, and licensed franchise businesses. In addition to compliance with all of the mandatory terms of the Franchise Agreement, you will be required to adhere strictly to the other mandatory elements of the System, as set forth in the most current edition of the *Motto Mortgage Brand Standards: Trademarks and Usage* or its successor and any supplemental brand standards that may be provided to you by us, which are designed to protect the Marks, the goodwill they reflect, and the reputation of the Motto Mortgage network, and which may be amended from time-to-time (collectively, the “**Brand Standards Manual**”).

To protect the Marks and to facilitate your compliance with certain communication and reporting requirements, mandatory elements of the System regulate, among other things, the use of the Marks in signs, letterhead, business cards and other promotional materials, and the use of specific computer and hardware and software. (Franchise Agreement, Section 3.) We have the right to change these mandatory elements periodically to protect or enhance the Marks and associated goodwill, or the reputation of our network. These changes will be communicated to you in the Office Materials (see Franchise Agreement – Subsection 8.B), the Brand Standards Manual, or in other written or electronic communications.

You will be required to use specific computer systems, including a loan origination platform, an email system, and website services we provide or designate. See Item 11. You must license these software and other services from us, our affiliate(s), or such other provider(s) we designate from time-to-time. We may in the future develop further specifications for your computer hardware and software, and you will be required to obtain or upgrade computer equipment consistent with those specifications.

Wemlo offers loan processing services to Motto Mortgage Offices and other mortgage brokerages. Subject to state law, you are required to use wemlo for loan processing. You are required to sign a processing agreement with wemlo, the “**wemlo Processing Agreement**”, which is attached to this Disclosure Document as Exhibit A-10. We reserve the right to allow you, in our sole discretion, exceptions in certain circumstances to use alternative loan processors, and in those cases you and your loan processors may be required to sign applicable user agreements and you will be responsible for the actions of your loan processors. When you utilize wemlo loan processing services, you or your borrowers will be assessed at the then current rate for the services provided; which as of the issuance date of this Disclosure Document is \$825 for each closed loan, provided the loan is with a Listed Mortgage Wholesaler (described below) and meets certain loan product requirements (including a minimum credit score). If these requirements are not met the fee may be higher or processing may be unavailable. All fees, terms, and conditions are subject to change at any time, without notice.

You will be required to use wemlo’s loan origination platform, known as the Loan Brokering System<sup>SM</sup> (“**LBS**”) and to sign the “**LBS Agreement**” attached to this Disclosure Document as Exhibit A-11. We include in the Royalty Fee the cost of the license to use the LBS. See Item 11.

As a mortgage broker you will execute mortgage brokerage agreements with the lenders that underwrite and fund the mortgage loans you originate. We provide you with information about our mortgage aggregators, mortgage purchasers, and mortgage lenders (collectively, the “**Mortgage Wholesalers**” and each individually a “**Mortgage Wholesaler**”) and other parties we have approved and with which you may want to do business.



You will be able to arrange loan products from lenders that are available from our approved list of Mortgage Wholesalers (***“Listed Mortgage Wholesalers”***). You are not limited to work with only Listed Mortgage Wholesalers. We do not require you to submit alternative suppliers or Mortgage Wholesalers to us for approval.

Most of these Listed Mortgage Wholesalers limit their loan products, such as by offering only Qualified Mortgages (***“QMs”***) under Regulation Z. Accordingly, we anticipate that the vast majority of loans you originate will be QMs. These QMs have specific loan product characteristics, including a limit on points and fees paid by the borrower, which must be no more than 3% of the loan, including compensation from either the lender or consumer to a mortgage broker. (In addition, this limit may include certain fees of an affiliate of the mortgage broker providing services related to the loan.) Since other costs, such as lender origination fees, may count towards the 3% limit on a given loan, your total compensation with respect to a QM will necessarily be less than 3%. You should conduct your own investigation of the rate of compensation that may be available in your market. In some states requirements for the years of experience of the responsible/qualifying individual in your office may be higher than in other states or other requirements, such as a specified minimum ownership interest in the business, may apply. You are responsible for investigating requirements specific to the state(s) in which you operate. We are also aware that some Mortgage Wholesalers may calculate loan compensation in connection with an ancillary business and/or interpret other regulatory requirements in a way that is less favorable to mortgage brokers with affiliated businesses than other Mortgage Wholesalers and you should determine whether you plan to operate an ancillary business, such as a title company, and consider varying methods of calculating loan compensation and what impact that may have on your business(es).

Listed Mortgage Wholesalers will require that you be approved by them and you will be required to provide information and an application form, which will likely be updated on an annual basis, in order to enable the Listed Mortgage Wholesaler to have sufficient information to make that determination. You will also have to execute a mortgage broker agreement with each Listed Mortgage Wholesaler with which you choose to do business, and other forms, which will include representations and warranties you make as to information you and your mortgage prospect have provided or will provide and an indemnification responsibility per loan regarding your mortgage origination services. Lenders will have the right under these agreements to recover damages and to require indemnification by you for breaches of any such representations and warranties even though the lender is the party underwriting the loan. These agreements also require compliance with the lender’s required guidelines, and all applicable legal and regulatory requirements.

In addition, each Listed Mortgage Wholesaler may have different or additional requirements, such as a higher level of insurance (as compared with the requirements in your franchise agreement), different required software and associated training, and other requirements, which may result in added expense and liability, and which you and/or your loan originators must obtain or comply with to be able to submit loan applications to them.

We may modify, add, and/or remove Mortgage Wholesalers from the list of Listed Mortgage Wholesalers at any time in our sole discretion. You may request that we approve an additional supplier or Mortgage Wholesaler and add that Mortgage Wholesaler to the list of Listed Mortgage Wholesalers. We have the right to review your proposed supplier or Mortgage Wholesaler and to charge you a fee for conducting the review and adding the supplier or Mortgage Wholesaler to the list of Listed Mortgage Wholesalers. We typically grant or deny approval within 6 months of our receipt of a full completed application packet. We may limit the number of approved suppliers and mortgage products and Listed Mortgage Wholesalers. As of the date this Disclosure Document was issued, we are not a Mortgage Wholesaler and we are not affiliated with any Mortgage Wholesaler.



Aside from the requirements as described above, as of the issuance date of this Disclosure Document, there are no goods, services, supplies, fixtures, equipment, inventory, or computer hardware and software relating to the Office's establishment or operation that you will be required to purchase, lease, or license from us or a designated supplier, although we reserve the right to require that certain goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software relating to the Office's establishment or operation be purchased exclusively from us or to designate exclusive specific suppliers for such products and services in the future. If items such as exterior office signs, stationery, and business cards meet the minimum standards and specifications set forth in the Brand Standards Manual, they need not be purchased or leased from approved suppliers. We do, however, maintain a list of approved suppliers from which these items may be procured. We do not assume any liability for the acts or omissions, or guaranty the performance, of any supplier, whether approved or not.

We and our affiliates have the right to receive payments or other consideration from suppliers as a result of their actual or prospective dealings with you and other franchise owners and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purpose. Payments or consideration may include a flat fee (which may be up to \$5,000), access fee, rebate, percentage, or other consideration (including a percentage of net sales up to 5%) from approved suppliers, not including Mortgage Wholesalers or certain other providers (real estate settlement service providers), as a result of their sale of products, services or supplies to franchisees, and we have the right to modify these fees, rebates, percentages, or other consideration in the future.

David L. Liniger owns an interest in EDR Travel, Inc. ("**EDR**"), which is one of our approved suppliers of travel agency services. You are not required to use EDR.

To the best of our knowledge, none of our other officers other than described as above own a material interest in any other approved supplier (not counting minimal interests possibly owned through mutual funds).

### Insurance

You will be required to obtain and maintain, at your expense, such insurance coverage that we require from time-to-time and to meet the other insurance related obligations in the Franchise Agreement. This insurance must include, at a minimum, the following types of coverage:

(1) Comprehensive general liability insurance insuring against claims for bodily and personal injury, and death and property damage, caused by or occurring in conjunction with the operation of the Office or otherwise in conjunction with the conduct of your business, in the face amount of not less than \$2,000,000 per occurrence or claim and annual aggregate. Coverage must also include broad form contractual liability, broad form property damage, personal and advertising injury, premises liability and products liability.

(2) Mortgage Brokers Errors and Omissions insurance in the face amount of not less than \$1,000,000 per occurrence or claim and annual aggregate with a retroactive date that pre-dates the commencement of professional services. Such policy shall not have a deductible or retention greater than \$10,000.

(3) Automobile liability insurance covering each vehicle titled or leased in your name or the name of the Franchise or any of its Owners and used at any time for the business of the Franchise. Each such automobile liability insurance policy must be carried in at least the following limit: bodily injury and property damage combined single limits of \$1,000,000. The policy must include any auto or owned, hired and non-owned automobile coverage.

(4) Workers' compensation insurance in amounts prescribed by law. Employer's liability must be carried with a limit of \$1,000,000 for each accident, each occupational disease, and occupational disease aggregate.

(5) Cyber/Network Security and Privacy Liability Insurance (which must include coverage for phishing, social engineering, extortion, threats and ransom payments, incident and public relations response costs, business interruption loss, and similar claims) in an amount of not less than \$1,000,000 combined single limit to cover civil, regulatory, and statutory damages, contractual damage, as well as data breach management exposure, and any loss of income or extra expense as a result of actual or alleged breach, violation or infringement of right to privacy, consumer data protection law, confidentiality, or other legal protection for personal information, as well as confidential information of Motto Franchising, LLC and other Related Parties that we may designate, as well as their respective officers, directors, and employees (but if, after using your best efforts, you are unable to obtain coverage of \$1,000,000 due to the size of your Office, then in an amount that is appropriate for the size of your Office, but in no event should the combined single limit be less than \$500,000).

(6) Any insurance coverage required by the terms of any lease or required by any lender for the Premises and operations.

(7) Any additional policies and insurance coverage that may be required by law in amounts prescribed by law.

We recommend that you obtain and maintain media liability insurance and employment practices liability insurance, and that you consult with an insurance professional to determine the level of coverage that would be best for your Office.

Where available, you will also be required to ensure that such additional insurance policies name Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC (and other Related Parties that we may designate, as well as their respective officers, directors, and employees) as additional insureds, provide coverage to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC on a primary and noncontributory basis, and contain a waiver by the insurance carrier of all subrogation rights against Motto Franchising, LLC, RE/MAX Holdings, Inc. and RE/MAX, LLC and other parties covered by the insurance. We recommend that you also consult with an insurance professional regarding whether there are any additional insurance policies that you should obtain.

We may from time-to-time change the minimum amount of coverage required under any policy and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

All insurance policies that you will be required to obtain must commence on or before the day the Office begins business operations, and must name Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC (and their respective officers, directors, managers, and employees) as additional insureds. The total limit of the insurance available to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC under these insurance policies is to be primary and noncontributory. As such, each of these insurance policies must provide Motto Franchising, LLC, RE/MAX Holdings, Inc. and RE/MAX, LLC primary and noncontributory insurance coverage, meaning each of the required policies must contain language stating to the effect that such policy will be primary to all other insurance available to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC and such insurer will not seek contribution from any other insurance available to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC.

All insurance policies must contain a waiver by the insurance carrier of all subrogation rights against Motto Franchising, LLC, RE/MAX Holdings, Inc. and RE/MAX, LLC and other parties covered by the insurance and must contain a provision that that Motto Franchising, LLC, RE/MAX Holdings, Inc. and RE/MAX, LLC receive 30 days prior written notice of termination, expiration, cancellation or modification of any such policy.

All insurance coverage will be required to be maintained under one or more policies of insurance – and contain such terms and conditions – as specified from time-to-time by Motto Mortgage. You will be required to obtain insurance policies with an insurance company that has an A.M. Best’s rating of at least an A- and an A.M. Best’s financial size category of at least VII.

You will be required to furnish to us, our third-party insurance tracking vendor, or our designee, a copy of the certificate of, or other evidence of the procurement of, renewal or extension of each above referenced insurance policy at least 30 days prior to the effective date of such procurement, renewal, or extension and thereafter annually or at our or our designee’s request. Should we cease using a third-party vendor or other designee to track certificates of insurance, you will be required to provide each required certificate of insurance directly to us. The insurance certificate must show compliance with all required insurance specifications. If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of such insurance, we may, at our option and in addition to any other rights and remedies we have, obtain such insurance coverage on your behalf, although we are not obligated to do so. You will be required to cooperate fully with us or our designee in our efforts to obtain such insurance policies, promptly execute any and all forms or instruments required to obtain any such insurance, allow any inspections of the premises of the Office, which are required to obtain such insurance, and reimburse us, on demand, any costs and premiums we may incur.

All third parties that you hire shall provide evidence of general liability coverage, automobile liability coverage, workers’ compensation and employer’s liability coverage, and other coverage we may deem necessary. Coverage will be in favor of you and Motto Franchising, LLC and shall include additional insured status, primary and non-contributory coverage, and waiver of subrogation.

With regard to mortgage brokers errors and omissions insurance, you will also be required to purchase an extended reporting period endorsement (also known as tails coverage) covering a period of 3 years after the expiration, termination, abandonment or transfer of the Franchise Agreement, which endorsement shall include, without limitation, the requirement to name Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC as additional insureds, provide coverage to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC on a primary and noncontributory basis, and contain a waiver by the insurance carrier of all subrogation rights against Motto Franchising, LLC, RE/MAX Holdings, Inc., RE/MAX, LLC, and other parties covered by the insurance. You will be required to provide Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC with evidence that you have obtained such errors and omissions insurance within 30 days of the expiration, termination, abandonment, or transfer of the Franchise Agreement. Should you fail to obtain appropriate tails coverage, Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC will have the right—but not the obligation—to obtain it on your behalf, and you will be required to promptly reimburse Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC for the cost thereof as well as related administrative costs.

### Computer System Specifications

You must purchase, license, and/or use computer hardware and software that meet our standards and specifications. See Item 11 of this Disclosure Document for more information about our computer and software requirements.

## Office Site and Development

You are responsible for developing the office space at the Premises. You must have a lease in place, which may be a sublease between the Existing Business and the Office. The lease must reflect that the rent for the Office is at fair market value. The Office must (i) be segregated from the Existing Business, if any; and (ii) must be capable of being locked and secured. We may inspect the Office during its development at any time, without notice to you. Payment for the office lease and all other services and facilities provided to the Office by the Existing Business, as well as other aspects of your business operations, must conform with RESPA, and the regulations and interpretations thereof, as promulgated by the Consumer Financial Protection Bureau. See Item 1. In its relationship with the Existing Business, the Office will need to be a separate and independent business. This requirement may necessitate further steps such as separate office space and office resources.

Collectively, the cost of products or services required to be purchased or leased either from designated or approved sources of supply or in accordance with our specifications represents approximately 20%-30% of your total purchases and leases in establishment and operation of the Office.

During the 2024 fiscal year, our affiliate wemlo received \$1,059,215 from the sale or lease of required products and services to franchisees, based on wemlo's 2024 unaudited financial statements. During the 2024 fiscal year, none of our revenue came the sale or lease of required products or services to franchisees.

We reserve the right to require other purchases in the future. There are currently no purchasing or distribution cooperatives as of the date this Disclosure Document was issued. Except as noted above, as of the issuance date of this Disclosure Document we do not negotiate purchase arrangements with suppliers for the benefit of franchisees or provide material benefits to you based on your use of approved suppliers or designated sources.

We will not provide you with material benefits (such as renewal or granting additional franchises) based on your use of approved suppliers.

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## Item 9

### FRANCHISEE'S OBLIGATIONS

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

| OBLIGATION                                                 | SECTION IN<br>FRANCHISE AGREEMENT                                                                                                                                       | DISCLOSURE<br>DOCUMENT ITEM |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| a. Site selection and acquisition/lease                    | Subsections 2.A and 2.C, Section 3, and Subsection 13.(B)2 of Franchise Agreement                                                                                       | Items 7, 11, and 12         |
| b. Pre-opening purchases/leases                            | Section 3 and Subsections 8.B and 8.D of Franchise Agreement                                                                                                            | Items 7 and 8               |
| c. Site development and other pre-opening requirements     | Section 3 and Subsections 8.A, 8.B, 8.C, 8.D, 8.F, 8.G, 8.H, and Subsection 13.B(2) of Franchise Agreement                                                              | Items 7, 11, and 12         |
| d. Initial and ongoing training                            | Subsections 8.G, 9.A, 9.D, 9.F, and 13.B(3) of Franchise Agreement                                                                                                      | Items 1, 6, and 11          |
| e. Opening                                                 | Section 3 and Subsection 13.B(2) of Franchise Agreement                                                                                                                 | Items 1 and 11              |
| f. Fees                                                    | Subsections 2.E(9) and 2(F), Section 6, Subsections 9.F, 12.D(14), 13.C, and 15.H of Franchise Agreement<br>Section 4 of Branch Office Amendment to Franchise Agreement | Items 5, 6, 7 and 11        |
| g. Compliance with standards and policies/operating manual | Section 4 and Subsections 8.A, 8.B, 8.C, 8.H, 8.J, and 8.K of Franchise Agreement<br>Section 7 of Branch Office Amendment to Franchise Agreement                        | Items 8 and 11              |
| h. Trademarks and proprietary information                  | Sections 4, Subsections 5.C, 5.E, 8.K, 14.B, and 14.C of Franchise Agreement                                                                                            | Items 1, 11, 13 and 14      |
| i. Restrictions on products/services offered               | Subsections 2.A, 2.C, 2.D, 4.B, 8.B, and 8.F of Franchise Agreement                                                                                                     | Items 8, 11, and 16         |
| j. Warranty and customer service requirements              | Subsections 5.B, 5.C, 8.C, and 8.F of Franchise Agreement                                                                                                               | Not Applicable              |
| k. Territorial development and sales quotas                | Subsection 2.C of Franchise Agreement                                                                                                                                   | Item 12                     |
| l. Ongoing product/service purchases                       | Sections 3 and 7 and Subsections 8.A, 8.B, 8.D, 8.H, 8.I, and 8.J of Franchise Agreement                                                                                | Item 8                      |

| OBLIGATION                                              | SECTION IN<br>FRANCHISE AGREEMENT                                                                                 | DISCLOSURE<br>DOCUMENT ITEM |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------|
| m. Maintenance, appearance, and remodeling requirements | Section 3 and Subsections 8.A and 8.B of Franchise Agreement                                                      | Items 8, 11, and 16         |
| n. Insurance                                            | Subsections 8.D and 14.K of Franchise Agreement                                                                   | Items 7 and 8               |
| o. Advertising                                          | Subsections 4.B, 6.C, 8.C, 8.J, and 9.C of Franchise Agreement                                                    | Items 6 and 11              |
| p. Indemnification                                      | Subsection 5.D of Franchise Agreement<br>Section 10 of the wemlo Processing Agreement ( <u>Exhibit A-10</u> ).    | Items 6 and 11              |
| q. Owner's participation/management/staffing            | Section 1 and Subsections 2.B, 5.B, 8.E, and 8.F of Franchise Agreement                                           | Items 1, 11 and 15          |
| r. Records and reports                                  | Subsection 6.D(2), Section 10, and Subsection 13.C(3) of Franchise Agreement                                      | Items 11 and 17             |
| s. Inspections and audits                               | Subsection 8.C and Section 11 of Franchise Agreement                                                              | Items 1, 6, and 11          |
| t. Transfer                                             | Section 12 of Franchise Agreement<br>Section 11 of Branch Office Amendment to Franchise Agreement                 | Item 17                     |
| u. Renewal                                              | Subsection 2.E of Franchise Agreement<br>Section 10 of Branch Office Amendment to Franchise Agreement             | Item 17                     |
| v. Post-termination obligations                         | Section 14 of Franchise Agreement                                                                                 | Item 17                     |
| w. Non-competition covenants                            | Subsections 5.F and 14.J of Franchise Agreement                                                                   | Items 15 and 17             |
| x. Dispute resolution                                   | Not applicable.                                                                                                   | Not applicable              |
| y. Owners/shareholders guarantee                        | Subsection 12.F of Franchise Agreement and Guaranty and Assumption of Obligations attached to Franchise Agreement | Item 15                     |

## Item 10

### FINANCING

We offer financing to franchisees for the following fees:

**Renewal Fee.** If you wish to finance the renewal fee for a Motto Mortgage Office, your renewal fee will be 50% of the then current initial franchise fee, plus an additional \$1,000 (as opposed to 50% of the then current initial franchise fee, if you pay it in one lump sum). If you wish to finance the renewal fee for the renewal of your Franchise Agreement, you must pay at least 50% of the renewal fee as a cash down payment when the renewal franchise agreement is signed, and sign a “**Promissory Note**” for the remaining balance of the renewal fee. A copy of the Promissory Note for the financing of the renewal fee is attached to this Disclosure Document as Exhibit B. Your payments on the Promissory Note will begin 90 – 120 days after the renewal franchise agreement is signed by us. In any case in which you finance the renewal fee, the balance of the renewal franchise fee will be due in 12 equal monthly installments. The monthly installments will be automatically charged to a bank account that you provide to us. If we allow you to pay by credit card, you may be charged a credit card processing fee or surcharge.

If a payment due under a Promissory Note is late, we may accept the late payment with a 10% late charge or, upon 10 days’ written notice, accelerate payment of the outstanding principal and interest. All payments will be applied first to outstanding late charges and then to principal. (Promissory Note Paragraphs 3, 4, and 5)

If the default exists after our 10 days’ written notice has expired, we may accelerate payment and subsequently refer any promissory note to an attorney for collection; all outstanding amounts will bear interest at the default rate of 20% per year (or if this rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted) and you will have to pay our reasonable attorneys’ fees and costs we incur as a result of the default. As an additional remedy if you default, we may terminate your Franchise Agreement (although this will not release you from having to pay all unpaid amounts). (Promissory Note Paragraphs 4, 6, and 14)

If you transfer any of your interest in the Franchise Agreement, the unpaid principal and interest (if applicable) balance will be immediately due and payable. (Promissory Note Paragraph 8)

If the Franchise Agreement is terminated, then your Promissory Note shall immediately become due and payable. (Promissory Note Paragraph 9)

You may not assign any promissory note without our prior written consent. (Promissory Note Paragraph 13)

You and any endorsers waive and excuse presentment for acceptance and payment, notice of dishonor and protest of dishonor and agree to any extension of time of payment. You may prepay the principal balance at any time without penalty. (Promissory Note Paragraphs 7 and 12)

Whether any promissory note will have to be secured by collateral other than the franchise itself, and whether a separate guaranty will be required, will depend primarily on your financial condition and the available collateral.

Other than described above, we do not charge any finance fees or interest to apply for or secure the financing described in this Item 10. Except as described above, we do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. We do not receive direct or indirect payments for



placing financing. Except as provided above, the Promissory Note does not contain a waiver of defenses or similar provision. We do not have any practice or intent to sell, assign or discount to a third party all or part of any Promissory Note.

We may require that the Promissory Note be guaranteed by your owners if you are a corporation or other business entity.

## **Item 11**

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

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

Before you open the Office, we will:

1. Assist you (at your request) with your selection of the Office's location, which must be approved by us. (Franchise Agreement Subsections 2.A and 2.C) While we may assist you in site selection, we will not conduct site selection activities on your behalf. Our criteria for approval includes demographic characteristics; competition from, proximity to, and nature of other businesses; and other commercial characteristics, and the proposed location's size, appearance, and other physical characteristics. The Office must be segregated from any Existing Business at the Premises and be capable of being locked and secured. You may not begin operating the Office until a location has been selected and approved. You will be required to identify an acceptable location for your Office and obtain our written approval of the location within 30 days after you sign the Franchise Agreement. Once you submit a location to us for approval, we will provide a response to you within forty-eight (48) hours. If a location is not approved for the Office within 30 days after you sign the Franchise Agreement, unless otherwise agreed, it will be deemed to be a failure of a material condition precedent to the Franchise Agreement, and entitling us to terminate the Franchise Agreement. Failure to open the Office within 180 days after the Franchise Agreement is signed will also be deemed to be a failure of a material condition precedent to the Franchise Agreement entitling us to terminate the Franchise Agreement. Your initial franchise fee is not refundable if you fail to timely locate an acceptable site for your Office or if you do not open your Office within 180 days after the Franchise Agreement is signed. We do not own the premises upon which the Office is located and therefore do not lease it to you.
2. Provide you with suggested Office specifications and layouts, but it is your responsibility to prepare a site survey, construction plans and comply with all laws and regulations. (Franchise Agreement – Subsection 3.A)
3. Identify for you the items necessary for the Office to begin operations, the minimum standards and specifications that you must satisfy, and suppliers from whom these items may be obtained (which may be limited to and/or include us, our affiliates, and/or other specified exclusive sources). (Franchise Agreement – Section 3, and Subsections 8.B, 8.K, and 9.B)
4. Issue you access to the Office Materials, which materials may be modified periodically to protect or maintain the goodwill associated with the Marks. (Franchise Agreement - Subsection 8.B) The table of contents of the various manuals comprising the Office Materials is attached



as Exhibit F; as of the issuance date of this Disclosure Document, these manuals contained a total of 545 pages.

5. Provide Motto's Initial Education Program for up to 2 people – you and another person. (Franchise Agreement – Subsections 8.G and 9.A) This education is described later in this Item.
6. Provide you with access to our Confidential Information. (Franchise Agreement – Subsection 5.E)
7. Grant you a limited, non-exclusive license to use the Marks. (Franchise Agreement - Section 4)
8. We may pay up to \$1,250 toward your expenses for engaging a licensing consultant designated by or acceptable to us. We make no representations about any licensing consultant. We are not required to provide this assistance to you in the Franchise Agreement and you are not required to utilize the services of any consultant. The consultant is not acting as your or our attorney or as a general business advisor and will not provide you legal or business advice. This benefit may be discontinued at any time. Should you discontinue your efforts to become licensed or otherwise fail to move forward in a timely manner, the consultant may discontinue services and neither we nor the consultant will have any liability to you.

During your operation of the Office, we will:

1. At your request and expense and in our discretion, provide in-person or remote consultation and guidance relating to the Office's management, including purchasing of necessary equipment, availability of mortgage products, and access to Mortgage Wholesalers and advertising and marketing materials and programs. In addition, various educational resources and other assistance will periodically be made available to you in such areas as sales, fiscal management, office opening, and recruiting and retention of loan originators. At your request and expense, and at our option, you may receive additional or special guidance, assistance, and education. (Franchise Agreement – Subsection 9.D)
2. Supplement and update (on an as-needed basis) the Office Materials and System for Motto Mortgage Offices. We may modify the System at any time and these modifications may require you to invest additional capital in the Office and/or incur higher operating costs. (Franchise Agreement – Subsections 8.B and 8.K)
3. Offer access to education, conventions, and/or seminars designed to enhance the System and provide a forum for the exchange of ideas and information on the operation of Motto offices. (Franchise Agreement – Subsections 8.G and 9.F)
4. Collect, control, and administer monies paid to Motto Mortgage's marketing and development fund (the "**Marketing Fund**" or "**Fund**"). (Franchise Agreement - Subsections 6.C and 9.C) The Marketing Fund is described in more detail below.

Unless described as above, we are not obligated by the Franchise Agreement or any other agreement to provide any other assistance or services in connection with the ongoing operation of the Office. We have the right, but not the obligation, to conduct inspections and observe the Office's operation. (Franchise Agreement – Section 11). We have the right to suspend some or all of the assistance, benefits, and services noted above or set forth in the Franchise Agreement or otherwise afforded to you as a franchisee if you fail

to make any payments to us as required under the Franchise Agreement or otherwise default in any other obligation under the Franchise Agreement. (Franchise Agreement – Subsection 6.F)

### Opening

Based on our historical experience, we estimate that the time required for you to open your Office will be approximately 90 to 180 days from the date of your Franchise Agreement. This is based on multiple factors, including: the length of time it takes to obtain your mortgage broker license and certification of insurance coverage; hire licensed and NMLS registered loan originators; the response times of state licensing agencies; the delivery schedule for equipment and supplies; completion of required education; implementation of the loan origination platform other required computer systems; and complying with local laws and regulations. You should check with your state licensing agencies to determine if additional delays may result because of current conditions or government orders that impact state agency operations. You must fulfill certain requirements under the Franchise Agreement prior to opening the Office. You must open and operate the Office within 180 days after the date on which the Franchise Agreement is executed. (Franchise Agreement – Section 3.A.)

### Marketing and Development Fund

We have established the Marketing Fund for marketing, advertising, and public relations programs and materials that we deem appropriate. ~~Each Motto Mortgage franchisee must make monthly contributions to the Fund (We will allocate \$350 per month per Office and per Branch Office as of the issuance date of this Disclosure Document) from your Fixed Royalty Component payment to the Marketing Fund, and if you have a Brand Office, you will also pay us a separate Branch Office Marketing Fund Fee of \$350 per month for the Branch Office.~~ We may increase the Marketing Fund ~~fee~~contributions by up to 20% each year, beginning 12 months from the date you open your Office.

We may at any time defer or reduce a franchise owner's Marketing Fund contributions and, upon notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. (Franchise Agreement - Section 6.C) As a result, not all franchisees contribute to the Fund on the same basis as other franchisees.

We primarily develop the strategy and implementation for brand campaigns with oversight and input from our senior management and staff. The source of our marketing materials is our in-house marketing department and we may also engage regional and national advertising agencies.

We and/or advertising agencies that we designate, if any, will direct all programs that the Marketing Fund finances (including related legal work), with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Marketing Fund may be used to pay for preparing and producing video, audio, and written materials and electronic media; costs associated with inbound marketing channels and providers (for example, Google, Facebook and Yelp); developing, implementing, and maintaining an electronic commerce website and/or related strategies; technology related services (which may include, without limitation, costs related to the development, operation, and maintenance of office and loan originator websites, software licenses, lead and customer relationship management solutions, applications, and a design center); administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. We reserve the right to make certain assets owned by us, including our websites, domain names and trademarks, available to our affiliates for purposes related to their advertising and marketing efforts, including, for example, advertising on websites we own.

The Marketing Fund may advertise locally, regionally, and/or nationally in printed or digital materials, on radio or television, and/or on the Internet. The Fund periodically may give you samples of advertising, marketing, and promotional formats and materials at no cost. We or the Fund will sell you multiple copies of these materials at their direct cost of producing them, plus any related shipping, handling, and storage charges.

We account for the Marketing Fund separately from our other funds and we do not use the Fund for its or our general operating expenses. However, we may use the Marketing Fund to pay the salaries and benefits of personnel who manage and administer the Fund, legal costs and expenses related to the Fund's activities, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, exposition and show costs, overhead relating to Fund business, and other expenses that we incur in activities related to administering or directing the Marketing Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Marketing Fund contributions.

The Marketing Fund is not a trust. We do not have a fiduciary obligation to you for administering the Fund. The Marketing Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying interest) to cover deficits, or invest any surplus for future use. Excess funds that have not been spent by the end of any given fiscal year will be carried over to the next year until these excess funds are spent for the marketing, advertising, promotional, and technology purposes (but excluding administrative costs) described above. All Marketing Fund contributions become the non-refundable property of the Fund. All monies collected and disbursed by the Marketing Fund, including any interest, dividends, capital gains or other income earned on these monies, will be accounted for separately from Motto Franchising, LLC's other funds. A portion of your annual contributions will be used to pay administrative expenses reasonably related to the direction and implementation of the Marketing Fund's purposes as described above. As part of administrative expenses, the Fund pays Motto Franchising, LLC amounts equivalent to salaries, travel, rent, and other expenses we incur in administering the Fund.

The Fund is operated under MMF, our subsidiary which is audited annually, but the Fund is not audited separately. The financial statements are not distributed to franchisees; however, upon written request, we may make certain unaudited financial information available for your review. We currently operate the Marketing Fund through a separate entity but may operate the Fund directly or through a successor entity in the future. Any successor entity will have all of the rights and duties described in this Disclosure Document.

The Marketing Fund is intended to be used to maximize general public and industry recognition of the Marks, the System, and services offered by Motto Mortgage Offices, and patronage of Motto Mortgage Offices. Although we may use the Marketing Fund to develop marketing and advertising materials and programs, and to place advertising and marketing that will benefit all Motto Mortgage Offices, we are not obligated to ensure that Marketing Fund expenditures are proportionate or equivalent to the contributions to it by Motto Mortgage Offices or that any Motto Mortgage Office will benefit directly or in proportion to its contribution to the Marketing Fund from the development of marketing and advertising materials or the placement of advertising. We may use collections agents and institute legal proceedings to collect Marketing Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Marketing Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund. We do not have any fiduciary obligations to you or any other Motto Mortgage Office in connection with the establishment of the Marketing Fund or the collection, control or administration of monies paid into the Marketing Fund, and we expressly disavow the existence of any such fiduciary relationship.

During the fiscal year ending December 31, 2024, a total of \$967,271 was spent by the Marketing Fund, of which, 0% was spent on production, 0% was spent on media placement, 82.5% was spent on technology related services, including development and maintenance (described above) and 17.5% was spent on administrative expenses.

The Marketing Fund does not spend money on advertising that is principally a solicitation of new franchisees, although, as noted above, in some instances, we may vary, waive, reduce or defer Marketing Fund Fees.

We do not require franchisees to participate in a regional cooperative advertising program.

### Your Local Advertising

In addition to your Fund contributions, you will be required to spend, on an ongoing basis, at least \$200 per month to advertise and promote the Office. We reserve the right to increase this amount by up to 20% each year beginning 12 months from the date that you open your Office. You must participate at your own expense in all advertising, promotional and marketing programs that we require. We may require that you send us monthly or periodic reports of your marketing expenditures.

Your advertising, promotional, or marketing materials must comply with our Brand Standards Manual, which may be amended from time-to-time, as well as other related guidelines we may issue, and applicable law, including regulations that are specific to the mortgage industry. You may submit them to us for our review at your discretion, but we are not required to approve your submitted materials.

### Advertising Council

We have an advertising council, the Motto Mortgage Advisory Council (“*MNAC*”) which is composed of franchisees which advises us on advertising policies and other advertising matters, among other things. MNAC members are selected annually by us in our discretion and serve in an advisory capacity only, with no decision-making power. We have the power to form, change, or dissolve the Motto Mortgage Advisory Council at any time.

### Computer System

You will be required to have and maintain a computer system, including computer hardware and/or operating software that has capabilities compatible with our communications and data reporting requirements (“*Computer System*”). As of the issuance date of this Disclosure Document, the hardware for the Computer System includes: a desktop or laptop computer, a scanner, a shredder and a printer. You will be obligated to upgrade such hardware as we specify from time-to-time as well as pay for the cost of implementing such systems, programs and procedures, including the cost of purchasing or leasing computer hardware and software that we may require. You will also be required to have access to email and high-speed Internet. Internet service provider subscription fees typically range from \$60 to \$300 per month (varies depending on such factors as the number of users). You may obtain the hardware elements of the Computer System from any vendor so long as we have not designated a sole or approved vendor for a particular component and the Computer System meets our specifications. We estimate the cost to acquire a Computer System to be between \$1,000 and \$2,500.

We reserve the right to change the Computer System at any time. There are no contractual limitations on the frequency and cost of your obligations regarding the Computer System. We are not required to reimburse you for any of these costs. In order to provide services as the provider, we will have independent access to and may have the ability to use information regarding loan files stored within the

Computer System, subject to applicable regulatory limitations and contractual limitations set forth in the agreement for the loan origination software.

Maintenance. We, our affiliates, and our designated third parties are not required to provide maintenance for your computer hardware. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the Computer System. We do not require that you purchase a maintenance contract to service the Computer System. You can contract with third party vendors for maintenance and upgrades of the Computer System at your own option and expense. It is difficult to estimate the annual cost of maintaining or upgrading your computer system hardware because it will depend on many variables such as the age and total number of computers in your Office, your usage and security practices, the cost of third-party maintenance services in your area, as well as technological advances that we cannot predict at this time. As an example, if you need 1 to 5 hours of third-party maintenance services per month, it may cost you between \$75 to \$500 per month (or \$900 to \$6,000 per year) for one computer system. When you retire computer hardware, we recommend you have the hard drive physically destroyed and we estimate the cost for that service to be \$100.

Operating Systems. You will be required to maintain current versions of the Microsoft Windows operating system or macOS. You must ensure that you obtain a genuine version of any operating system or software you obtain. The approximate cost to upgrade one version of Microsoft Windows® software or macOS may range from \$240 to \$499 per year per license and will depend in part on the version of the operating system you choose, the number of software licenses you require and certain technological advances which we cannot predict at this time. You must also maintain current versions of Microsoft Office® and we estimate that cost to be approximately \$150 per year per license.

You will be required to install and continually update Microsoft Windows (patches, service packs, and upgrades), macOS (patches and upgrades), web browser and application updates, anti-virus systems, and firewalls. We estimate the cost for these protection services or systems may range from \$50 to \$200 per computer per year, depending on the services provided.

You are required to subscribe, and ensure that each of your loan originators subscribes, to an email service we provide, with email addresses denominated with the mottomortgage.com domain.

Website Services. We and our designated third parties provide you with digital marketing tools to help you market and advertise your Office and its brokerage services. These include, among others, services to deliver webpage content regarding your Office and your loan originators to internet users browsing the website. You will be required to use the specific website and/or website services we designate, which may include website design, development, hosting and/or support as well as other associated services, such as content editing tools (“**Website Services**”). You will be required to sign an agreement with us in connection with these services, the Motto Web Hosting User Agreement, attached to this Disclosure Document as Exhibit A-6.

Office Portal. You will be required to subscribe, and ensure that each of your Loan Originators subscribes, to our office portal, which we currently refer to as MottoCenter, a password protected extranet site hosted by us (“**Office Portal**”), and to sign the Motto Portal User Agreement, attached to this Disclosure Document as Exhibit A-5. There is no cost to use the Office Portal. The Office Portal is a moderated site which enables us to share important information with you and other Motto franchisees in a secure environment, which includes access to educational programming and connections to third party tools and resources, and includes access to MottoSpark, MottoSwag, and MottoRep, as described below.



**MottoRep.** You must use our reputation and listings management service (“**MottoRep**”) which manages your online business listings. This service is also available to assist your Office manage online reviews and social media engagement.

**MottoSpark.** You must use our marketing operating system, known as “MottoSpark” which includes a customer relationship management (“**CRM**”) software tool for Loan Originators which assists with CRM and marketing and a design center in one platform. Lead capture, co-marketing and contact management tools are included. You can purchase and order marketing products and services through MottoSpark. Orders made and fulfilled via MottoSpark are provided by third parties which will charge you for their products and services. This tool is no additional cost for up to 3 users, but we may charge a fee for any additional user. You will be required to sign an agreement with us in connection with these services, the MottoSpark Agreement, attached to this Disclosure Document as Exhibit A-8.

**Mortgage Processing Software.** You are required to use wemlo’s mortgage broker software, the loan origination platform known as the LBS. You will be required to enter into the LBS Agreement with wemlo for the license and use of the LBS, which is attached to this Disclosure Document as Exhibit A-11. We or wemlo may amend that agreement from time-to-time, and you may be required to enter a modified agreement as a condition of continuing to use the LBS. Wemlo shall provide maintenance, updates, and upgrades to the LBS pursuant to the LBS Agreement. The cost of the LBS license is included in your Royalty Fee. Your license will permit use of the software only for loan origination and related services for up to 3 users, and a charge will apply for each additional user. We are not obligated to provide and do not include in the Royalty Fee any work or service that we determine is outside the scope of operating the LBS. If we agree to complete any work requested by you that is outside the scope of the LBS and which would be an upgrade, enhancement or improvement, an additional cost will be required. We will determine the cost and time required for such work in our sole discretion. Your permission to use the loan origination platform will terminate if you at any time cease to have a valid franchise agreement with us.

Except as otherwise noted above, we do not require the purchase or use of any computer system, and we provide these services at no additional cost, however, third party vendors may charge you for their products and services. In order to provide services, as the provider we will have independent access to the information and content on these services and there are no contractual limitations on our right to access the information. The types of data to be generated or stored in the Computer System include mortgage transactions and customer information. You will be required to register for access to them and to enter into agreements governing your access to and use of the services.

**MottoSwag.** You will have access to an optional tool which assists you in procuring marketing materials for your Office, known as “**MottoSwag**.” You can order products and services, such as branded stationery and apparel, through MottoSwag. A copy of the form MottoSwag Agreement is attached to this Disclosure Document as Exhibit A-7.

Although certain costs for tools and resources available to you are currently at no additional cost or paid via the Royalty Fee, we, our affiliates, or designated or approved suppliers reserve the right to charge you a monthly or other fee for any optional proprietary software or technology that we or they license to you and for other maintenance and support services that we or they may require you to receive during the term of your Franchise Agreement.

## Education

If this is your first Motto Mortgage Office, before the Office opens for business, we will provide to you or your office manager that you designate, and one additional person, an education program (“**Initial Education**” or “**Initial Education Program**”) about operating a Motto Mortgage Office. We will provide

you approximately 21 hours of education. Motto Mortgage will use various instructional materials as we conduct the Initial Education Program. If you cannot complete initial education to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement – Subsections 8.G, 9.A, and 13.B) You must complete required education within 60 days after the Agreement Date.

The Initial Education Program for up to 2 attendees is provided at no additional charge. Only those persons appropriately reflected in our records as being affiliated with your Office may accompany you. (Nonvoting shareholders with less than a certain ownership percentage threshold are not included in our records). Additional attendees beyond those we require may attend Initial Education at our then current fee, which we estimate to be \$0 to \$500.

We offer live educational opportunities at regional and national events. These events cover various topics and are offered as hourly or daily sessions. The cost of registration for these events ranges from \$0 to \$10,000; your access to educational events will sometimes be included within a comprehensive event registration fee. We also offer live educational engagements (including through in person education or webinars) that cover various intensive/advanced topics, including origination, mortgage marketing, and workflow automation. These educational engagements are offered for periods of 1 to 5 days and are charged on a time basis in amounts ranging from \$1,000 to \$10,000 plus travel expenses.

You will be responsible for all travel, meal, lodging, and entertainment expenses you or anyone else from the Office incurs for any education that is required (including Initial Education) or for any education that is optional education, wherever such education is conducted. (Franchise Agreement – Section 8.G)

We conduct the Initial Education Program six (6) times per year. As of the issuance date of this Disclosure Document, the Initial Education Program is conducted in person at our location in Denver, Colorado. Our Initial Education Program may be conducted in the future at another location we designate (including, if circumstances warrant and in our sole discretion, online education via web conferencing or webinar). Initial Education will occur after you sign the Franchise Agreement and while you are developing the Office. You must complete Initial Education to our satisfaction before you may open and begin operating your Office.

As of the issuance date of this Disclosure Document, our Initial Education Program consists of the following:

#### **INITIAL EDUCATION PROGRAM**

| <b>Subject</b>                                                                                                                                                        | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b>  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|------------------|
| Introduction/Value Proposition, Network Statistics, Mortgage Knowledge, Opening Activities, Licensing, Approved Supplier Program, Awards & Recognition, Profitability | 5                                  | 0                                   | Denver, Colorado |



| <b>Subject</b>                                                                                                                                                                                                      | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b>            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| Compliance Management Systems, Compliance/Regulatory Training, Processing & wemlo, Educational Opportunities, Data Privacy and Security, Motto Technology Tour, Branding and Marketing, Introduction to Wholesalers | 8                                  | 0                                   | Denver, Colorado           |
| Loan Products, Channel Comparison & Office Structure, Loan Originator Compensation and Compliance, Recruiting/Retention, Loan Originator Onboarding                                                                 | 4.5                                | 0                                   | Denver, Colorado           |
| Pipeline Management and workflow overview                                                                                                                                                                           | 1.25                               | 0                                   | Online, self-paced courses |
| Lead Generation                                                                                                                                                                                                     | 0.25                               | 0                                   | Online, self-paced courses |
| Mortgage Knowledge                                                                                                                                                                                                  | 0.5                                | 0                                   | Online, self-paced courses |
| Personality and Mission, Vision, Values and Belief                                                                                                                                                                  | 1.5                                | 0                                   | Online, self-paced courses |
| <b>Total</b>                                                                                                                                                                                                        | <b>21</b>                          | <b>0</b>                            |                            |

### **LBS EDUCATION PROGRAM**

| <b>Subject</b>                                                                                                                     | <b>Hours of Classroom Training</b> | <b>Hours of On-The-Job Training</b> | <b>Location</b>            |
|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|----------------------------|
| Getting Started with LBS (Learning Paths/ Self-Paced Courses by role) including Overview, navigation and loan origination process: | N/A                                | N/A                                 | Online, self-paced courses |
| <ul style="list-style-type: none"> <li>LBS for Broker Owners/ Operations Managers</li> </ul>                                       | 1.0                                | 0                                   | Online, self-paced course  |
| <ul style="list-style-type: none"> <li>LBS for Loan Originators</li> </ul>                                                         | 21                                 | 0                                   | Online, self-paced course  |
| <ul style="list-style-type: none"> <li>LBS for Processors</li> </ul>                                                               | 1.0                                | 0                                   | Online, self-paced course  |
| <b>Total</b>                                                                                                                       | <b>23</b>                          | <b>0</b>                            |                            |

We will provide you with Office Materials addressing such topics as our systems and services; office set-up; and fiscal management. Some of the materials may be provided in the form of a workbook or handbook and some will be provided to you digitally. Other than materials of general usage, you will be entitled to use the materials and forms distributed on a loan basis only. You will be required to return the materials upon termination or expiration of the Franchise Agreement.

All classroom education will be facilitated by Adam Sartin, as well as a series of guest presenters.

Our Vice President, Franchise Growth and Development, Adam Sartin, will conduct the Initial Education Program and has responsibility for our education staff, consisting of sales and marketing staff, franchise service personnel and third-party contractors. Mr. Sartin has 13 years' experience in the franchise and real estate industries, including 2 years with us as a Vice President. ~~Our LBS education program is led by Kathy Jenkins, our Director of Education. Ms. Jenkins has 15 years' experience in mortgage education, including 3 years with us as an education manager and director.~~

~~In addition, we currently use independent contractors to assist us with education, including Andrew Conner, a Certified Mortgage Professional with 24 years' experience in the mortgage industry and President of Financial Planning Tools & Services, LLC, a personal financial & business consulting company.~~

In addition, different guest speakers may make appearances at the education program to provide information about various services and programs that we offer. For example, some speakers may be existing franchisees, representatives of approved suppliers, or Listed Mortgage Wholesalers, or other industry experts.

You (or your manager) and/or other experienced employees who have previously attended our education program will be required to attend and complete to our satisfaction various education courses that we periodically provide. We may determine in our sole discretion to provide any and all education either online or in-person, or a combination thereof, (including any education we refer to as "classroom education") at the times and locations we designate. In addition to attending these courses, you may be required to attend an annual national meeting of all Motto Mortgage Office franchise owners at a location we designate. You will be responsible for all travel and lodging expenses you or anyone else from the Office incurs in connection with attending these online and in-person courses and meetings.

As of the issuance date of this Disclosure Document, we require learning paths for LBS. We also periodically offer other loan originator education at the times and locations we designate. We recommend but do not require that your loan originators complete these initial education programs provided by us; however, we may require that certain specialized or refresher education be completed as we deem necessary or appropriate from time-to-time. Loan Originators must complete education programs (provided by third parties) which are required to obtain or maintain loan originator licenses. You will be responsible for all travel, meal, lodging, and entertainment expenses you or anyone else from the Office incurs in connection with you, your loan originators and employees attending these education programs.

## 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 control.

You will be granted the right to operate the Office at a specific address-only location that first must be approved by us. You may not relocate the Office without our prior written consent. The Franchise Agreement will not give you any right of first refusal, option, or any other right to purchase, acquire, or open any additional Motto Mortgage franchises, branch offices, or extensions of the Office.

As of the issuance date of this Disclosure Document, we have no plans to operate a Motto Mortgage Office or own a mortgage brokerage business that offers services to the public. However, we may establish other franchised outlets that may compete with your location. We retain all rights to develop, locate, and operate, and to grant others the right to develop, locate, and operate, mortgage brokerage offices under another trademark or service mark or any other business under the Marks or under any other trademark or service mark or to engage in any other business activity anywhere, even if such Motto Mortgage Office or other office has an adverse impact on your business.

We and our affiliates retain all rights with respect to Motto Mortgage Offices, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including:

- (1) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering similar or dissimilar products and services under the Marks and on any terms and conditions we deem appropriate;
- (2) the right to operate, and to grant others the right to operate, Motto Mortgage Offices located anywhere under any terms and conditions we deem appropriate and regardless of proximity to the Office;
- (3) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Motto Mortgage Offices, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; and
- (4) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Motto Mortgage Offices, or by another business, even if such business operates franchises and/or licenses competitive businesses.

We reserve the right to use alternative channels of distribution, including the Internet, telemarketing, and other direct marketing in any area or location, and you do not have the right to do so except as approved by us. We do not have to pay you any compensation for doing so or for exercising any of our retained rights.

Provided you obtain our consent to expand, and each applicable state law permits operation as a virtual (no physical presence) office, you may do business virtually in 2 states under each Motto Mortgage franchise agreement in addition to the state in which you first operate your Motto Mortgage business. Washington, D.C. will not count in determining the limit of 2 states in which you may do business virtually, but you must obtain all necessary licenses, comply with any other applicable law/requirements and pay fees required by your franchise agreement if you wish to do business there. We understand that as of the issuance date of this Disclosure Document, Arizona, Hawaii, Missouri and Nevada may not allow a virtual (no physical presence) office. If you wish to pursue a virtual business under your franchise agreement, it is your responsibility to understand the relevant state virtual office requirements. You should be aware that state licensing requirements are subject to change at any time. For each additional state in which you plan

to expand you must first obtain our written consent to expansion and the proper license in the specific location or state requested. We grant consent to expand in our sole discretion and may consider factors such as whether you are in good standing and whether all your office equipment and software is up to date. There are no restrictions on your right to solicit or accept loan applications from consumers in the states in which you operate. You will be expected to meet high standards of service and professionalism reflective of the goodwill and respect enjoyed by the Motto name and organization. These expectations can be met by limiting your mortgage broker services to market areas where you can serve customers and clients directly and personally and where you have the greatest knowledge of local conditions, infrastructures, community history, and the housing/mortgage market.

### Branch Offices

We may grant you the right to establish one or more Branch office locations (“Branch Offices”) to accommodate your expansion to additional physical office(s) or to add a virtual office in a state beyond the 2 additional states allowed in your franchise agreement, provided that you shall not then, or at any time thereafter prior to the opening of such Branch Office, be in default of any of your obligations arising under the Franchise Agreement, and subject to the additional conditions set forth below. You will be required to sign the Branch Office Amendment (attached as Exhibit A-9 for each Branch Office you establish).

Permission to grant you a Branch Office shall be within our sole and absolute discretion. Factors we will consider in determining whether to grant you the right to establish a Branch Office include, without limitation, the location of the proposed Branch Office, population growth and the overall market share enjoyed by the Motto Mortgage Network in the area of the proposed Branch Office, and other market conditions that may affect the desirability of establishing a Branch Office. You will be required to pay a Branch Office Initial Fee of \$2,500 (see Item 5), plus a monthly Branch Office Royalty Fee of \$1,550 and monthly Branch Marketing Fund fee of \$350. In addition, each Branch Office must pay a Loan Originator Fee of \$250 per month per Branch Loan Originator, as described in Item 6.

If you are renewing an existing Branch Office (also known as a “**Branchise**”), you will be required to sign the Branch Office Amendment (attached to this Disclosure Document as Exhibit A-9) and pay a Branch Office renewal fee of \$1,000, plus all ongoing Branch Office fees for each Branch Office that you renew (see Item 6). Each Branch Office must be located at a site approved by us. Each Branch Office shall operate as a part of the Office (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office), shall operate under the same name as the Office, and, except as otherwise provided in the Franchise Agreement, shall comply with and be subject in every respect to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office. We are not under any obligation to provide Branch Offices any of the services and benefits made available to Motto Mortgage Offices, although we may in our sole discretion provide some of these services and benefits to Branch Offices.

Branch Offices shall be “address only” locations and therefore shall have no protected area or territorial exclusivity whatsoever.

If you are operating a Branch Office and wish to continue operating it upon renewal of your franchise relationship, you will also be required to sign the Branch Office Amendment (attached as Exhibit A-9).

Although we have the right to do so (as described above), neither us nor our affiliate operates, franchises, or has present plans to operate or franchise a business under a different trademark that offers or will offer goods or services similar to those you will offer in your Office as of the date this Disclosure Document was issued.

### Item 13

#### TRADEMARKS

Motto Franchising, LLC owns certain trademarks, service marks and other commercial symbols and may in the future own additional trademarks, service marks and other commercial symbols (the “Marks”). Motto Franchising, LLC grants you a limited license to use the Marks in operating the Office. There are no agreements currently in effect that significantly limit Motto Franchising, LLC’s right to use or license the Principal Marks in a manner material to you. The principal service marks under which you will operate your Office (the “Principal Marks”) are as follows:

| MARK                                                                                                            | REGISTRATION<br>/APPLICATION<br>NUMBER | DATE FILED         | DATE ISSUED      |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------|------------------|
| MOTTO                                                                                                           | Reg. No. 5,199,317                     | September 30, 2016 | May 9, 2017      |
| <b>MOTTO</b>                                                                                                    | Reg. No. 5,199,983                     | October 12, 2016   | May 9, 2017      |
|                                | Reg. No. 5,199,984                     | October 12, 2016   | May 9, 2017      |
|  <b>MOTTO</b>                | App. No.<br>98/195,363                 | September 25, 2023 | Pending          |
|  <b>MOTTO</b><br>MORTGAGE    | Reg. No. 5,896,770                     | April 25, 2019     | October 29, 2019 |
| <br><b>MOTTO</b><br>MORTGAGE | Reg. No. 5,896,782                     | April 25, 2019     | October 29, 2019 |

These Principal Marks, which cover mortgage brokerage services, either are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) or are the subject of pending applications filed with the USPTO. No renewal filings are yet due in connection with these registrations. All affidavits required as of the issuance date of this Disclosure Document have been filed. There are no agreements that limit our right to use or license the Marks. If our right to use the Principal Marks is challenged, we may require you to change to substitute trademarks, which may increase your expenses.

You will be required to follow our rules when you use the Marks. You will not be permitted to use any Mark as part of your corporate or legal business name or with any modifying words, designs or symbols.

You will not be permitted to use any Mark in connection with the performance of any unauthorized services or the sale of any unauthorized products or in any other manner Motto has not expressly authorized in writing.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Principal Marks. There are no pending infringement, opposition, or cancellation proceedings that could materially affect the use of the Principal Marks.

You will be required to notify us immediately of any third-party infringement or challenge to your use of any of the Marks, or of any claim by any person of any rights in any of the Marks or a similar mark, and you may not communicate with any person other than Motto Franchising, LLC and its attorneys regarding any such infringement, challenge, or claim. We have the right to take the action we deem appropriate and to control exclusively any litigation, or other proceeding arising from any infringement, challenge, or claim relating to any of the Marks. You will be required to sign any documents, provide such assistance, and take any other reasonable, lawful action that Motto Franchising, LLC's attorneys say is necessary or advisable to protect and maintain Motto Franchising, LLC's interests in any litigation or proceeding related to the Marks or otherwise to protect and maintain Motto Franchising, LLC's interests in the Marks.

If it becomes advisable at any time in our sole discretion for you to modify or discontinue the use of any of the Marks and/or to use one or more additional or substitute trademarks or service marks, you will be required, at your expense, to comply with our directions within a reasonable time after receiving notice. We are not obligated under the Franchise Agreement to reimburse you for your expenses associated with changing the Office's signs and promotional materials, for any loss of revenue due to any modified or discontinued Mark, any loss of goodwill associated with any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

We are not obligated by the Franchise Agreement to protect your right to use the Marks or to protect you (by way of indemnification or otherwise) against infringement or unfair competition claims arising from your use of the Marks. However, we intend to take whatever action we deem necessary to protect our rights in the Marks and its right to set standards to govern use of the Marks by Motto Mortgage Offices.

We do not actually know of either superior prior rights or infringing uses that could materially affect a franchisee's use of our Principal Marks in any state.

## **Item 14**

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

There are no patents or pending patent applications that are material to the franchise.

Motto Mortgage claims copyrights in various materials used by Motto Mortgage Offices, including the Office Materials (which may include audiovisual works, manuals, handbooks, and workbooks). These copyrights have not been registered with the United States Copyright Office. You may use these items only as we specify and only while operating your Office under the Franchise Agreement.

There are no currently effective material determinations of the United States Copyright Office or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use

the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We are not required to protect or defend copyrights, although we intend to do so if in the System's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We are not required to participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

The Office Materials that you will be allowed to use in operating your Office include our confidential information, consisting of education and office materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Motto Mortgage Offices; marketing and advertising programs for Motto Mortgage Offices; any computer software or similar technology that is proprietary to us or the System; knowledge of specifications for and suppliers of products and supplies; knowledge of the operating results and financial performance of Motto Mortgage Offices other than your Office; and graphic designs and related intellectual property. You will not be permitted to use this confidential information in an unauthorized manner, and you will be required to take reasonable steps to prevent its disclosure to others.

You will be required to notify us immediately of any third-party infringement of or challenge to any of its copyrights, or of any claim by any person of any rights in any such copyright, and you will not communicate with any person other than us and our attorneys in connection with any such infringement, challenge or claim. We have the right to take whatever action we deem appropriate and to control exclusively any litigation or other proceeding arising from any infringement, challenge, or claim relating to any of its copyrights. You will be required to sign any documents, provide such assistance, and take any other reasonable, lawful action that our attorneys say is necessary or advisable to protect and maintain our interests in any litigation or proceeding related to our copyrights or otherwise to protect and maintain our interests in its copyrights.

If it becomes advisable at any time in our sole discretion for you to modify or discontinue the use of any material covered by a copyright and/or use one or more additional or substitute materials, you will be required, at your expense, to comply with our directions within a reasonable time after receiving notice.

There currently are no effective determinations of the U.S. Copyright Office or any court regarding any of the copyrighted materials nor are there any infringing uses actually known to us that could materially affect a franchisee's use of the copyrighted materials in any state. Further, there are no agreements currently in effect that significantly limit our right to use or authorize franchisees to use the copyrighted materials. We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so when this action is in the best interests of the Motto Mortgage System.

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## Item 15

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

You will be required to operate the Office in accordance with the provisions of the Franchise Agreement, to perform all obligations contained in the Franchise Agreement and to continuously exert your best efforts to promote and enhance the business of the Office for the term of the Franchise Agreement. You will not be permitted to engage in any other mortgage brokerage business or other business or enterprise that may be in competition with us.

You must maintain a competent, conscientious, trained staff, including a fully trained, full-time manager (which may be you or, if you are an entity, your owner), who will be responsible for direct supervision of the Office and who must at all times hold such licenses as may be required under applicable law to perform the Services. Your full-time manager must sign the Trademark and Post-Termination/Other Obligations Acknowledgement described below. The Office must be staffed with at least 1 full time licensed loan originator or as required by state law. For any additional loan originator beyond 3 loan originators that work in your Office, you must notify us and pay the additional fees required. Your manager must devote sufficient time and efforts to the management and supervision of the Office. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Office. System standards may regulate loan originator qualifications. Your manager must attend and complete to our satisfaction Initial Education and other various education courses that we periodically provide.

You must require your manager and loan originators to agree in writing (i) not to encourage or induce: (a) a mortgage wholesaler or lender to discontinue its business relationship with you, your affiliates or other Motto Mortgage franchisees or (b) any customer to discontinue its relationship with you or your affiliates and (ii) to comply with obligations regarding our Marks. The current form of the agreement regarding our Marks, the Trademark and Post-Termination/Other Obligations Acknowledgement, will be attached to the Franchise Agreement as Exhibit B and Motto Mortgage will be a third-party beneficiary of that agreement with independent enforcement rights.

You, or if you are a corporation, partnership, limited liability company, or other business entity, each of your owners, will not only be required to personally guarantee your obligations under the Franchise Agreement but must also agree to be personally bound by, and personally liable for, the breach of every provision of the Franchise Agreement, including monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. If you are a corporation, partnership, limited liability company or other business entity, and you, in turn, are owned by another business entity or entities, each owner of that business entity or those business entities must also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, including monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. This “Guaranty and Assumption of Obligations” is attached to the Franchise Agreement, which is Exhibit A to this Disclosure Document.

## Item 16

### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may operate your Office only at the approved location. You may only perform “***Permitted Mortgage Services,***” which, as defined in the Franchise Agreement, means activities directly related to the business of solicitation and processing of mortgage loan applications and the origination of loans secured by real estate (collectively, the “***Services***”). The Services you may perform expressly exclude making, issuing, selling, or funding mortgage loans, as well as offering or performing credit repair or credit reporting services or any real estate related services or activities, including real estate brokerage services, title insurance, title agency or title searches, insurance brokerage or other insurance related services or products, escrow, settlements or appraisal services and home inspection services. Subject to the restrictions in the Franchise Agreement (Franchise Agreement Subsection 5.F.), you may perform these or other non-mortgage related or ancillary services, provided you: (i) obtain our prior written consent; (ii) do not use the System or the Marks in connection with the non-mortgage related or ancillary services or businesses; (iii) properly segregate the operations of any of these services or businesses from the operation of the Office; and (iv) are in full compliance with the Franchise Agreement and all applicable laws, ordinances and regulations.

The Office must be segregated from the Existing Business operating at the Premises and capable of being locked and secured. Our System standards may describe recommended settlement service fees you receive or pay to an affiliate or third party, equipment, materials, supplies and products; and discouraged services, products, equipment, materials, and supplies. They may also describe the characteristics of appropriate Mortgage Wholesalers.

You may hire or retain up to 3 loan originators to assist you with the provision of the Services to customers; hiring additional loan originators requires prior written notice to us. The loan originators you hire or retain must at all times have a valid license to perform the Services and must complete education satisfactory to us, whether provided by us or a third party, before providing the Services to your customers.

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**Item 17**

**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION  
THE FRANCHISE RELATIONSHIP**

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

| <b>PROVISION</b>                                  | <b>SECTION IN<br/>FRANCHISE OR<br/>OTHER AGREEMENT</b>                                                                             | <b>SUMMARY</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a. Length of the franchise term                   | Subsection 2.A of Franchise Agreement<br><br>Section 9 of Branch Office Amendment to the Franchise Agreement                       | 7-year term beginning on the Agreement Date.<br><br>The Branch Office Amendment will terminate upon the date of transfer, termination, abandonment, or expiration of the franchise agreement for the “Office” identified in the Branch Office Amendment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| b. Renewal or extension of the term               | Subsection 2.E of Franchise Agreement and Renewal Addendum<br><br>Section 10 of Branch Office Amendment to the Franchise Agreement | If you meet the requirements for renewal, you may renew your franchise relationship for a 5-year term by satisfying our renewal conditions and signing our then current form of Franchise Agreement (which may have materially different terms and conditions than your original Franchise Agreement).<br><br>For a Branch Office, Motto may permit you, in our discretion to renew and continue operation of your Branch Office if you satisfy our renewal conditions and sign our then current form of Branch Office Amendment to the Franchise Agreement (which may have materially different terms and conditions than your original Branch Office Amendment); renewal is conditioned on continuation of the Branch Office concept, which may be modified, amended or discontinued at any time. |
| c. Requirements for franchisee to renew or extend | Subsection 2.E of Franchise Agreement and Renewal Addendum<br><br>Section 10 of Branch Office Amendment to the Franchise Agreement | You can renew the franchise relationship if: <ul style="list-style-type: none"> <li>• you have complied with the terms of the Franchise Agreement;</li> <li>• you have exercised diligence in developing your Office during the term in a manner acceptable to us;</li> <li>• you sign a form authorizing Motto to obtain a consumer report and conduct a credit and background check;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                   |

| PROVISION                                  | SECTION IN FRANCHISE OR OTHER AGREEMENT                                                                         | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                            |                                                                                                                 | <ul style="list-style-type: none"> <li>• you provide us with a copy of your current financial statement;</li> <li>• you meet our then current subjective and objective standards for new franchisees;</li> <li>• you provide written notice of election to renew at least 6 months prior to the expiration of the Franchise Agreement;</li> <li>• you complete required education courses;</li> <li>• you sign the then current form of Franchise Agreement, including the then current form of renewal addendum (both of which may have materially different and less favorable terms and conditions from your Franchise Agreement) at least 90 days prior to the expiration of the Franchise Agreement and</li> <li>• you pay the renewal fee at least 90 days prior to the expiration of the Franchise Agreement</li> </ul> <p>You can renew your Branch Office if:</p> <ul style="list-style-type: none"> <li>• at least 90 days prior to the expiration of the term of the Branch Office Amendment to Franchise Agreement you pay the Branch Office renewal fee and you sign the then current form of Branch Office Amendment to the Franchise Agreement (which may have materially different and less favorable terms and conditions from your original Amendment); and</li> <li>• Motto has continued the Branch Office concept</li> </ul> |
| d. Termination by franchisee               | Not Applicable                                                                                                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| e. Termination by franchisor without cause | Not Applicable                                                                                                  | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| f. Termination by franchisor with cause    | <p>Section 13 of Franchise Agreement</p> <p>Section 9 of Branch Office Amendment to the Franchise Agreement</p> | <p>Motto can terminate your franchise if you or your owners commit any of the violations listed in Section 13.</p> <p>Motto may terminate your Branch Office Amendment to the Franchise Agreement if you commit any of the violations listed in Section 9.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| PROVISION                                 | SECTION IN FRANCHISE OR OTHER AGREEMENT                                                                                                      | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| g. “Cause” defined - curable defaults     | <p>Subsections 13.C and 13.D of Franchise Agreement</p> <p>Subsections 9.A and 9.B of Branch Office Amendment to the Franchise Agreement</p> | <p>You have 10 days to cure payment defaults (including default under promissory note) as well as records and reporting requirement defaults.</p> <p>You have 30 days to cure insurance requirement defaults and other defaults, whether or not specifically listed in Section 13.</p> <p>Under the Branch Office Amendment to the Franchise Agreement you have 10 days to cure payment defaults and 30 days to cure non-monetary defaults.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| h. “Cause” defined - non-curable defaults | <p>Subsections 2.A, 12.E, and 13.B of Franchise Agreement</p> <p>Section 9 of Branch Office Amendment to the Franchise Agreement</p>         | <p>Non-curable defaults include:</p> <ul style="list-style-type: none"> <li>• misrepresentation on application, in the Ownership and Management Information forms (<u>Exhibit A</u> to Franchise Agreement) or in financial information;</li> <li>• failure to secure an approved location for your Office and failure to open the Office within 180 days of the Franchise Agreement execution date;</li> <li>• failure to satisfactorily complete mandatory education;</li> <li>• failure to obtain and maintain a valid mortgage broker license, or such other license as may be required under applicable law to perform the Services;</li> <li>• failure to employ sufficient staff, including at least one loan originator;</li> <li>• abandonment or loss of right to occupy Office premises;</li> <li>• unapproved transfers;</li> <li>• conviction of a crime;</li> <li>• dishonest or unethical conduct;</li> <li>• failure to timely comply with a notice of noncompliance from any federal, state or local agency;</li> <li>• you make a representation or warranty on our behalf that has not been specifically authorized in writing by us;</li> <li>• you or your Owners knowingly make any unauthorized use or disclosure of any part of the Office Materials or any other Confidential Information;</li> </ul> |

| PROVISION | SECTION IN<br>FRANCHISE OR<br>OTHER AGREEMENT | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|           |                                               | <ul style="list-style-type: none"> <li>• you violate any law, or regulation governing mortgage lending or the operation of the Office;</li> <li>• you interfere with our rights or refuse to permit us to inspect the Premises or videotape its operation;</li> <li>• you fail to pay us (or our affiliates) any amounts due and you do not correct the failure within 10 days after we deliver written notice of that failure to you;</li> <li>• you or your manager(s), spouses or domestic partners, during the Term, become an officer, director, shareholder, member, licensee, partner or manager of, or otherwise directly or indirectly operate, manage, own or have any ownership interest in any business that negotiates or arranges mortgage loans or that makes, funds, or issues mortgage loans (a <b><i>“Mortgage Company”</i></b>);</li> <li>• 3 or more defaults within any 12 consecutive month time period or 2 or more repeated defaults within any 6 consecutive month time period (in either case, regardless of whether the defaults happen at the same time or at different times, and even if cured);</li> <li>• bankruptcy; an assignment for the benefit of creditors or an appointment of a trustee or receiver;</li> <li>• violation of the US Foreign Corrupt Practices Act or any law of similar effect or nature;</li> <li>• you knowingly maintain false books or records, or submit any false reports to us;</li> <li>• you interfere with our right or refuse to permit us to inspect the Office's books, records, or accounts upon request;</li> <li>• a Mortgage Wholesaler refuses to fund mortgages with you or your Office, or you submit or transfer a mortgage application to any Mortgage Wholesaler or other party not approved by us;</li> <li>• you or any of your Owners, employees or loan processors misuse or make unauthorized use of the Computer System for the Office;</li> </ul> |

| PROVISION                                             | SECTION IN FRANCHISE OR OTHER AGREEMENT                      | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       |                                                              | <ul style="list-style-type: none"> <li>• you (or any of your owners) fail to report to us all closed transactions, the names of all loan originators or any representatives of your Office for any month, and you do not correct the failure within 10 days after we deliver written notice of that failure to you;</li> <li>• failure to timely cure a default of any other franchise or other agreement between you and us or any of our affiliates; or</li> <li>• failure to timely appoint a manager or dispose of an ownership interest in event of your or a principal owner's death, incompetency, or permanent disability</li> </ul> <p>Under the Branch Office Amendment to the Franchise Agreement the Branch Office shall terminate upon the transfer, termination or expiration of the Franchise Agreement for the Office.</p> |
| i. Franchisee's obligations on termination/nonrenewal | Subsection 6.F and Section 14 of Franchise Agreement         | Obligations include payment of lost future revenue and outstanding amounts, complete de-identification and returning confidential information (also see (r) below).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| j. Assignment of contract by franchisor               | Subsection 12.A of Franchise Agreement                       | No restriction on Motto's right to assign.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| k. "Transfer" by franchisee – defined                 | Subsection 12.B of Franchise Agreement and Transfer Addendum | Includes any assignment, transfer, or encumbrance of Franchise Agreement or assets or ownership interest.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| l. Franchisor approval of transfer by franchisee      | Subsection 12.B of Franchise Agreement and Transfer Addendum | Motto has the right to approve all transfers; no transfer without Motto's prior written consent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |



| PROVISION                                                | SECTION IN<br>FRANCHISE OR<br>OTHER AGREEMENT                                                                                      | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>m. Conditions for franchisor approval of transfer</p> | <p>Subsections 8.E and 12.D of Franchise Agreement</p> <p>Section 11 of the Branch Office Amendment to the Franchise Agreement</p> | <p>Motto will not unreasonably withhold approval of transfers. Motto may require that any or all of the following conditions be met for transfers of controlling interests in you and transfers of Franchise Agreement or assets:</p> <ul style="list-style-type: none"> <li>• transferee (i) has a valid mortgage broker license or other license required by law; (ii) employs at least 1 licensed loan originator; and (iii) has sufficient business experience, and other requirements to operate the Office;</li> <li>• you pay all amounts due including the entire unpaid balance of any promissory note;</li> <li>• at least 30 days prior to the date of the proposed transfer, you submit the relevant documents we require, including the purchase and sale agreement;</li> <li>• you have complied with Franchise Agreement and other agreements with us;</li> <li>• transferee and its owners do not have an interest in a Competitive Business;</li> <li>• transferee(s) meet our subjective and objective standards for new franchisees and sign a form authorizing us to obtain a consumer report and conduct a credit and background check;</li> <li>• compensation paid is reasonably related to value of interest transferred;</li> <li>• transferee(s) are qualified individuals and complete required education;</li> <li>• lease for Office is assigned, and if required, landlord consents to the assignment;</li> <li>• any applicable agency/authority approves the transfer;</li> <li>• you submit the relevant documents that we require, sign the then current form of franchise agreement and related agreements;</li> <li>• you pay us a transfer fee equal to \$2,500 and any amounts deemed necessary by us to cover any additional costs such as administrative and legal expenses;</li> <li>• you and your owners sign a transfer agreement which may include post-transfer non-competition restrictions for you and all or some of your Owners for what would</li> </ul> |

| PROVISION                                                               | SECTION IN FRANCHISE OR OTHER AGREEMENT | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                         |                                         | <p>have been, absent such transfer, the then-remaining term of the franchise agreement, and sign a full general release in a form approved by us;</p> <ul style="list-style-type: none"> <li>• we determine purchase price and payment terms will not adversely affect operation of Office;</li> <li>• transferee(s) sign then current form of Franchise Agreement, Transfer Addendum, Guaranty, and any other required documents;</li> <li>• for 2 years you and transferring owners will not engage in competition, as defined, or improperly identify with or use Motto's Marks;</li> <li>• you and your transferring Owners will not improperly use Motto's Marks or engage in similar actions; and</li> <li>• 3-year extended reporting period endorsement on the errors and omissions insurance has been purchased (also see (r) below)</li> </ul> <p>The rights granted under the Branch Office Amendment to the Franchise Agreement may be transferred provided the Branch Office is converted to a full franchise prior to transfer and all conditions to transfer set forth in the franchise agreement are met, including payment of the transfer fee.</p> |
| n. Franchisor's right of first refusal to acquire franchisee's business | Not Applicable                          | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| o. Franchisor's option to purchase franchisee's business                | Not Applicable                          | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| p. Death or disability of franchisee                                    | Subsection 12.E of Franchise Agreement  | Upon your or a principal owner's death or permanent disability, your or such owner's interest must be sold or transferred to an approved person within 6 months, or with 60 days prior written notice, the Office may be closed if any outstanding fees have been paid in full.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

| PROVISION                                                                 | SECTION IN FRANCHISE OR OTHER AGREEMENT                                                                            | SUMMARY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| q. Non-competition covenants during the term of the franchise             | Subsection 5.F of Franchise Agreement                                                                              | Neither you (nor, if you are an entity, your owners), nor your spouse or domestic partner, your children, or your manager(s), will, during the Term become an officer, director, shareholder, member, licensee, partner or manager of, or otherwise directly or indirectly operate, manage, own or have any ownership interest in a Mortgage Company; provided, however, that Motto may waive or make an exception to this provision in certain cases if we expressly grant our prior written consent, which Motto may grant or deny in its sole discretion.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| r. Non-competition covenants after the franchise is terminated or expires | Subsection 14.J of Franchise Agreement                                                                             | Upon early termination, franchise agreement expiration without renewal after you provided notice of intent to renew, or abandonment of the Office, for 1 year no direct or indirect ownership interest in, or management role in any business that competes with Motto Franchising, LLC. In addition, upon termination (whether or not an early termination) or expiration of the franchise agreement (i) for 1 year no direct or indirect ownership interest in, or management role in any Mortgage Company operating at or within 5 miles of the Premises; and (ii) for 6 months no direct or indirect ownership interest in, or management role at any Mortgage Company that offers loans or loan-related services to consumers in any metropolitan or micropolitan statistical area where you conducted business as a franchisee, where the loans are made by or sold or assigned to any lender that is a Designated Mortgage Wholesaler at the time of termination or expiration. |
| s. Modification of the agreement                                          | Subsection 15.N of Franchise Agreement<br><br>Section 14 of the Branch Office Amendment to the Franchise Agreement | No modifications to the Franchise Agreement unless in writing and signed by all parties to the Franchise Agreement. The Brand Standards Manual is subject to change at Motto's discretion to the extent necessary to protect the Motto Marks and goodwill.<br><br>No modifications of the Branch Office Amendment to the Franchise Agreement unless in writing and signed by the parties.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| PROVISION                                         | SECTION IN<br>FRANCHISE OR<br>OTHER AGREEMENT | SUMMARY                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| t. Integration/merger clause                      | Subsection 15.Z of Franchise Agreement        | Nothing in the Franchise Agreement is intended to disclaim anything contained in this Disclosure Document. The Franchise Agreement (including the Office Materials) supersedes any previous agreements and contains the entire agreement (subject to state law). No other representations, understandings or promises are binding. |
| u. Dispute resolution by arbitration or mediation | Not Applicable                                | Not Applicable                                                                                                                                                                                                                                                                                                                     |
| v. Choice of forum                                | Subsection 15.K of Franchise Agreement        | Litigation must be in Colorado (subject to state law).                                                                                                                                                                                                                                                                             |
| w. Choice of law                                  | Subsection 15.K of Franchise Agreement        | Except for federal law, Colorado law governs (subject to state law).                                                                                                                                                                                                                                                               |

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## **Item 18**

### **PUBLIC FIGURES**

Motto does not use any public figure to promote our franchises.

## **Item 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 Adam Sartin, Vice President of Growth and Development, 5075 South Syracuse Street, Denver, Colorado, 80237-2712, (866) 668-8649, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1  
Systemwide Outlet Summary  
For Years ~~2022~~2023 to ~~2024~~2025  
and for period ~~January 1, 2025 through June 30, 2025\*~~

| Column 1<br>Outlet Type  | Column 2<br>Year | Column 3<br>Outlets at the<br>Start of Year | Column 4<br>Outlets at the<br>End of<br>Year/Period | Column 5<br>Net Change                           |
|--------------------------|------------------|---------------------------------------------|-----------------------------------------------------|--------------------------------------------------|
| <del>Franchised</del>    | <del>2022</del>  | <del>192</del>                              | <del>234</del>                                      | <del>+42<sup>1</sup></del>                       |
| <u>Franchised</u>        | 2023             | 234                                         | 249                                                 | +15 <sup>1</sup>                                 |
|                          | 2024             | 249                                         | 228                                                 | -21 <sup>1</sup>                                 |
|                          | *2025            | 228                                         | <del>221</del> <u>171</u>                           | <del>-7<sup>1</sup></del> <u>-57<sup>1</sup></u> |
| <del>Company Owned</del> | <del>2022</del>  | <del>0</del>                                | <del>0</del>                                        | <del>0</del>                                     |
| <u>Company<br/>Owned</u> | 2023             | 0                                           | 0                                                   | 0                                                |
|                          | 2024             | 0                                           | 0                                                   | 0                                                |
|                          | *2025            | 0                                           | 0                                                   | 0                                                |
| <del>Total Outlets</del> | <del>2022</del>  | <del>192</del>                              | <del>234</del>                                      | <del>+42<sup>1</sup></del>                       |
| <u>Total Outlets</u>     | 2023             | 234                                         | 249                                                 | +15 <sup>1</sup>                                 |
|                          | 2024             | 249                                         | 228                                                 | -21 <sup>1</sup>                                 |
|                          | *2025            | 228                                         | <del>221</del> <u>171</u>                           | <del>-7<sup>1</sup></del> <u>-57<sup>1</sup></u> |

<sup>1</sup> Includes one Branchise office located ~~in Colorado, one in~~ Iowa, and one in Maryland.

**Table 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years ~~2022~~2023 to ~~2024~~2025**  
**and for period January 1, 2025 through June 30, 2025\***

| Column 1<br>State                      | Column 2<br>Year            | Column 3<br>Number of Transfers |
|----------------------------------------|-----------------------------|---------------------------------|
| Arkansas                               | <del>2022</del>             | 0                               |
|                                        | <del>2023</del>             | 0                               |
|                                        | <del>2024</del>             | 0                               |
|                                        | <del>*2025</del>            | 0                               |
| California                             | <del>2022</del>             | 2                               |
|                                        | <del>2023</del>             | 0                               |
|                                        | <del>2024</del>             | 0                               |
|                                        | <del>*2025</del>            | 0                               |
| Colorado                               | <del>2022</del>             | 1                               |
|                                        | <del>2023</del>             | 0                               |
|                                        | <del>2024</del>             | 0                               |
|                                        | <del>*2025</del>            | 0                               |
| Florida                                | <del>2022</del>             | 0                               |
| <u>Florida</u>                         | 2023                        | 1                               |
|                                        | 2024                        | 0                               |
|                                        | <del>*2025</del>            | 1                               |
| Georgia                                | <del>2022</del>             | 1                               |
| <u>Georgia</u>                         | 2023                        | 0                               |
|                                        | 2024                        | 1                               |
|                                        | <del>*2025</del>            | 0                               |
| <del>Illinois</del> <u>Mississippi</u> | <del>2022</del> <u>2023</u> | 1                               |
|                                        | <del>2023</del>             | 0                               |
|                                        | 2024                        | 0                               |
|                                        | <del>*2025</del>            | 0                               |
| Missouri                               | <del>2022</del>             | 0                               |
|                                        | <del>2023</del>             | 0                               |
|                                        | <del>2024</del>             | 0                               |



| Column 1<br>State                     | Column 2<br>Year | Column 3<br>Number of Transfers |
|---------------------------------------|------------------|---------------------------------|
|                                       | *2025            | 0                               |
| Mississippi                           | 2022             | 0                               |
| <u>New Mexico</u>                     | 2023             | 1                               |
|                                       | 2024             | 0                               |
|                                       | *2025            | 0                               |
| <del>New Jersey</del>                 | 2022             | 0                               |
| <u>New Jersey</u>                     | 2023             | 0                               |
|                                       | 2024             | 0                               |
|                                       | *2025            | 0                               |
| <del>New Mexico</del>                 | 20222025         | 1                               |
| <u>Pennsylvania</u>                   | 2023             | 1                               |
|                                       | 2024             | 0                               |
|                                       | *2025            | 0                               |
| Pennsylvania                          | 2022             | 0                               |
|                                       | 2023             | 1                               |
|                                       | 2024             | 0                               |
|                                       | *2025            | 0                               |
| Tennessee                             | 2022             | 0                               |
| <u>Tennessee</u>                      | 2023             | 0                               |
|                                       | 2024             | 1                               |
|                                       | *2025            | 0                               |
| Texas                                 | 2022             | 1                               |
| <u>Texas</u>                          | 2023             | 1                               |
|                                       | 2024             | 0                               |
|                                       | *2025            | 0                               |
| <del>Washington</del> <u>Virginia</u> | 20222023         | 0                               |
|                                       | 2023             | 4                               |
|                                       | 2024             | 01                              |
|                                       | *2025            | 0                               |



| Column 1<br>State   | Column 2<br>Year       | Column 3<br>Number of Transfers |
|---------------------|------------------------|---------------------------------|
|                     |                        |                                 |
| <del>Virginia</del> | <del>2022</del>        | <del>0</del>                    |
| <u>Washington</u>   | 2023                   | <del>0</del> <u>4</u>           |
|                     | 2024                   | <del>1</del> <u>0</u>           |
|                     | <del>2</del> 2025      | 0                               |
| <b>Totals</b>       | <b><del>2022</del></b> | <b><del>7</del></b>             |
| <u>Totals</u>       | 2023                   | 9                               |
|                     | 2024                   | 3                               |
|                     | <del>2</del> 2025      | <del>1</del> <u>2</u>           |

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**Table 3**  
**Status of Franchised Outlets**  
**For Years ~~2022~~2023 to 20242025**  
**and for period January 1, 2025 through June 30, 2025\***

| Col. 1<br>State        | Col. 2<br>Year              | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Terminations | Col. 6<br><u>Non-</u><br><u>Renewals</u> <del>Non-</del><br><del>Renewals</del> | Col. 7<br>Reacquired<br><u>by</u> <del>By</del><br>Franchisor | <del>Col. 8</del><br><u>Col. 8</u><br>Ceased<br>Operations<br>–<br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year/Period |
|------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|
| <del>Alabama</del>     | <del>2022</del>             | <del>2</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>2</del>                                      |
| <u>Alabama</u>         | 2023                        | 2                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
|                        | 2024                        | 2                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
|                        | *2025                       | 2                                        | 1                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 3                                                 |
| <del>Alaska</del>      | <del>2022</del>             | <del>1</del>                             | <del>1</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>1</del>                                                                        | <del>1</del>                                      |
| <u>Alaska</u>          | 2023                        | 1                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
|                        | 2024                        | 1                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
|                        | *2025                       | 1                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
| <del>Arkansas</del>    | <del>2022</del>             | <del>4</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>1</del>                                                                        | <del>3</del>                                      |
| <u>Arkansas</u>        | 2023                        | 3                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 3                                                 |
|                        | 2024                        | 3                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 3                                                 |
|                        | *2025                       | 3                                        | <del>1</del> <u>2</u>       | 0                      | <del>0</del> <u>1</u>                                                           | 0                                                             | 1                                                                                   | 3                                                 |
| <del>Arizona</del>     | <del>2022</del>             | <del>3</del>                             | <del>1</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>4</del>                                      |
| <u>Arizona</u>         | 2023                        | 4                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 1                                                                                   | 3                                                 |
|                        | 2024                        | 3                                        | 1                           | 1                      | 0                                                                               | 0                                                             | 1                                                                                   | 2                                                 |
|                        | *2025                       | 2                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
| <del>California</del>  | <del>2022</del>             | <del>7</del>                             | <del>5</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>12</del>                                     |
| <u>California</u>      | 2023                        | 12                                       | 3                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 15                                                |
|                        | 2024                        | 15                                       | 1                           | 1                      | 1                                                                               | 0                                                             | <del>1</del> <u>2</u>                                                               | <del>13</del> <u>12</u>                           |
|                        | *2025                       | <del>13</del>                            | <del>0</del>                | <del>1</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>1</del>                                                                        | <del>11</del>                                     |
| <del>Colorado</del>    | <del>2022</del> <u>2025</u> | <del>8</del> <u>12</u>                   | <del>1</del> <u>0</u>       | <del>0</del> <u>2</u>  | 0                                                                               | 0                                                             | <del>2</del> <u>0</u>                                                               | <del>7</del> <u>10</u>                            |
| <u>Colorado</u>        | 2023                        | 7                                        | 1                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 8                                                 |
|                        | 2024                        | 8                                        | 1                           | 0                      | 0                                                                               | 0                                                             | 2                                                                                   | 7                                                 |
|                        | *2025                       | 7                                        | 0                           | <del>0</del> <u>1</u>  | 0                                                                               | 0                                                             | <del>0</del> <u>2</u>                                                               | <del>7</del> <u>4</u>                             |
| <del>Connecticut</del> | <del>2022</del>             | <del>0</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>0</del>                                      |
| <u>Connecticut</u>     | 2023                        | 0                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 0                                                 |
|                        | 2024                        | 0                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 0                                                 |
|                        | *2025                       | 0                                        | 1                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
| <del>Delaware</del>    | <del>2022</del>             | <del>1</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>Delaware</u>        | 2023                        | 1                                        | 0                           | 0                      | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |

| Col. 1<br>State                     | Col. 2<br>Year              | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Terminations | Col. 6<br><u>Non-</u><br><u>Renewals</u><br><del>Non-</del><br><del>Renewals</del> | Col. 7<br>Reacquired<br><u>by</u> <del>By</del><br>Franchisor | <del>Col. 8</del><br><u>Col. 8</u><br>Ceased<br>Operations<br>–<br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year/Period |
|-------------------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|
|                                     | 2024                        | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
|                                     | *2025                       | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| <del>District of<br/>Columbia</del> | <del>2022</del>             | <del>1</del>                             | <del>1</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>2</del>                                      |
| <u>District of<br/>Columbia</u>     | 2023                        | 2                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
|                                     | 2024                        | 2                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 1                                                 |
|                                     | *2025                       | 1                                        | 0                           | 0                      | <del>0</del> <u>1</u>                                                              | 0                                                             | 0                                                                                   | <del>1</del> <u>0</u>                             |
| <del>Florida</del>                  | <del>2022</del>             | <del>23</del>                            | <del>13</del>               | <del>1</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>35</del>                                     |
| <u>Florida</u>                      | 2023                        | 35                                       | 11                          | 2                      | 0                                                                                  | 0                                                             | 1                                                                                   | 43                                                |
|                                     | 2024                        | 43                                       | 3                           | 3                      | <del>1</del> <u>2</u>                                                              | 0                                                             | 2                                                                                   | <del>40</del> <u>39</u>                           |
|                                     | *2025                       | <del>40</del> <u>39</u>                  | <del>1</del> <u>2</u>       | <del>2</del> <u>4</u>  | 1                                                                                  | 0                                                             | <del>2</del> <u>5</u>                                                               | <del>36</del> <u>31</u>                           |
| <del>Georgia</del>                  | <del>2022</del>             | <del>14</del>                            | <del>1</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>1</del>                                                                        | <del>14</del>                                     |
| <u>Georgia</u>                      | 2023                        | 14                                       | 2                           | 1                      | 0                                                                                  | 0                                                             | 1                                                                                   | 14                                                |
|                                     | 2024                        | 14                                       | 0                           | 0                      | 1                                                                                  | 0                                                             | 2                                                                                   | 11                                                |
|                                     | *2025                       | 11                                       | 0                           | <del>0</del> <u>2</u>  | <del>0</del> <u>1</u>                                                              | 0                                                             | 1                                                                                   | <del>10</del> <u>7</u>                            |
| <del>Hawaii</del>                   | <del>2022</del>             | <del>2</del>                             | <del>2</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>1</del>                                                                        | <del>3</del>                                      |
| <u>Hawaii</u>                       | 2023                        | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
|                                     | 2024                        | 3                                        | 0                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
|                                     | *2025                       | <del>2</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>2</del>                                      |
| <del>Idaho</del>                    | <del>2022</del> <u>2025</u> | 2                                        | <del>1</del> <u>0</u>       | 1                      | 0                                                                                  | 0                                                             | <del>0</del> <u>1</u>                                                               | <del>2</del> <u>0</u>                             |
| <u>Idaho</u>                        | 2023                        | 2                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
|                                     | 2024                        | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
|                                     | *2025                       | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
| <del>Illinois</del>                 | <del>2022</del>             | <del>8</del>                             | <del>3</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>11</del>                                     |
| <u>Illinois</u>                     | 2023                        | 11                                       | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 11                                                |
|                                     | 2024                        | 11                                       | 1                           | 0                      | 0                                                                                  | 0                                                             | 2                                                                                   | 10                                                |
|                                     | *2025                       | 10                                       | 1                           | <del>0</del> <u>2</u>  | <del>0</del> <u>1</u>                                                              | 0                                                             | <del>0</del> <u>2</u>                                                               | <del>11</del> <u>6</u>                            |
| <del>Indiana</del>                  | <del>2022</del>             | <del>1</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>Indiana</u>                      | 2023                        | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 0                                                 |
|                                     | 2024                        | 0                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |
|                                     | *2025                       | 0                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |
| <del>Iowa</del>                     | <del>2022</del>             | <del>2</del>                             | <del>1</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>3</del>                                      |
| <u>Iowa</u>                         | 2023                        | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 2                                                 |
|                                     | 2024                        | 2                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |

| Col. 1<br>State      | Col. 2<br>Year | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Terminations | Col. 6<br><del>Non-</del><br><u>Renewals</u><br><del>Non-</del><br><u>Renewals</u> | Col. 7<br>Reacquired<br><u>by</u> <del>By</del><br>Franchisor | <del>Col. 8</del><br><u>Col. 8</u><br>Ceased<br>Operations<br>–<br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year/Period |
|----------------------|----------------|------------------------------------------|-----------------------------|------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|
|                      | *2025          | 2                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
| Kansas               | 2022           | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| <u>Kansas</u>        | 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             | 2022           | 5                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 6                                                 |
| <u>Kentucky</u>      | 2023           | 6                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 5                                                 |
|                      | 2024           | 5                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 4                                                 |
|                      | *2025          | 4                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0 <u>1</u>                                                                          | 5 <u>4</u>                                        |
| Louisiana            | 2022           | 3                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
| <u>Louisiana</u>     | 2023           | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | 2024           | 4                                        | 0                           | 0                      | 1                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
|                      | *2025          | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0 <u>2</u>                                                                          | 3 <u>1</u>                                        |
| Maryland             | 2022           | 3                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
| <u>Maryland</u>      | 2023           | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 3                                                 |
|                      | 2024           | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
|                      | *2025          | 3                                        | 0                           | 0                      | 0 <u>1</u>                                                                         | 0                                                             | 0                                                                                   | 3 <u>2</u>                                        |
| Massachusetts        | 2022           | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
| <u>Massachusetts</u> | 2023           | 4                                        | 1                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | 2024           | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | *2025          | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0 <u>1</u>                                                                          | 4 <u>3</u>                                        |
| Michigan             | 2022           | 4                                        | 0                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
| <u>Michigan</u>      | 2023           | 3                                        | 1                           | 2                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
|                      | 2024           | 2                                        | 1                           | 0                      | 1                                                                                  | 0                                                             | 1                                                                                   | 1                                                 |
|                      | *2025          | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| Missouri             | 2022           | 3                                        | 2                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 5                                                 |
| <u>Missouri</u>      | 2023           | 5                                        | 0                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | 2024           | 4                                        | 1                           | 0                      | 1                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | *2025          | 4                                        | 2 <u>3</u>                  | 0                      | 1                                                                                  | 0                                                             | 0                                                                                   | 5 <u>6</u>                                        |
| Mississippi          | 2022           | 1                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
| <u>Mississippi</u>   | 2023           | 2                                        | 2                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | 2024           | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                      | *2025          | 4                                        | 0                           | 0                      | 0 <u>1</u>                                                                         | 0                                                             | 0                                                                                   | 4 <u>3</u>                                        |

| Col. 1<br>State           | Col. 2<br>Year              | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Terminations | Col. 6<br><u>Non-</u><br><u>Renewals</u><br><del>Non-</del><br><del>Renewals</del> | Col. 7<br>Reacquired<br><u>by</u> <del>By</del><br>Franchisor | <del>Col. 8</del><br><u>Col. 8</u><br>Ceased<br>Operations<br>–<br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year/Period |
|---------------------------|-----------------------------|------------------------------------------|-----------------------------|------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|
| <del>Montana</del>        | <del>2022</del>             | <del>1</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>Montana</u>            | 2023                        | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
|                           | 2024                        | 1                                        | 0                           | 0                      | 1                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |
|                           | *2025                       | 0                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |
| <del>Nebraska</del>       | <del>2022</del>             | <del>0</del>                             | <del>1</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>Nebraska</u>           | 2023                        | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
|                           | 2024                        | 1                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
|                           | *2025                       | 2                                        | <del>0</del> <u>1</u>       | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | <del>2</del> <u>3</u>                             |
| <del>New Jersey</del>     | <del>2022</del>             | <del>6</del>                             | <del>2</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>1</del>                                                                        | <del>7</del>                                      |
| <u>New Jersey</u>         | 2023                        | 7                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 8                                                 |
|                           | 2024                        | 8                                        | 0                           | 1                      | 0                                                                                  | 0                                                             | 1                                                                                   | 6                                                 |
|                           | *2025                       | 6                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | <del>0</del> <u>1</u>                                                               | <del>6</del> <u>5</u>                             |
| <del>New Mexico</del>     | <del>2022</del>             | <del>1</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>New Mexico</u>         | 2023                        | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
|                           | 2024                        | 1                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 2                                                 |
|                           | *2025                       | 2                                        | 0                           | <del>0</del> <u>1</u>  | 0                                                                                  | 0                                                             | 0                                                                                   | <del>2</del> <u>1</u>                             |
| <del>New Hampshire</del>  | <del>2022</del>             | <del>0</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>0</del>                                      |
| <u>New Hampshire</u>      | 2023                        | 0                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |
|                           | 2024                        | 0                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
|                           | *2025                       | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| <del>Nevada</del>         | <del>2022</del>             | <del>5</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>5</del>                                      |
| <u>Nevada</u>             | 2023                        | 5                                        | 1                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 5                                                 |
|                           | 2024                        | 5                                        | 0                           | <del>0</del> <u>1</u>  | 1                                                                                  | 0                                                             | 0                                                                                   | <del>4</del> <u>3</u>                             |
|                           | *2025                       | 4                                        | 0                           | <del>1</del>           | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
| <del>North Carolina</del> | <del>2022</del> <u>2025</u> | <del>4</del> <u>3</u>                    | <del>4</del> <u>0</u>       | <del>0</del> <u>2</u>  | 0                                                                                  | 0                                                             | <del>1</del> <u>0</u>                                                               | <del>7</del> <u>1</u>                             |
| <u>North Carolina</u>     | 2023                        | <del>7</del> <u>8</u>                    | 2                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | <del>8</del> <u>9</u>                             |
|                           | 2024                        | <del>8</del> <u>9</u>                    | 1                           | 0                      | 1                                                                                  | 0                                                             | 0                                                                                   | <del>8</del> <u>9</u>                             |
|                           | *2025                       | <del>8</del> <u>9</u>                    | 0                           | <del>0</del> <u>2</u>  | 0                                                                                  | 0                                                             | 0                                                                                   | <del>8</del> <u>7</u>                             |
| <del>North Dakota</del>   | <del>2022</del>             | <del>0</del>                             | <del>0</del>                | <del>0</del>           | <del>0</del>                                                                       | <del>0</del>                                                  | <del>0</del>                                                                        | <del>0</del>                                      |
| <u>North Dakota</u>       | 2023                        | 0                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |
|                           | 2024                        | 0                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |

| Col. 1<br>State | Col. 2<br>Year | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Terminations | Col. 6<br><u>Non-</u><br><u>Renewals</u><br><del>Non-</del><br><del>Renewals</del> | Col. 7<br>Reacquired<br><u>by</u> <del>By</del><br>Franchisor | <del>Col. 8</del><br><u>Col. 8</u><br>Ceased<br>Operations<br>–<br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year/Period |
|-----------------|----------------|------------------------------------------|-----------------------------|------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|
|                 | *2025          | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| Ohio            | 2022           | 10                                       | 2                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 11                                                |
| Ohio            | 2023           | 11                                       | 0                           | 0                      | 1                                                                                  | 0                                                             | 1                                                                                   | 9                                                 |
|                 | 2024           | 9                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 9                                                 |
|                 | *2025          | 9                                        | 3                           | 1                      | 0                                                                                  | 0                                                             | 02                                                                                  | 119                                               |
| Oklahoma        | 2022           | 3                                        | 2                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 5                                                 |
| Oklahoma        | 2023           | 5                                        | 0                           | 0                      | 1                                                                                  | 0                                                             | 0                                                                                   | 4                                                 |
|                 | 2024           | 4                                        | 0                           | 0                      | 1                                                                                  | 0                                                             | 1                                                                                   | 2                                                 |
|                 | *2025          | 2                                        | 0                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| Oregon          | 2022           | 4                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 3                                                 |
| Oregon          | 2023           | 3                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 3                                                 |
|                 | 2024           | 3                                        | 0                           | 2                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
|                 | *2025          | 1                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 1                                                 |
| Pennsylvania    | 2022           | 10                                       | 1                           | 1                      | 0                                                                                  | 0                                                             | 1                                                                                   | 9                                                 |
| Pennsylvania    | 2023           | 9                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 1                                                                                   | 9                                                 |
|                 | 2024           | 9                                        | 0                           | 1                      | 1                                                                                  | 0                                                             | 0                                                                                   | 7                                                 |
|                 | *2025          | 7                                        | 01                          | 01                     | 0                                                                                  | 0                                                             | 02                                                                                  | 75                                                |
| South Carolina  | 2022           | 4                                        | 3                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 7                                                 |
| South Carolina  | 2023           | 7                                        | 2                           | 0                      | 0                                                                                  | 0                                                             | 2                                                                                   | 7                                                 |
|                 | 2024           | 7                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 8                                                 |
|                 | *2025          | 8                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 8                                                 |
| Tennessee       | 20222025       | 58                                       | 10                          | 01                     | 0                                                                                  | 0                                                             | 0                                                                                   | 67                                                |
| Tennessee       | 2023           | 6                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 6                                                 |
|                 | 2024           | 6                                        | 1                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 7                                                 |
| Texas           | *20252022      | 724                                      | 500                         | 10                     | 1                                                                                  | 0                                                             | 027250                                                                              | 5                                                 |
| Texas           | 2023           | 25                                       | 4                           | 1                      | 0                                                                                  | 0                                                             | 0                                                                                   | 28                                                |
|                 | 2024           | 28                                       | 3                           | 0                      | 2                                                                                  | 0                                                             | 1                                                                                   | 28                                                |
|                 | *2025          | 28                                       | 12                          | 39                     | 12                                                                                 | 0                                                             | 25                                                                                  | 2414                                              |
| VirginiaUtah    | 20222023       | 30                                       | 20                          | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 50                                                |
|                 | 2024           | 0                                        | 0                           | 0                      | 0                                                                                  | 0                                                             | 0                                                                                   | 0                                                 |



| Col. 1<br>State          | Col. 2<br>Year  | Col. 3<br>Outlets<br>at Start<br>of Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Terminations  | Col. 6<br><u>Non-</u><br><u>Renewals</u> <del>Non-</del><br><del>Renewals</del> | Col. 7<br>Reacquired<br><u>by</u> <del>By</del><br>Franchisor | <del>Col. 8</del><br><u>Col. 8</u><br>Ceased<br>Operations<br>–<br>Other<br>Reasons | Col. 9<br>Outlets at<br>End of the<br>Year/Period |
|--------------------------|-----------------|------------------------------------------|-----------------------------|-------------------------|---------------------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------|
|                          | <u>2025</u>     | <u>0</u>                                 | <u>1</u>                    | <u>0</u>                | <u>0</u>                                                                        | <u>0</u>                                                      | <u>0</u>                                                                            | <u>1</u>                                          |
| <u>Virginia</u>          | 2023            | 5                                        | 2                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 7                                                 |
|                          | 2024            | 7                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 1                                                                                   | 6                                                 |
|                          | *2025           | 6                                        | <del>1</del> <u>2</u>       | <del>0</del> <u>2</u>   | <del>0</del> <u>1</u>                                                           | 0                                                             | <del>0</del> <u>1</u>                                                               | <del>7</del> <u>4</u>                             |
| <del>Washington</del>    | <del>2022</del> | <del>8</del>                             | <del>2</del>                | <del>0</del>            | <del>0</del>                                                                    | <del>0</del>                                                  | <del>1</del>                                                                        | <del>9</del>                                      |
| <u>Washington</u>        | 2023            | 9                                        | 4                           | 0                       | 0                                                                               | 0                                                             | <del>3</del> <u>1</u>                                                               | <del>10</del> <u>12</u>                           |
|                          | 2024            | <del>**</del> <u>10</u>                  | 0                           | 1                       | 0                                                                               | 0                                                             | 0                                                                                   | 9                                                 |
|                          | *2025           | 9                                        | 0                           | 0                       | 1                                                                               | 0                                                             | <del>0</del> <u>1</u>                                                               | <del>8</del> <u>7</u>                             |
| <del>Wisconsin</del>     | <del>2022</del> | <del>0</del>                             | <del>1</del>                | <del>0</del>            | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>Wisconsin</u>         | 2023            | 1                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
|                          | 2024            | 1                                        | 1                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
|                          | *2025           | 2                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 1                                                                                   | 1                                                 |
| <del>West Virginia</del> | <del>2022</del> | <del>0</del>                             | <del>1</del>                | <del>0</del>            | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>1</del>                                      |
| <u>West Virginia</u>     | 2023            | 1                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
|                          | 2024            | 1                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 1                                                 |
|                          | *2025           | 1                                        | 0                           | 0                       | 0                                                                               | 0                                                             | <del>0</del> <u>1</u>                                                               | <del>1</del> <u>0</u>                             |
| <del>Wyoming</del>       | <del>2022</del> | <del>2</del>                             | <del>0</del>                | <del>0</del>            | <del>0</del>                                                                    | <del>0</del>                                                  | <del>0</del>                                                                        | <del>2</del>                                      |
| <u>Wyoming</u>           | 2023            | 2                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
|                          | 2024            | 2                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
|                          | *2025           | 2                                        | 0                           | 0                       | 0                                                                               | 0                                                             | 0                                                                                   | 2                                                 |
| <b>TOTALS</b>            | <b>2022</b>     | <b>192</b>                               | <b>63</b>                   | <b>5</b>                | <b>1</b>                                                                        | <b>0</b>                                                      | <b>15</b>                                                                           | <b>234</b>                                        |
| <u><b>TOTALS</b></u>     | <b>2023</b>     | <b>234</b>                               | <b>39</b>                   | <b>10</b>               | <b>2</b>                                                                        | <b>0</b>                                                      | <b>12</b>                                                                           | <b>249</b>                                        |
|                          | <b>2024</b>     | <b>249</b>                               | <b>20</b>                   | <b>11</b>               | <b>13</b>                                                                       | <b>0</b>                                                      | <b>17</b>                                                                           | <b>228</b>                                        |
|                          | <b>*2025</b>    | <del>228</del> <u>**226</u>              | <del>13</del> <u>21</u>     | <del>10</del> <u>32</u> | <del>4</del> <u>13</u>                                                          | <b>0</b>                                                      | <del>6</del> <u>31</u>                                                              | <del>221</del> <u>171</u>                         |

\* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

\*\* Some totals may not reconcile with other numbers in Table 3 because postings for some events may overlap fiscal years and methods of data collection and postings may be updated or revised.

**Table 4**  
**Status of Company-Owned Outlets**  
**For Years ~~2022~~2023 to ~~2024~~2025**  
**and for period January 1, 2025 through June 30, 2025\***

| Col. 1<br>State              | Col. 2<br>Year         | Col. 3<br>Outlets at<br>Start of<br>Year | Col. 4<br>Outlets<br>Opened | Col. 5<br>Outlets<br>Reacquired<br>From<br>Franchisee | Col. 6<br>Outlets<br>Closed | Col. 7<br>Outlets<br>Sold to<br>Franchisee | Col. 8<br>Outlets at<br>End of the<br>Year/Period |
|------------------------------|------------------------|------------------------------------------|-----------------------------|-------------------------------------------------------|-----------------------------|--------------------------------------------|---------------------------------------------------|
| <b>All<br/>States</b>        | <b><del>2022</del></b> | <b>0</b>                                 | <b>0</b>                    | <b>0</b>                                              | <b>0</b>                    | <b>0</b>                                   | <b>0</b>                                          |
| <b><u>All<br/>States</u></b> | 2023                   | 0                                        | 0                           | 0                                                     | 0                           | 0                                          | 0                                                 |
|                              | 2024                   | 0                                        | 0                           | 0                                                     | 0                           | 0                                          | 0                                                 |
|                              | <b>*2025</b>           | 0                                        | 0                           | 0                                                     | 0                           | 0                                          | 0                                                 |
| <b>Totals</b>                | <b><del>2022</del></b> | <b>0</b>                                 | <b>0</b>                    | <b>0</b>                                              | <b>0</b>                    | <b>0</b>                                   | <b>0</b>                                          |
| <b><u>Totals</u></b>         | <b>2023</b>            | <b>0</b>                                 | <b>0</b>                    | <b>0</b>                                              | <b>0</b>                    | <b>0</b>                                   | <b>0</b>                                          |
|                              | <b>2024</b>            | <b>0</b>                                 | <b>0</b>                    | <b>0</b>                                              | <b>0</b>                    | <b>0</b>                                   | <b>0</b>                                          |
|                              | <b>*2025</b>           | <b>0</b>                                 | <b>0</b>                    | <b>0</b>                                              | <b>0</b>                    | <b>0</b>                                   | <b>0</b>                                          |

**Table 5**  
**Projected Openings and Franchise Agreements Signed but Outlet not yet Open**  
**as of December 31, 2025**

**Projected Openings as of December 31, 2024**  
**and Franchise Agreements Signed but Outlet not yet Open as of June 30, 2025**

| Column 1<br>State    | Column 2<br>Franchise<br>Agreements<br>Signed but Outlet<br>Not Opened | Column 3<br>Projected New<br>Franchised Outlets<br>in the Next Fiscal<br>Year | Column 4<br>Projected New<br>Company-Owned<br>Outlets in the Next<br>Fiscal Year |
|----------------------|------------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------------------------------------------|
| Alabama              | 0                                                                      | 0                                                                             | 0                                                                                |
| Alaska               | 0                                                                      | 0                                                                             | 0                                                                                |
| Arizona              | 1                                                                      | 2                                                                             | 0                                                                                |
| Arkansas             | <del>2</del> 1                                                         | 0                                                                             | 0                                                                                |
| California           | 0                                                                      | 3                                                                             | 0                                                                                |
| Colorado             | 0                                                                      | 2                                                                             | 0                                                                                |
| Connecticut          | <del>0</del> 2                                                         | 0                                                                             | 0                                                                                |
| Delaware             | 0                                                                      | 0                                                                             | 0                                                                                |
| District of Columbia | 0                                                                      | 0                                                                             | 0                                                                                |
| Florida              | 2                                                                      | 8                                                                             | 0                                                                                |
| Georgia              | 0                                                                      | 2                                                                             | 0                                                                                |

|                           |                                                                                   |                                                                                      |                                                                                             |
|---------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Hawaii                    | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Idaho                     | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Illinois                  | <del>1</del> 0                                                                    | 1                                                                                    | 0                                                                                           |
| Indiana                   | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| Iowa                      | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| <b>Column 1<br/>State</b> | <b>Column 2<br/>Franchise<br/>Agreements Signed<br/>but Outlet Not<br/>Opened</b> | <b>Column 3<br/>Projected New<br/>Franchised Outlets in<br/>the Next Fiscal Year</b> | <b>Column 4<br/>Projected New<br/>Company-Owned<br/>Outlets in the Next<br/>Fiscal Year</b> |
| Kansas                    | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Kentucky                  | <del>0</del> 1                                                                    | 1                                                                                    | 0                                                                                           |
| Louisiana                 | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Maine                     | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Maryland                  | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| Massachusetts             | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Michigan                  | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| Minnesota                 | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Mississippi               | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Missouri                  | <del>1</del> 0                                                                    | 1                                                                                    | 0                                                                                           |
| Montana                   | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Nebraska                  | <del>1</del> 0                                                                    | 0                                                                                    | 0                                                                                           |
| Nevada                    | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| New Hampshire             | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| New Jersey                | <del>0</del> 1                                                                    | 1                                                                                    | 0                                                                                           |
| New Mexico                | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| New York                  | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| North Carolina            | <del>2</del> 1                                                                    | 2                                                                                    | 0                                                                                           |
| North Dakota              | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Ohio                      | <del>0</del> 1                                                                    | 2                                                                                    | 0                                                                                           |
| Oklahoma                  | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Oregon                    | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| Pennsylvania              | <del>1</del> 0                                                                    | 2                                                                                    | 0                                                                                           |
| Rhode Island              | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| South Carolina            | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| South Dakota              | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Tennessee                 | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| Texas                     | 0                                                                                 | 5                                                                                    | 0                                                                                           |
| Utah                      | <del>2</del> 1                                                                    | 0                                                                                    | 0                                                                                           |
| Vermont                   | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Virginia                  | <del>1</del> 0                                                                    | 2                                                                                    | 0                                                                                           |
| Washington                | 0                                                                                 | 1                                                                                    | 0                                                                                           |
| West Virginia             | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Wisconsin                 | 0                                                                                 | 0                                                                                    | 0                                                                                           |
| Wyoming                   | 0                                                                                 | 0                                                                                    | 0                                                                                           |

|              |                         |           |          |
|--------------|-------------------------|-----------|----------|
| <b>Total</b> | <del>14</del> <b>11</b> | <b>42</b> | <b>0</b> |
|--------------|-------------------------|-----------|----------|

Exhibit D lists the name, business address and telephone number of each franchisee as of ~~June 30~~December 31, 2025. Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known telephone number) of every franchisee in the United States who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during our most recently completed fiscal year or who has not communicated with us within ten (10) weeks of the issuance date of this Disclosure Document.

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

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

As of the issuance date of this Disclosure Document, there is one trademark-specific franchisee organization associated with the Motto franchise system which Motto Franchising, LLC created:

Motto Mortgage Advisory Council (“*MNAC*”). MNAC does not have a separate address, telephone number, email address or web address. However, it may be contacted via its liaison, Adam Sartin, Vice President, Franchise Growth and Development, Motto Franchising, LLC, 5075 South Syracuse Street, Denver, Colorado 80237-2712; (866) 668-8649; adam.sartin@mottomortgage.com.

As of the issuance date of this Disclosure Document, there are no other trademark-specific franchisee organizations that were created, sponsored, or endorsed by us.

The following independent franchisee organizations have asked to be included in this Disclosure Document: None.

## Item 21

### FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit C are the audited financial statements of Motto Franchising, LLC, which are comprised of the consolidated balance sheets of Motto Franchising, LLC as of December 31, 2024 and 2023, and the related consolidated statements of loss, member’s equity, and cash flows for each of the years in the three-year period ended December 31, 2024.

## Item 22

### CONTRACTS

The following agreements are exhibits attached to this Disclosure Document:

#### **EXHIBITS**

- Exhibit A      Franchise Agreement
- Exhibit A-1    Form of Renewal Addendum – Address Only
- Exhibit A-2    Form of Transfer Addendum

|              |                                                              |
|--------------|--------------------------------------------------------------|
| Exhibit A-3  | [RESERVED]                                                   |
| Exhibit A-4  | Form of Motto Mortgage Email User Agreement                  |
| Exhibit A-5  | Form of Motto Portal User Agreement                          |
| Exhibit A-6  | Form of Motto Web Hosting User Agreement                     |
| Exhibit A-7  | Form of MottoSwag User Agreement                             |
| Exhibit A-8  | Form of Motto Spark User Agreement                           |
| Exhibit A-9  | Form of Branch Office Amendment                              |
| Exhibit A-10 | Form of wemlo Processing Agreement                           |
| Exhibit A-11 | Form of LBS Agreement                                        |
| Exhibit B    | Form of Promissory Note                                      |
| Exhibit G    | Form of Franchisee Disclosure Questionnaire                  |
| Exhibit J    | Form of Withdrawal Authorization Form (Automatic Bank Draft) |

### **Item 23**

#### **RECEIPTS**

The last two pages of this Disclosure Document are identical pages acknowledging receipt of this entire Disclosure Document (including the exhibits). Make sure that you indicate the franchise seller(s) with whom you had substantive discussions about this franchise. Please sign and return to us one copy; please keep the other copy along with this Disclosure Document.

**EXHIBIT A**

**FRANCHISE AGREEMENT**

**MOTTO FRANCHISING, LLC**  
**FRANCHISE AGREEMENT**

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### EXHIBITS

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EXHIBIT C GUARANTY AND ASSUMPTION OF OBLIGATIONS

**MOTTO FRANCHISING, LLC**  
**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (this “*Agreement*” or “*Franchise Agreement*”) is effective as of \_\_\_\_\_, 20\_\_\_\_, (the “*Agreement Date*”). The parties to this Agreement are you, \_\_\_\_\_, as Franchise Owner, us, Motto Franchising, LLC, d/b/a Motto Mortgage, a Delaware limited liability company, and, if you are a partnership, corporation, limited liability company, or other business entity, your “*Owners*” (defined below.) This Agreement is for a Motto Mortgage Office to be located [subject to approval of Motto Mortgage], at: \_\_\_\_\_ (the “*Premises*”) and operated under the trade name [subject to approval of Motto Mortgage], \_\_\_\_\_.

1. **INTRODUCTION.**

This Agreement has been written in an informal style to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations this Agreement covers before you sign it. In this Agreement, we refer to Motto Franchising, LLC as “*we*,” “*us*,” “*Motto Mortgage*,” or “*Motto Franchising, LLC*.” We refer to each franchisee who signs this Agreement as “*you*,” “*Franchise Owner*,” or “*Franchisee*.” We refer to as related parties (“*Related Parties*”) any entity that directly or indirectly is controlled by or under common control with Motto Franchising, LLC. If you are presently a corporation, partnership, limited liability company or other business entity (collectively “*Business Entity*”), or if you, as an individual or individuals, make a subsequent assignment or transfer of this Agreement to a Business Entity under Section 12 of this Agreement, you will notice certain provisions that are applicable to the individual owner(s) of the Business Entity. Depending on the type of Business Entity, these individual owners would be the shareholder(s), partner(s), member(s), or other individuals who have a legal or equitable ownership interest in, or who otherwise have the right to control, the Business Entity. We have relied on the qualifications, business skill, financial capability and personal character of these individual owners in entering into this Agreement with, or in permitting such assignment or transfer to, the Business Entity. These individual owners will be referred to in this Agreement as “*Owners*.” If you are a Business Entity that is owned, in whole or in part, by one or more other Business Entities (each a “*Parent Entity*”), reference to Owners in this Agreement also means the individual or individuals who own or who otherwise have a legal right to control, any Parent Entity. We refer to the licensed individuals you recruit and compensate to work with potential borrowers to help them find loans as “*Loan Originators*.”

Through the expenditure of considerable time, effort, and money, we have devised and promoted—and will continue to develop and modify—for the benefit of Motto franchisees (collectively, “*Motto Mortgage Affiliates*”) a system (the “*System*”) for the establishment of offices (each, a “*Motto Mortgage Office*”), offering high quality mortgage brokerage services (collectively, the “*Services*”), including the processing, originating, and solicitation of residential mortgage loan applications for the purchasing a residence or refinancing an existing residential mortgage.

These Services are provided under the names “Motto®” and “Motto® Mortgage,” the Motto Mortgage logos and icon, and certain other service marks, trademarks, trade dress, and other commercial symbols as Motto Franchising, LLC has developed or may develop, acquire, or license for Motto Mortgage franchisees’ use from time to time (the “*Marks*”) through a network of Motto franchisees (the “*Motto Mortgage Network*”). The System contains both mandatory elements and recommended practices that exist as a resource for your independently owned and operated franchise business. Specifically, in addition to compliance with all of the terms of this Agreement, you must strictly adhere to the mandatory elements of the System. The mandatory elements of the System are set forth in the most current edition of *Motto Mortgage Brand Standards Trademarks and Usage* or its successor, and any supplemental brand standards provided to you by Motto Franchising, LLC, which are designed to protect the Marks, the goodwill they reflect, and the reputation of the Motto Mortgage Network and which may be amended from time to time (collectively, the “*Brand Standards Manual*”). You acknowledge that you control the day-to-day operations of your business and you control the manner and means of your Office. The Brand Standards Manual does not contain any mandatory provisions concerning the hiring, supervision, promotion, demotion, or termination of your Loan Originators or employees, or concerning hours or schedule worked, rate of pay, benefits, work assigned, discipline, response to grievances and complaints or working conditions of your Loan Originators or employees.

The distinguishing elements of the System include, but are not limited to:

- (1) Use and promotion of the Marks;
- (2) Distinctive sales and promotional materials;
- (3) Access to technology;
- (4) Availability of standardized supplies and other materials used in Motto Mortgage Offices;
- (5) Access to centralized advertising and promotional services;
- (6) Recommended procedures for Motto Mortgage Offices to provide efficient, high quality and courteous services to the public; and
- (7) Recommended procedures for a standardized uniform system for the operation of a residential mortgage brokerage service office in accordance with ethical standards and policies.

Motto Franchising, LLC's core business is conducting and administering a franchise program and we own the right to franchise the operation of Motto Mortgage Offices under the Marks and the System.

In addition to existing real estate brokerage businesses, you may engage in other businesses that offer ancillary services in addition to the Services provided by the Motto Mortgage Office, provided you comply with the requirements of Subsection 2.A(3) of this Agreement (each such real estate brokerage business and/or ancillary business is referred to as an ***"Existing Business"***), and so long as any such business is operated in accordance with applicable law, including the Affiliated Business Arrangement (***"AFBA"***) provisions of the Real Estate Settlement Procedures Act, 12. U.S.C. 2601 et. Seq. (***"RESPA"***).

This Agreement is being presented to you because you have expressed interest in obtaining a franchise to operate a Motto Mortgage Office. In signing this Agreement, you acknowledge your understanding of the importance of our high standards of quality and service and the need to operate your Motto Mortgage Office in conformity with our brand standards and specifications. You represent to us, as an inducement to our entering into this Agreement with you, that there have been no misrepresentations to us, or material omissions, in this Agreement, in your application for the rights granted by this Agreement or in the financial and other information provided by you and your Owners.

## 2. **GRANT AND RENEWAL OF FRANCHISE.**

### A. **GRANT AND TERM OF FRANCHISE.**

#### (1) **Grant.**

Subject to the provisions of this Agreement, we grant to you a franchise (the ***"Franchise"***), and you undertake the obligation, to establish and own a single Motto Mortgage Office (the ***"Office"***), and to operate the Office for the entire Term (as defined below) of the Agreement, using the distinguishing characteristics of the System to be operated only at the Premises identified above, and only under the trade name identified on the first page of this Agreement, both of which must be approved by us, prior to the opening of your Motto Mortgage Office. You agree that the Office may not be relocated without our prior written approval. You acknowledge and represent that you have contacted the appropriate state regulatory agencies to confirm the availability of the portion of the trade name that does not include a Mark (the ***"Non-Motto Trade Name Terms"***). You acknowledge and agree that (a) neither our approval, nor the approval of a state regulatory agency, of the Non-Motto Trade Name Terms constitutes an assurance, representation or warranty of any kind, express or implied, that a prior user of the Non-Motto Trade Name Terms does not exist or that a prior user will not assert rights in that name or those terms, whether in the state where the Premises is located or in any other location, and (b) you bear full responsibility for ensuring that the Non-Motto Trade Name Terms do not infringe a third party's rights.

(2) Site Selection.

You must select and submit to us, in writing, a proposed location for the Premises for our approval within thirty (30) days of the Agreement Date. We will provide a response to your request within forty-eight (48) hours. We will not unreasonably withhold our consent to a location that meets our criteria. Our criteria for approval includes demographic characteristics; competition from, proximity to, and nature of other businesses; and other commercial characteristics, and the proposed location's size, appearance, and other physical characteristics. If we reject the proposed location, you must promptly submit to us another proposed location for our approval. If the location of the Premises has not been selected and has not been approved by us within thirty (30) days of the Agreement Date, and you have not opened the Office within 180 days of the Agreement Date, it will be deemed to be a failure of a material condition precedent entitling us to terminate this Agreement without refund of the initial franchise fee. We will use reasonable efforts to help determine site feasibility and to assist in designating the location, although we will not conduct site selection activities for you. You acknowledge and agree that our approval of the location of the Premises does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the location for the Office or as to the profitability of a Motto Mortgage Office operated at that location. You further acknowledge and agree that you have independently investigated the suitability of the location of the Office, and that Motto Franchising, LLC will not be responsible if the Office fails to meet your expectations as to revenue or otherwise. You may not establish additional Offices without our prior written consent, which may be withheld in our sole discretion.

You may only operate the Office for the purpose of providing the Permitted Mortgage Services defined below. No other business of any kind or nature may be operated from or at the Office. You may not perform any services that we have not authorized. The Office must (i) be segregated from the Existing Business (if any); and (ii) must be capable of being locked and secured. You must have a lease in place for the Office reflecting that the rent for the Office is at fair market value. Payment for the lease of the Premises and any other services and facilities provided to the Office by the Existing Business must conform with RESPA, and the regulations and interpretations thereof, as promulgated by the Consumer Financial Protection Bureau. The Existing Business and the Office must conduct their business relationship in accordance with the AFBA provisions of RESPA.

(3) Permitted Mortgage Services.

***"Permitted Mortgage Services,"*** for purposes of this Agreement, means activities directly related to the business of solicitation and processing of mortgage loan applications and the origination of loans secured by real estate (collectively, the ***"Services"***). Permitted Mortgage Services expressly excludes: (a) making, issuing, selling, or funding mortgage loans; (b) offering or performing credit repair or credit reporting services or any real estate related services or activities, including real estate brokerage services, or services related to title insurance, title agency or title searches, insurance brokerage or other insurance related services or products, escrow, settlements, or appraisal services and home inspection services; and (c) activities related to the business of making, issuing, selling, or funding mortgage loans for virtual, metaverse or digital property or real estate (***"Digital Property"***), or any other activities related to Digital Property or users of Digital Property. Subject to the restrictions set forth in Subsection 5.F, you may only perform these, or other non-mortgage related or ancillary services, and you may only engage in businesses that offer such services, if you:

- a. Obtain our prior written consent; provided however, when you enter into this Agreement if you already own or are affiliated with a real estate office, a title company, or insurance company and you have provided us written notice identifying such business(es), our entering into this agreement with you will constitute our written consent to your relationship with such businesses; and
- b. Do not use the System or the Marks in any manner in connection with such non-mortgage related or ancillary services or businesses or in connection with any other services or businesses that are not Permitted Mortgage Services; and

c. Properly segregate the operations of any such services or businesses from the operation of the Office, which may also require you to form a separate legal entity; and

d. Are in full compliance with all applicable federal, state and local laws, ordinances and regulations.

(4) Term.

The term of this Agreement (“**Term**”) will begin on the Agreement Date and will continue for a period of seven (7) years unless the Franchise is terminated earlier pursuant to the provisions of this Agreement. Termination or expiration of this Agreement will constitute termination or expiration of your Franchise and the Limited License (as defined below) to use the Marks conferred by this Agreement.

**B. FULL TERM PERFORMANCE.**

You specifically agree to operate the Office in accordance with the provisions of this Agreement, perform the obligations of this Agreement, and continuously exert your best efforts to promote and enhance the business of the Office for the Term.

**C. LOCATION OF OFFICE.**

(1) No Territorial Rights.

The Franchise granted by this Agreement gives you the right to operate a single Motto Mortgage Office only at the Premises, which you may not relocate without our prior written consent (which consent may be contingent on meeting certain conditions or may be withheld in our sole discretion). Except as otherwise permitted by this Agreement you agree that you will not operate or establish any satellite office, branch office, kiosk, or other extension of the Office from any other location whatsoever without our prior written consent. You further agree not to conduct, or permit anyone affiliated with the Office to conduct, any business or activity at the Premises other than the Existing Business (if any) and the Permitted Mortgage Services authorized by this Agreement. You expressly acknowledge and agree that absolutely no territorial rights or protections are afforded to you under this Agreement. You further expressly acknowledge and agree that Motto Franchising, LLC, or any of its Related Parties may operate, or grant a franchise or license to operate, at any location or in any medium whatsoever, including a location in close proximity to the Premises, a RE/MAX office, a Motto Mortgage Office or other mortgage brokerage office using any other trademark or service mark, even if such Motto Mortgage Office or other office has an adverse impact on your business. You expressly waive any claims you may have that Motto Franchising, LLC violated this Agreement, the implied covenant of good faith and fair dealing, or a law, statute, or regulation as a result of the location of your Office or of other Motto Mortgage (or other mortgage brokerage) Offices.

(2) Market Areas Served.

Provided you obtain our consent to expand, and each applicable state law permits operation as a virtual (no physical presence) office, you may do business virtually in two (2) states under this Agreement in addition to the state in which you first operate your Motto Mortgage business. Washington, D.C. will not count in determining the limit of two (2) states in which you may do business virtually, but you must obtain all necessary licenses, comply with any other applicable law/requirements, and pay fees required by this Agreement if you wish to do business there. It is your sole responsibility to determine which states allow you to do business virtually. For each additional state in which you plan to expand you must first obtain our written consent to expansion and the proper license in the specific location or state requested. We grant our consent to expand in our sole discretion and may consider factors such as whether you are in good standing under this Agreement and whether all your office equipment and software is up to date. As a user of the Marks under the Limited License set forth in Section 4 of this Agreement, you are expected to meet high standards of service and professionalism reflective of the goodwill and respect enjoyed by the Motto brand and organization. These expectations can only be met by limiting your mortgage broker services to market



areas where you can serve customers and clients directly and personally and where you have the greatest knowledge of local conditions, infrastructures, community history, and the mortgage market.

**D. RESERVATION OF RIGHTS.**

Motto Franchising, LLC reserves all rights not specifically granted to you in this Agreement. By way of example and not in limitation of the foregoing, nothing contained in this Agreement shall be deemed, expressly or by implication, to restrict in any way the right of Motto Franchising, LLC or any of its Related Parties, now or in the future, from engaging in any business activities whatsoever, without limitation as to location, medium or trade channels; and from using the Marks and other proprietary rights in their other business activities without limitation; and from selling or offering any products or services under the Marks, or under any other trademarks, service marks or trade dress, through other trade channels and that any such market development and expansion is an integral part of the marketing concept underlying Motto Franchising, LLC's business.

Motto Franchising, LLC and our Related Parties retain all rights with respect to Motto Mortgage Offices, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

- (1) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering similar or dissimilar products and services under the Marks and on any terms and conditions we deem appropriate; and
- (2) the right to operate, and to grant others the right to operate, Motto Mortgage Offices located anywhere under any terms and conditions we deem appropriate and regardless of proximity to the Office; and
- (3) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by Motto Mortgage Offices, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; and
- (4) the right to be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided by Motto Mortgage Offices, or by another business, even if such business operates franchises and/or licenses competitive businesses.

Nothing contained in this Agreement shall be deemed, expressly or by implication, to grant to you any type of exclusive or protected territory or any right to limit, control, or prevent Motto Franchising, LLC's right to own, operate, franchise, or license, or in any other manner authorize the location and operation of mortgage brokerage or other businesses, at any location or in any medium whatsoever. Moreover, nothing contained in this Agreement shall be deemed, expressly or by implication, to grant or extend to you a right of first refusal, option, or any other right to purchase, acquire, or open an additional Motto Mortgage franchise now or in the future. Motto Franchising, LLC shall not be liable to you for any damages or loss of sales or profits (if any), based on actual or anticipated adverse consequences to you which may result from its continuing activities in the development of the System or other exercise of the rights reserved to it under this Agreement.

However, in the event you purchase, acquire, or open one or more additional Motto Mortgage franchises in the future, each such franchise will be governed by a separate franchise agreement under a separate franchise term, which franchise agreement may have materially different and less favorable terms than this Agreement.

**E. RENEWAL OF FRANCHISE.**

At the end of the Term, if agreeable to both you and us, your franchise relationship may be renewed for a 5-year period. Among the conditions to our agreeing to renew your franchise relationship are the following:

(1) You have fully complied with all of the terms and conditions of this Agreement throughout the Term; and

(2) You have exercised diligent efforts to develop your Office to its full potential during the Term, in a manner acceptable to us; and

(3) You and your Owners execute a form authorizing us to obtain a consumer report and to conduct a credit and background check; and

(4) You provide us with a copy of your current financial statement, including balance sheet and results of operations, reflecting gross sales and revenues and any other financial reports or information we require; and

(5) You and your Owners meet our then current subjective and objective standards for new franchisees, including those relating to relevant experience, education and licensing, background and past record of compliance with laws, financial capacity, skills, integrity and professionalism; and

(6) You have given us written notice of your election to renew your franchise relationship not less than 6 months nor more than 12 months prior to the end of the Term. If you fail to provide notice of your intentions regarding renewal within such time period, we will deem your failure to notify us as your decision not to renew. In such case, you understand and agree that the Franchise shall expire at the end of the Term. A failure to provide us with timely and accurate notice of your intentions regarding renewal is a material default under this Agreement, and Motto Franchising, LLC may enforce its rights under this Agreement for such default; and

(7) If required by us, you or your Owner responsible for the Office shall complete, at your expense (including the cost of the course, and all travel, meal, lodging, and entertainment expenses), such education course(s) as we may deem necessary; and

(8) At least 90 days prior to the expiration of this Agreement, you execute the form of franchise agreement (including the renewal addendum and additional supplemental agreements and, if applicable to you, the current form of Branch Office Amendment, we are then customarily using to grant franchises for Motto Mortgage Offices), which agreement, renewal addendum, and other agreements shall take effect on the day after this Agreement expires, and which will supersede this Agreement and may have materially different and less favorable terms than this Agreement, including without limitation, requirements to upgrade equipment and facilities, use new systems and procedures, and pay higher fees, dues and marketing contributions or adopt a new fee structure; and

(9) At least 90 days prior to the expiration of this Agreement you pay us a renewal fee equal to 50% of the then current initial franchise fee we charge to new Motto Mortgage Office franchise owners and, if applicable, the then current renewal fee for each Branch Office you plan to renew.

Renewal of your franchise relationship will be conditioned on your and your Owners' continued compliance with all of the terms and conditions of this Agreement up to the date of expiration.

If with our permission you continue to operate the Office as a Motto Mortgage Office after the end of the Term without proper renewal, you understand, acknowledge, and agree that the Term has expired and that you will be deemed to be operating on a month-to-month holdover basis under the terms and conditions of the franchise agreement then being used by us for the grant of franchises within the state in which the Office is located; provided, however, that (i) in addition to all other fees that you must continue to pay to Motto Franchising, LLC pursuant to the then-current franchise agreement we are using, you will be required to pay a holdover fee equal to \$1,500 per month for the Office, and an additional \$400 per month for each Branch Office, operating as a part of the Office and (ii) Motto Franchising, LLC reserves the right to terminate at any time, and without cause, your right to continue to operate the Office during this holdover period, upon 10 days prior written notice to you. You also understand, acknowledge, and agree that any holdover is intended solely as a temporary arrangement and does not relieve you of your obligation to either i) provide us written notice regarding termination; or 2) timely execute a renewal Agreement. During the first



180 days of this month-to-month holdover period, you may terminate the relationship only upon 30 days prior written notice to Motto Franchising, LLC. If you are still operating on a month-to-month holdover basis more than 180 days after the end of the Term, you may terminate the month-to-month holdover relationship only upon 60 days prior written notice to Motto Franchising, LLC. If you close the Office without providing Motto Franchising, LLC with the required written notice then, in addition to all fees, dues, charges, and other amounts owed by you as of the date you close the Office, you will be required to pay Motto Franchising, LLC—as liquidated damages—an amount equal to the total of what you were billed for Royalties, and Marketing Fund fees (as defined in Section 6), for the 2 month period immediately preceding the date that you closed the Office.

#### F. **BRANCH OFFICES.**

After you have opened your first Motto Mortgage Office, you may request the right to establish one or more additional office locations known as a “**Branch Office**” or “**Branchise<sup>SM</sup>**”. Among other differences, a Branchise will have a shorter term than an Office that is a full franchise (a “**full franchise**” is a franchised Office that is not a branch, satellite office, kiosk, or other extension of the Office). Motto Franchising, LLC reserves the right to grant permission to establish a Branch Office. To qualify for a Branchise you must not only be in good standing, but we will also consider a number of factors including market saturation, the financial condition of your Office, the extent to which you have adopted Motto Mortgage best practices, whether and how you have used the system and tools and your level of experience. If the proposed Branchise will be co-located in a real estate office not affiliated with the Franchise Owner or owned by a spouse, partner or family member of the Franchise Owner, that real estate office must have an annual real estate closed volume of no more than \$50,000,000 (“**Volume Cap**”), based on the most recently published MLS data, as of (i) the date of execution of the Branch Office Amendment; (ii) the end of each calendar year during the term; and (iii) at renewal of the Branch Office. You must convert the Branchise to a full franchise if the Volume Cap has been exceeded at the end of any calendar year or at renewal. The term of the Branchise will end at the date of transfer, termination or expiration of the Franchise Agreement for the associated Office or Abandonment (as defined below) of that Office.

You must execute the then current form of Branch Office Amendment and pay a Branch Office Initial Fee (or if you are renewing a Branch Office, a Branch Office Renewal Fee), as well as monthly ongoing Branch Office Royalty and Marketing Fund Fees and Branch Loan Originator fees, as set forth in the Branch Office Amendment for each Branch Office you open or renew, and all such fees shall be in addition to all fees payable under this Agreement. Each Branch Office shall operate as a part of the Office (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office) shall operate under the same name as the Office, and except as modified by the Branch Office Amendment, shall comply with and be subject to all of the terms, conditions, provisions, and restrictions of the franchise agreement as are applicable to the Office, including without limitation, the Limited License governing the authorized Limited Use of the Marks as well as the same outside business and activities prohibitions specified in Section 4 and, the payment of all fees required by Section 6. The Branch Office shall also comply with and operate strictly in accordance with all applicable mortgage licensing rules and regulations. The Branch Office may have its own telephone number if permitted by applicable law, but all business cards, forms, stationery, advertisements, and other promotional or marketing materials used by the Branch Office must clearly identify the name of the Office (i.e., the Motto Mortgage name authorized under the franchise agreement). In addition, Motto Mortgage may require that all materials state that the Branch Office is a “branch office” of the Office. Each Branch Office must have an interior office name plaque displayed in accordance with the Brand Standards Manual. If located in commercial space, the Branch Office must also have an exterior office sign that comports with the office signage requirements set forth in the Brand Standards Manual. If located in residential space, the Branch Office may have an exterior office sign that comports with the office signage requirements set forth in the Brand Standards Manual and the Branch Office and any signage must comply with local law regarding signage and zoning. All Branch Offices must also comply in all respects with applicable provisions of the Brand Standards Manual and any supplements or special addenda to the Brand Standards Manual that may be issued from time to time that cover branch offices or their operation. Other than space, staff, and equipment shared with a co-located business in compliance with RESPA, no other businesses of any kind may operate from or utilize the same office space, staff, or equipment as that of the Branch Office.

You understand and acknowledge that Motto Franchising, LLC is not under any obligation to provide Branch Offices any of the services and benefits made available to the Office although we may provide some services and benefits to Branch Offices as we, in our sole discretion, deem appropriate. Each Branch Office Amendment shall terminate upon transfer, Abandonment, termination, or expiration of this Agreement.

Branch Offices shall have no protected area or territorial exclusivity whatsoever.

Renewal of the Branchise is subject to Motto Franchising, LLC's continuation of the Branch Office concept, which may be modified, amended, or discontinued at any time and is subject to compliance with the terms of renewal for a Branch Office, as stated in the Branch Office Amendment, including payment of the applicable renewal fee for a Branch Office, which at the Agreement Date is \$1,000. If the Branchise program is discontinued no renewals will be granted for any Branch Office. In the event you fail to renew your franchise relationship with us (no longer have at least one active franchise agreement for a full franchise) your Branchise will terminate. If with our permission you continue to operate the Branch Office as a Motto Mortgage Branch Office after the end of the term of the Branch Office without proper renewal, then, in addition to all other fees you must pay, you will pay a \$400 per month holdover fee for each Branch Office, as provided in this Agreement.

G. **NO RIGHT TO ADDITIONAL OFFICES.**

Nothing contained in this Agreement shall be deemed, expressly or by implication, to grant or extend to you any right, option or preference to purchase, acquire or open an additional Motto Mortgage franchise or Branchise now or in the future.

3. **OPENING AND EQUIPPING OF OFFICE.**

A. **OFFICE OPENING AND CONTINUOUS OPERATION.**

You agree to open and begin operating the Office within 180 calendar days from the Agreement Date; and you must notify us in writing at least 15 days prior to the day on which you propose to begin operating. "***Opened***" means having an office with approximately 200 to 500 square feet, staffed by a full-time licensed Loan Originator, and equipped with furniture, a computer system, and other office equipment necessary to operate a Motto Mortgage Office in conformity with our high standards of quality and service. Unless prohibited by a state or local ordinance, or the landlord of the Premises, you must also have an exterior office sign depicting the trade name identified on the first page of this Agreement and be compliant with the most current edition of the Brand Standards Manual in effect at the time you open the Office. You agree that you may not open and begin operating until:

- (1) we have notified you in writing that the Office location has been approved; and
- (2) you have satisfactorily completed all required education; and
- (3) you have paid the initial franchise fee and any amounts then due to us; and
- (4) you have provided certificates for all required insurance policies to, or such other evidence of insurance coverage and payment of premiums to us or our designee (see Subsection 8.D); and
- (5) the Office is duly licensed as a mortgage broker with a licensed Loan Originator and such other employees required to be licensed; and
- (6) you have completed your office level loan origination platform implementation.

You are responsible for locating a space for the Office, and for developing and building out the Office. We may inspect the Office during its development at any time, without notice to you. We may provide suggested specifications and layouts for a model Motto Mortgage Office as a resource for you. However, if needed, it is your responsibility to prepare a site survey and all required construction plans and specifications and to make sure that these plans and specifications comply with RESPA, FHA, the ADA, and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and lease requirements and restrictions.

You agree to do the following, at your own expense, if needed to develop the Office:

- (1) secure any financing required to develop and operate the Office; and

(2) obtain all necessary building, utility, sign, business, and other permits and licenses if you need to remodel the Premises; and

(3) purchase or lease and install all necessary fixtures, furniture, equipment (including computer hardware and/or software), furnishings, and signs for the Premises; and

(4) purchase an opening inventory of products, materials, and supplies necessary to operate the Office.

You further agree that you will operate the Office continuously during the Term, and that you will not voluntarily abandon, surrender, transfer control of, or lose the right to occupy the Premises, fail to maintain a license as a mortgage broker—or fail to actively operate the Office under the System—for a period in excess of five (5) consecutive business days (“*Abandon*” or “*Abandonment*”), unless your failure to do so is caused by Force Majeure as more fully set forth in Subsection 15.Z.

**B. SYSTEMS, PROGRAMS AND PROCEDURES; COMPUTER SYSTEM.**

To facilitate your reporting to us and to meet other communication requirements and obligations to us, you agree to implement and use all systems, programs and procedures that we establish from time to time for such purposes. Such systems, programs and procedures may include, but are not limited to, communication systems, accounting programs, back-office management software, data management systems, and other systems designed to facilitate the flow of information relating to the System, the Motto Mortgage Network, or the business contemplated by this Agreement. These requirements will only apply to facilitate such reporting and obligations to us and, communications between you and Motto Franchising, LLC and our Related Parties and approved suppliers and will not control the manner and means of your day-to-day operations. You may only use the computer system for the Office; you may not use the computer system for the Existing Business (if applicable) or any other purpose.

(1) Requirements.

Specific systems, programs, and procedures you are required to implement throughout the Term include, but are not limited to, the following:

a. Computer System.

Throughout the Term, you agree to obtain and use the computer hardware and/or operating software we specify that has capabilities compatible with all of our communications and data reporting requirements (“*Computer System*”). You must participate in any Intranet or Extranet we develop, and you must have a laptop or desktop computer, electronic mail capability, high speed Internet access, a scanner, a printer, and a shredder. We may modify specifications for and components of the Computer System and related hardware and/or operating software. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System; you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. You must pay for the cost of implementing such systems, programs and procedures, including the cost of purchasing or leasing computer hardware and software that we may require, and we have no obligation to reimburse you for any Computer System costs. Within 90 days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

You acknowledge and agree that the Computer System is to be used exclusively for the Office and you may not use the Computer System for any Existing Business or any other purpose.

You agree that we or our Related Parties may condition any license of proprietary software to you, or your use of technology that we or our Related Parties develop or maintain, on your signing

a software license agreement or similar document that we or our Related Parties prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We, our Related Parties, or designated or approved suppliers may charge you a monthly or other fee for any proprietary software or technology that we or they license to you and for other maintenance and support services that we or they may require you to receive during the Term.

You will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) the integrity, privacy and confidentiality of the information therein; and (4) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

We will require you and/or your employees to enter into additional agreements governing your use of specific computer systems, including a software agreement and processing agreement for the loan origination platform we specify, as described below, a Motto Mortgage Email User Agreement, a Motto Portal User Agreement, a Motto Web Hosting User Agreement, and a Marketing Operating system user agreement ("***MottoSpark User Agreement***"). These agreements may, among other things, limit our liability to you and require that you indemnify us. We may modify from time-to-time or discontinue these systems and services and their related user agreements and if we do you must consent to the modifications as a condition of your continued use of the respective services, software and/or systems. We will have no liability to you in the event we modify or eliminate any systems, services, programs or procedures that we establish, and/or the fees charged for such systems, services, programs or procedures.

b. Antivirus Protection, Data Breach Notification and VPN Requirement.

You are solely responsible for ~~securing~~ securing your Computer System and protecting it from viruses, malware, spyware, malicious code, communication disruptions, Internet access and content failures, and attacks by hackers and other unauthorized parties and you must comply with privacy and data security laws and regulations. We require that you take steps to secure your Computer System from social engineering attacks that could compromise user passwords and that you establish best practices for password management as you are responsible for any losses or damages. We also require that you install and continually update operating system service packs, patches and upgrades, anti-virus systems, web browser and application updates, and firewalls. Unless you determine that you or someone you employ has the expertise and will timely perform such maintenance, you must obtain a maintenance contract with a reputable organization for your Computer System and related hardware and/or operating software. You will be responsible for any losses and damages that result from failure to comply with these requirements.

To protect the Motto Mortgage brand, the Marks, and the System, you must notify us immediately of any data or security incident or breach related to your Office, including any unauthorized access to your Computer System, and specify the extent to which personal information may have been compromised. You must also, at your expense, retain a qualified and independent data security expert ("***remediation expert***") to assess the nature and scope of the breach. You agree to provide us with a written report detailing the remediation expert's findings upon our request. You agree to cooperate fully with us with respect to any media statements and other items related to managing any such incident, including fact finding or mitigation/defense actions we deem advisable, as well as any steps taken to resolve the matter. (see also Crisis Situations, Subsection 8.O.) In addition, you agree to keep us informed about the status of the incident or breach, including identifying all steps you take to remedy or resolve the matter.

Prior to any party accessing our software, tools or systems from a location outside the United States you must (i) provide us advance notice of the details of the access, (ii) ensure that any party with such access will enter only through a reputable U.S. based VPN and (iii) obtain our written consent, which may be provided, denied or withdrawn in our sole discretion, before any access commences.

Independent Access to Information.

You acknowledge, understand and agree that Motto Franchising, LLC will have independent access to the information that is generated and stored on our platforms or systems. In accordance with applicable law, you acknowledge, understand, and agree that Motto Franchising, LLC has the right to access, evaluate, use, aggregate, analyze, and take action as it deems necessary based on such information for any purpose it deems reasonable, including but not limited to (i) determining whether you are complying with the reporting and payment related obligations of the Agreement; (ii) assisting us in gathering relevant information for analysis and decision-making; (iii) generating insights regarding Motto franchisees in general; (iv) providing technical support; and (v) helping us improve the System. In accordance with applicable law, all information will be considered the property of Motto Franchising, LLC. Additionally, we may sell and monetize this information as well as profit from this information as we deem appropriate without compensation to you. We may also retrieve and store all other information from our platforms or systems that we consider necessary, desirable or appropriate.

c. Loan Origination Platform.

You must use the loan origination platform with loan origination system software provided by us or by a third-party provider(s) we designate from time-to-time and sign the agreement required by us and/or the provider of such software. Your license will permit use of the software only for loan origination and related services and an additional charge will apply for each user beyond 3 total users. As of the Agreement Date the loan origination platform we have approved and require is our affiliate, Wemlo, LLC's ("**wemlo**") mortgage broker software known as the Loan Brokering System<sup>SM</sup> ("**LBS**"). (See Subsection 7.C) You will also be required to sign a processing agreement in connection with use of the LBS.

Within the loan origination platform, we or Related Parties may provide you access to certain types of data, such as settlement service provider data. You are fully responsible for ensuring that all data entered into the LBS, including closing costs, fees, taxes, and disclosure information you include in your documents, is accurate and in compliance with all applicable laws and regulations. We reserve the right to modify or discontinue access to data or services that we may provide through the loan origination platform, at any time.

d. Office Portal.

You must subscribe, and ensure that each of your Loan Originators subscribes, to our office portal, a password protected extranet site hosted by us. The Motto Office Portal or "**Portal**" serves as a members' only electronic communication website enabling us to share important information in a secure environment, which may include educational and motivational programming. The agreement for use of the Portal ("**Motto Portal User Agreement**") governs access to and use of the Portal, a collection of computer services by you and by individual users associated with you. The Portal may include links to other services, websites, or resources, such as an email account and a listings service that controls business listings data regarding you and your Loan Originators, a marketing and advertising design tool, advertising management tools, and other services provided by Motto or by third parties to you and your Users. Services which you can access through a link available on the Portal are not part of the Portal. The Motto Portal User Agreement does not license you to use those additional services and you will be required to enter into separate agreements for access to and use of those services. You must access the Portal via the Internet. The Portal is a moderated site and we will have independent access to the information and content on this site. Neither you, your manager, nor any loan officer affiliated with your Office may use the Portal to send unsolicited bulk electronic messages. You agree not to block or blacklist any message from Motto Franchising, LLC. In addition, you agree you must access the Motto Office Portal at least once annually to retain system access.

e. Email.

You must subscribe, and ensure that each of your Loan Originators subscribes, to an email service we provide or designate with email addresses denominated with the mottomortgage.com domain.

f. Website Services.

You must use the specific website and/or website services we designate, which may include website design, development, hosting and/or support as well as other associated services, such as content editing tools (“**Website Services**”). Website Services may also include information submission forms through which internet users can provide information to you and request information from you, and database services through which you or your users can manage records of those information requests.

g. Marketing Operating System.

You must use our marketing operating system, MottoSpark<sup>SM</sup> (which we refer to as “**MottoSpark**”) which includes a customer relationship management (“**CRM**”) software tool for Loan Originators which assists with CRM and marketing and a design center in one platform. You are required to sign a user agreement to use MottoSpark services. You can order products and services, such as printing and mailing of advertising material, through MottoSpark. Orders made and fulfilled via MottoSpark are provided by third parties that will charge you for the purchase of their products and services. We may charge you a fee if you elect to have any additional users beyond a total of 3, including Loan Originators, Owners, Managers and support staff.

h. Reputational Management Service.

You must use our reputation and listings management service, (“**MottoRep**”) to manage your online business listings. MottoRep keeps your local directory listings in services like web search engines accurate and up to date. This service is also available to assist your Office manage online reviews and social media engagement. There is no additional charge to use this service.

(2) Optional Tools and Resources.

Throughout the Term of the Agreement we may make available to you other valuable systems, programs, and platforms that are voluntary (“**Optional Tools and Resources**”). We are not obligated to maintain any of the Optional Tools and Resources – or the services offered through them—indeinitely and may discontinue them, replace them, or modify them at any time, without notice or liability to you:

a. MottoSwag.

We have a marketing tool which allows you to purchase marketing products and services (“**MottoSwag**”). To use MottoSwag, you must sign our MottoSwag User Agreement. There is no additional charge to use MottoSwag. Additional products and services, such as letterhead and branded apparel, are available to you through this service, and are provided by third parties that may independently charge you for orders.

b. Other Systems, Programs, and Procedures.

You must implement any other specific systems, programs, or procedures as we may establish from time to time to enhance our communications with you or update your Computer System. You agree that we may require that certain related goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software related to the Office’s establishment or operation be purchased directly and/or exclusively from us or from other suppliers as we may designate from time to time, including but not limited to back-office management software, and you



agree to adopt such goods, services, supplies, fixtures, equipment, and computer hardware and software within such time frame as we may specify, and as we deem necessary. Such requirements will only apply to enhance or update your Computer System or to facilitate communications between you and Motto Franchising, LLC, and will not control or regulate the manner and means of your day-to-day operations. We may also make additional computer systems available to you to facilitate your operation of the Office and implementation of the System Standards.

As of the Agreement Date, you may access the Optional Tools and Resources at no additional charge, although we reserve the right to require payment of reasonable fees to us, or a Related Party, for such access. However, you will be charged to use third-party tools, services, and resources, and other third-party products and services. In each case in which you or your Loan Originators use the Optional Tools and Resources, you and/or your Loan Originators will be required to agree to the then current terms of use which sets forth the terms and conditions relating to the use of the Optional Tools and Resources.

We are not obligated to provide and do not include in the Royalty Fee any work or service that we determine is outside the scope of the tools, resources, and services that we offer. If we, in our sole discretion, agree to complete any work requested by you that is outside the scope of what we provide and/or is in the nature of an upgrade, enhancement or improvement ("***Optional Tools and Resources Improvements***"), (i) we will determine the cost and time required for such work in our sole discretion; (ii) you must pay the required amount before we begin the work; and (iii) any work and any Tools/Resources improvements will be owned and all rights retained by us, including rights to adopt, exploit, modify, and perfect such Tools/Resources improvements without compensation to you.

If you, your Loan Originators or any person affiliated with your office utilize (i) Mortgage Wholesalers that are not Listed Mortgage Wholesalers or (ii) systems, vendors or tools (including, but not limited to, marketing services, website services, lead generation providers, LOS, CRM, other or similar tools or services) which are not part of our approved and designated group of suppliers, tools or services or otherwise not part of our franchise system, it is your responsibility to ensure that such use is in compliance with all applicable laws and this Agreement (including obtaining our prior approval as required and complying with all conditions for such approval). In addition, you must ensure that neither you, your loan originators nor any person affiliated with your office utilizes any software, systems, tools or resources provided by us in a manner that is not intended or authorized by us, or that is not in accord with the applicable agreement or terms of use. We may take any actions or pursue any remedies provided in this agreement or otherwise applicable if you are not in compliance. In addition to pursuing available remedies, we will have no liability in connection with use of, we are not required to and will not connect to, nor will we support, any outside systems, vendors or tools. In the event using systems, vendors or tools not provided and/or designated by us causes connection failures or other issues affecting one or more of the systems and tools provided by us you must indemnify us as provided in Section 5.D. herein.

#### 4. **LIMITED LICENSE TO USE MARKS.**

##### A. **OWNERSHIP AND GOODWILL AND LIMITED LICENSE.**

Subject to all of the terms and conditions set forth herein, you are hereby granted a limited, non-exclusive license ("***Limited License***") to use the Marks, but only for the duration of this Agreement and only in connection with the operation of the Office and the Permitted Mortgage Services specified in this Agreement ("***Licensed Use***"). Your Limited License does not authorize you to use, and you agree not to use, or to permit any Loan Originator to use, the Marks in connection with the offering, providing, performance, sale, endorsement or promotion of any other services, products or businesses or in any other manner we have not expressly authorized in writing. Your Limited License does not give you the right to sublicense or to transfer (apart from an approved transfer under Section 12) your right to use the Marks or to allow any third party to use your Office trade name for any purpose whatsoever. You agree that if this Agreement is terminated, expires, is transferred without our consent or approval, or is for any reason declared void or of no force or effect, or in the event of Abandonment, this Limited License shall automatically terminate. You further agree that in the event of such a termination of this Limited License you will immediately cease all use of the Marks and promptly comply with all post-termination requirements of Section 14 of this Agreement.

(1) “Motto” Required in d/b/a but Prohibited in Entity Name or Trademark Registration.

You are required to use the term “Motto Mortgage” or “Motto” as the start of the trade name of the Office, and you must obtain any trade, fictitious or assumed name registrations as may be required under applicable law for, and to operate the Office only under, such trade, fictitious or assumed name. You agree not to use the term “Motto”, “Motto Mortgage”, or any of the other Marks (or any variations or renditions similar to any of the Marks) in, or as part of, your formal corporate or legal name. You also agree not to file or own any state or federal trademark applications or registrations that include or contain “Motto Mortgage” or “Motto” or any of the other Marks or any confusingly similar marks. You may use, but are not required to use, the term “mortgage” in, or as part of, your formal corporate or legal name.

(2) Ownership of Marks and Goodwill.

You acknowledge and agree that: (i) Motto Franchising, LLC is the exclusive owner of the Marks and that such marks are invaluable assets of Motto Franchising, LLC; (ii) your license to use the Marks is derived solely from this Agreement and is limited to the Licensed Use that is otherwise in compliance with this Agreement; and (iii) all use of the Marks, and any goodwill established by such use, including, without limitation, the use of the terms “Motto” or “Motto Mortgage” in the trade name you adopt for your Office will inure exclusively to the benefit of Motto Franchising, LLC, and that the same will automatically vest in and remain the exclusive property of Motto Franchising, LLC. You further acknowledge and agree that under this Agreement you shall not acquire any right, ownership or other interests in or to: (i) the Marks, other than the Limited License granted herein, or (ii) the goodwill associated with the Marks.

(3) Proper Use of Marks, High Standards of Service and Professionalism Required.

You acknowledge and agree that the Marks embody and represent the goodwill of the Motto organization and identify the Motto Mortgage Network as the source of high standards of quality mortgage services and professionalism. You agree to ensure that the Permitted Mortgage Services provided by you, and by all Loan Originators of your Office, adhere to such high standards in regard to all Permitted Mortgage Services offered or provided under the Marks and in the name of your Office. Your Limited License extends only to use of the Marks in accordance with (i) the Agreement, including, without limitation, those set forth in the most current edition of the Brand Standards Manual; and (ii) all applicable laws and regulations pertaining to advertising and marketing, including, without limitation, federal and state laws pertaining to advertising of loan origination services, telemarketing (including the Telephone Consumer Protection Act), false advertising, unfair competition and unfair practices. Finally, while you control your marketing choices—subject to the mandatory elements set forth in the Brand Standards Manual and the limitations set forth in this Section 4—you agree to comply with and ensure that your Loan Originators comply with, the business image and operating standards set forth in Section 8 of this Agreement. You understand and acknowledge that such business image and operating standards have been established to protect the goodwill of the Motto Mortgage organization, as embodied by the Marks, but do not, and are not intended to, govern the day-to-day operations of your Office.

(4) Use of Marks by Loan Originators.

You acknowledge and agree that no one associated with your Office in any capacity has or will be granted by you or Motto Franchising, LLC any direct or independent right or license to use the Marks, but rather that their use of the Marks comes under and is subject to this Limited License. You agree to ensure that you and everyone employed by or associated with your Office who uses the Marks under this Limited License do so only in the name of your Office, in furtherance of the Permitted Mortgage Services provided out of your Office, in a manner that is consistent with all applicable restrictions, including without limitation, those set forth below.



(5) Extension of Limited License to Other/Future Marks.

All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork and logos that Motto Franchising, LLC may in the future authorize you to use.

B. SPECIFIC LIMITATIONS ON LICENSE TO USE MARKS.

Your Limited License to use the Marks is subject to various limitations that are designed to protect the Marks, the goodwill they reflect, and the reputation of the Motto Mortgage Network. In addition to those set forth in the Brand Standards Manual, your use of the Marks must conform to the following requirements and limitations:

(1) Identity of Office, Address and Contact Information Required with Marks.

You agree that all uses of the Marks in all advertising of your services in any medium whatsoever, including but not limited to print, electronic media, social media, and Internet websites, will be accompanied by your Office name, Office address, phone number and prominently indicate that “Each Office is Independently Owned, Operated and Licensed” and to ensure that your Loan Originators also accompany their uses of the Marks with such information and meet all other requirements of the Brand Standards Manual in their advertising and personal promotion efforts. More specifically, you agree not to use, and not to permit your Loan Originators to use, the Marks (a) in any manner that may mislead or deceive consumers in any way, including with respect to your Office location, the scope of the geographic area your Office serves or your relationship to us; or (b) other than for the promotion of the Permitted Mortgage Services provided by your Office. Unless otherwise expressly permitted in the Brand Standards Manual you agree to refrain from sharing or linking any website, webpage or social media account in connection with which your Office name or the Marks are used with or to any website, webpage or social media account of a competitor of the Motto Mortgage Network or from promoting the name, image or business of any licensed mortgage broker or loan originator who is not a Motto Mortgage Office or associated with a Motto Mortgage Office.

(2) No Service Area Misrepresentations or Competing Services.

While you are not limited in the reach of your advertising to attract consumers to your Office for Permitted Mortgage Services, you are not permitted to use the Marks in connection with competing or other businesses as described below or to hold yourself out: (i) as having the capacity to serve the mortgage needs of consumers in distant market areas where neither you nor any of your Loan Originators can personally and directly provide quality, competent services, such as on a national or international scale; or (ii) as a national or international provider of agent or office locator services or information; or (iii) as an operator, developer, owner, promoter or provider of consumer-to-loan-officer or loan-officer-to-loan-officer referral services.

a. No Office/Loan Originator Locator Services or Referral Networks.

Consistent with your Limited License, neither you nor any of your Loan Originators are permitted to engage in the offering of or participate in the offering of Motto Office/loan originator locator services, referral network services, any other service that competes with the services made generally available by Motto Franchising, LLC to the Motto Mortgage Network as a benefit of affiliation, or any other prohibited service or activity described in the Brand Standards Manual. This includes, but is not limited to, participating in or promoting referral groups hosted on third-party websites or applications, including social media platforms. In addition, you agree not to engage in any other business or activity that does not conform to the high standards of the Motto Mortgage organization or that competes with or undermines the services offered to consumers or the Motto Mortgage Network by Motto Franchising, LLC.

(3) Style of Use, Relative Prominence in d/b/a.

You agree to use and display the Marks in the style and graphic manner illustrated in the Brand Standards Manual, and to use, along with the Marks where applicable, notices of federal trademark and

service mark registrations, or of trademark rights, in the manner specified in the Brand Standards Manual. You further agree not to use any Mark with any prefix, suffix, or other modifying words, terms, designs, or symbols, or to alter any Marks, except as expressly required by or permitted in this Agreement. You agree to display your Office name in the manner specified in the Brand Standards Manual, including, without limitation, by complying with any sizing, font, color or logo requirements specified in the Brand Standards Manual. You are not permitted in business listings, directories or in referral services where your Office name may be displayed, to exaggerate, enlarge, color or stylize the “Motto” portion of your Office name so as to obscure, dominate or weaken the Non-Motto Trade Name Terms or to otherwise create a presentation that may mislead or deceive consumers to believe they are not dealing with a local mortgage broker service business.

(4) No Use of Marks by Vendors, Directories, Referral Services, Other Licenses.

You are not permitted to allow any vendor, service provider or other third party to stylize or otherwise engage in any uses of your Office name of the type described above or in any other manner that may suggest they are sponsored or endorsed by, or affiliated with, the Motto Mortgage Network. In this regard, you acknowledge and agree that your Limited License to use the Marks does not permit you to allow: (i) any vendor or other third parties to use any of the Marks or your Office name in connection with any vendor’s or third party’s product or service or in any movie or video or theatrical or musical production or the like, or (ii) any directory to show the “Motto” portion of your Office name in an emphasized, exaggerated, enlarged or stylized or any other format that does not give substantially the same prominence to the Non-Motto Trade Name Terms. Lastly, you will not authorize or permit loan officers who are not registered or licensed as loan originators with your Office to appear with or be listed under your name, your Office name, the name of any Loan Originator or of any “Team” known to be associated with your Office or under any of the Marks or to otherwise use or benefit from the use of any of the Marks.

(5) Ownership and Control over Use of Office Phone Numbers.

You agree that all telephone numbers you use for the Office shall be used solely in connection with the Permitted Mortgage Services authorized by this Agreement to be provided out of your Office. You acknowledge that, in directories and other forms of advertising, some or all of the telephone numbers will appear under the trade name for the Office. Neither you nor any of your Loan Originators may publish any advertisement or secure or list any telephone number that could confuse other professionals, the industry or the public about the ownership, operation, location of, or geographic areas or markets served by, your Office or any other Motto Mortgage office.

(6) Registration and Ownership of Domain Names; Prohibited Activities.

Neither you nor any of your Loan Originators may register or own Internet domain names that include the term “motto” or any other Mark (“**Motto Formative Domain Names**”) unless the rules (if any) for using the Marks in domain names set forth in the Brand Standards Manual (“**Domain Rules**”), expressly permit such registration, or ownership of Motto Formative Domain Names. Neither you nor any of your Loan Originators may use Motto Formative Domain Names in connection with your Office website or otherwise, except as expressly permitted by the Domain Rules. You further agree that neither you nor any of your Loan Originators may register, own or use an Internet domain name that includes a trademark (or any variation thereof) of a Related Party of Motto Franchising, LLC (a “**Prohibited Domain Name**”). You agree and acknowledge that neither you nor anyone affiliated with your Office will have any legitimate interest in registering or owning any Prohibited Domain Name, and that, unless the Domain Rules expressly permit registration or ownership of Motto Formative Domain Names, neither you nor anyone affiliated with your Office will have any legitimate interest in registering or owning any Motto Formative Domain Name. You also agree that registering or owning any Motto Formative Domain Name or Prohibited Domain Name or retaining ownership or use of any Motto Formative Domain Name after the transfer, expiration, or termination of this Agreement, or after Abandonment of the Office, would be an act of bad faith. You further agree and acknowledge that you will not sell or offer to sell any Motto Formative Domain Names or Prohibited Domain Names. You acknowledge and understand that Loan Originators are not authorized to register, offer to sell, or sell Motto Formative Domain Names or Prohibited Domain Names.

a. Franchisee Cooperates and Bears Costs to Recover Motto Formative Domain Names.

For so long as the Domain Rules prohibit registration or ownership of Motto Formative Domain Names, upon request from Motto Franchising, LLC, you agree to deactivate, redirect, assign, transfer, terminate and/or disconnect any Motto Formative Domain Name that was registered by you, the Office, any of your Loan Originators or anyone else employed or formerly employed by or affiliated with your Office, or any entity directed to register such domain name by you, the Office, your Loan Originators or anyone else employed or formerly employed by or affiliated with your Office.

b. Promotion of, and Formats for, Internet Addresses.

You agree to use the Internet address or domain name selected or approved by us in connection with the marketing and promotion of your Office. Motto Franchising, LLC may provide you with an Internet address created for your Office, which may be used as the uniform resource locator (“**URL**”) for your Office website. If we so require, the URL will redirect to your Office website, if such website is not hosted at the URL. Motto Franchising, LLC may require that various other types of marketing or advertising on the Internet involving the Marks or the name of your Office also utilize a specific template or format and if it does, you agree to follow that template or format.

c. Other Requirements for Digital Marketing.

Motto Franchising, LLC may require you to follow additional requirements for various other types of online or digital marketing or advertising featuring the Marks or the name of your Office and if it does, you agree to follow those requirements.

d. Further Actions to Transfer Domains or Internet Addresses.

You and your Owners further agree that you will, at your own expense, promptly execute and deliver all necessary documents and take any action reasonably requested by Motto Franchising, LLC necessary to effect the assignment and transfer of domain names or Internet addresses required to be deactivated, redirected, assigned, transferred, terminated and/or disconnected pursuant to this Subsection and Subsection 14.B(5) including compliance with any procedure for the transfer of domain names established by the domain name registrar or entity that issues the domain name. You agree to direct all Internet service providers, domain name registrars and domain name listing agencies and other third parties to accept this Agreement as conclusive of the rights of Motto Franchising, LLC to ownership, control and benefit of all Motto Formative Domain Names and Internet addresses you create. You and your Owners further hereby appoint Motto Franchising, LLC as your agent and attorney-in-fact to act for and on your behalf to execute, register, and file such documents, complete such processes, and to perform all other lawfully permitted acts as the registrar, or any applicable law, requires to effectuate a transfer of such domain names or Internet addresses with the same legal force and effect as if executed by you or your Owners. You agree to pay directly or reimburse Motto Franchising, LLC for any and all costs and attorney fees it incurs in the process of obtaining and/or deactivating (in Motto Franchising, LLC’s sole discretion), any such domain name or Internet address.

e. Franchisee Supervision Required to Ensure Compliance.

You agree to be responsible for, and to supervise, your Loan Originators in order to ensure the proper use of the Marks and their full compliance with the provisions of this Section 4 and the Brand Standards Manual. You acknowledge and agree that if you make, or anyone employed by or affiliated with your Office makes, any improper or unauthorized use of the Marks or of any mark or trade dress that is confusingly similar to any of the Marks, it will constitute an infringement of Motto Franchising, LLC’s exclusive rights in and to the Marks and a default of Section 4 of this Agreement.

A default under the provisions of this Section 4 by you or anyone employed by or affiliated with your Office shall be deemed a material default of an essential condition of this Agreement that, in addition to other recourses available to Motto Franchising, LLC, will give rise to the termination provisions of Section 13.

C. **NOTIFICATION OF INFRINGEMENTS AND CLAIMS.**

You agree to immediately notify us in writing of any third-party infringement of or challenge to any of our copyrights or any of the Marks, or of any claim by any person of any rights in such copyrights, Marks or similar trade names, trademarks or service marks of which you become aware. You agree not to communicate with anyone except us and our respective counsel in connection with any such infringement, challenge or claim and agree that we will have the sole right to determine whether an infringement, challenge or claim exists, and if so, to exclusively control any litigation, any U.S. Patent and Trademark Office proceeding or any other proceeding arising out of any such infringement, challenge or claim. You agree to cooperate with and assist us with the initial and any follow up investigation of the alleged infringement of or challenge to Motto Franchising, LLC's copyrights or the Marks. You agree to sign any documents, render any assistance, and do any acts that we, in our sole discretion, believe are necessary or advisable in order to protect or maintain our interests in any litigation or proceeding related to such copyrights or the Marks or to otherwise protect, maintain or perfect our interests in such copyrights or the Marks. You acknowledge and understand that Motto Franchising, LLC will have no obligation to defend the Marks from valid claims of prior use or of lawful concurrent use by others.

D. **DISCONTINUANCE OF USE OF MARKS.**

If it becomes advisable at any time in our sole judgment for the Office to modify or discontinue the use of any Marks or for the Office to use one or more additional or substitute trade or service marks, including the "Motto" mark used as part of the trade name of the Office or in a domain name, you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue the use of the Marks, or use one or more additional or substitute trade or service marks, within a reasonable time after our notice to you.

E. **PROHIBITION AGAINST DISPARAGEMENT OF MARKS AND BRAND.**

You agree not to, and to use your best efforts to cause your affiliates or anyone else acting on your behalf not to, disparage, defame, libel or make untrue, malicious, or offensive statements about Motto Franchising, LLC, the Motto Mortgage brand, or the Motto Mortgage organization, any of our Related Parties or any current or former Motto Mortgage franchisees, or any of our or their respective officers, directors, employees or shareholders, or make any disparaging comments concerning our business relationships or the matters referred to in this Agreement, which would subject the Motto Mortgage brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact our goodwill, or that of our Related Parties, the Motto Mortgage brand or the Marks.

5. **RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.**

A. **INDEPENDENT CONTRACTOR; NO FIDUCIARY RELATIONSHIP; INDEPENDENTLY OWNED AND OPERATED.**

Both you and Motto Franchising, LLC understand and agree that this Agreement does not create a fiduciary relationship between you and Motto Franchising, LLC, that you are an independent contractor, and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose whatsoever. All employees or agents hired or engaged by or working for you shall be your employees or agents only and shall not for any purpose be deemed employees or agents of Motto Franchising, LLC nor subject to Motto Franchising, LLC's control or right of control. No covenant shall be implied to vary or interpret the terms of this provision. You are not authorized to accept service of process or legal notices directed at Motto Franchising, LLC or any of our Related Parties. You agree to conspicuously identify yourself in all your dealings with clients, customers, suppliers, public officials, Office personnel, and others as the owner of the Office pursuant to a franchise agreement with us. You shall include, and you shall ensure that everyone affiliated with the Office includes, on all forms, business cards, stationery, advertising, and other materials the statement "Each Office is Independently Owned,

Operated and Licensed” or such other statement as we may require from time to time. Such a statement must also be displayed in a prominent place near the main entrance to the Office Premises and in the reception area.

**B. CONDUCT OF BUSINESS OF THE OFFICE.**

You control the conduct of your business and the Office. You understand and agree that we shall have no authority to exercise control over the day-to-day conduct of your business, the Office, or the Premises, including but not limited to the details of the work performed by you or your employees, the hiring or termination of your employees, the compensation, working hours, or conditions, or the day-to-day activities of such persons except to the extent necessary to protect the Marks and the mandatory elements (set forth in the Brand Standards Manual) of the System and the goodwill associated with the Marks and the System. All activity within the Office, including those described above, will be determined by you in your own judgment, subject only to applicable federal and state laws and regulations, the terms of this Agreement, and the mandatory elements of the System prescribed by us for the preservation of the goodwill associated with the Marks. You understand and agree that your employees, including Loan Originators, are under your sole control, that Motto Franchising, LLC is not the employer or joint employer of your employees/Loan Originators, and that Motto Franchising, LLC will not exercise direct or indirect control of your employees’/Loan Originators’ working conditions. You must notify and communicate clearly in, without limitation, your written correspondence, paychecks, and other materials to your employees/Loan Originators, that Motto Franchising, LLC is not their employer. You acknowledge and understand that such standards and guidelines are not fixed, and may, from time to time, be modified or revised by us to reflect existing conditions in the highly competitive mortgage finance marketplace to the extent they are necessary to protect the Marks and goodwill.

**C. NO LIABILITY, NO WARRANTIES.**

We have not authorized or empowered you to use the Marks except as provided by this Agreement and you agree not to employ any of the Marks in signing any contract, check, purchase agreement, negotiable instrument or legal obligation, application for any license or permit, or in a manner that may result in demands for payment or assertions of liability directed to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither of us will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that the relationship between us is other than that of franchisor and franchisee. You acknowledge that you do not have the authority to bind or obligate Motto Franchising, LLC in any way by any promise or representation or any other action or inaction.

**D. INDEMNIFICATION.**

You shall be solely and exclusively responsible for any fines, taxes, costs, expenses, damages, loss or liability, of any kind or nature, arising out of any suits, actions, proceedings, or claims or counterclaims, regardless of whether you were named or served in the matter relating to or arising out of your business or the operation of the Franchise (collectively “***Claims***”), including, but not limited to, any acts or omissions of you, your Owners, employees, or Loan Officers, the Premises, or the operation of the Office, including but not limited to (i) your alleged failure to comply with applicable laws; and/or this Agreement, including but not limited to your de-identification obligations pursuant to Subsection 14.B; (ii) any claims that Motto Franchising, LLC or any of the Related Parties are a joint employer with you; and (iii) allegations that Motto Franchising, LLC or its Related Parties were negligent or failed to train or supervise you, your Owners, or your Loan Officers, even if any Claims are brought or filed after transfer, termination, or expiration of this Agreement or Abandonment of the Office. You agree to indemnify, defend and hold Motto Franchising, LLC, its Related Parties and their respective officers, directors, employees and shareholders, harmless from and against, and to reimburse us and them for, all such fines, taxes, costs, expenses, damages, loss or liability for which we or they are held liable or for which we or they reasonably incur in connection with any Claims, including, without limitation, actual and consequential damages, reasonable attorneys’, accountants’, and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. You agree to waive all rights of subrogation against Motto Franchising, LLC, its Related Parties and their respective officers, directors, employees and shareholders. We have the right to defend any Claims and, in connection therewith, to retain legal counsel of our choice, and bill you for all costs and attorneys’ fees incurred for any Claim originating from the acts/omissions of you your Owners, your employees, or your Loan Officers, which costs and fees you must promptly pay. You agree to cooperate with us in the defense of, and not to settle or compromise, without our prior written consent, any Claims to which we are a party, or which may affect our interests.



This indemnity applies to claims that Motto Franchising, LLC or its Related Parties were negligent or failed to train or supervise you, your Owners, employees or Loan Originators. Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the transfer, expiration or termination of this Agreement or Abandonment of the Office.

You shall not hold Motto Franchising, LLC, or its employees, agents, consultants, or attorneys, responsible for, or rely upon, any information or suggestions they may provide or make available to you concerning the legal compliance of the Office or the operation thereof or regulatory actions or developments relevant to the foregoing.

E. **CONFIDENTIAL INFORMATION.**

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Motto Mortgage Offices. You acknowledge that you have been given access to and will be informed regarding, and become aware of as a result of operating your Office under the terms of this Agreement or other agreements you may enter into with Motto Franchising, LLC, confidential matters, trade secrets, accounting procedures, quality control procedures, and other methods developed by Motto Franchising, LLC as part of the System which, for purposes of this Agreement, is owned by Motto Franchising, LLC and which are necessary and essential to the operation of the Franchise, without which you could not efficiently, effectively, and profitably operate the same (collectively, the "**Confidential Information**"). This includes, but is not limited to, information that you may receive at the Initial Education Program, information shared through System communications, and meetings and discussions you may have with officers and other representatives of Motto Franchising, LLC. You further acknowledge that the Confidential Information was unknown to you prior to negotiation for and execution of this Agreement, and that the unique and novel combination of "know how," methods, and operational information that you became aware of as a result of operating your Office, developed by Motto Franchising, LLC and licensed to you by us for the operation of the Office are peculiar to the mortgage brokerage business conducted by Motto Mortgage Offices. You agree to take all steps necessary, at your own expense, to protect the Confidential Information, and shall not divulge any of the Confidential Information to any other person either during the Term or subsequent to the transfer, termination or expiration of this Agreement, or after Abandonment of the Office, without our prior written consent. You agree to cause your employees and independent contractors who you have provided with access to Confidential Information to comply with the restrictions of this Subsection.

F. **EXCLUSIVE RELATIONSHIP/NON-COMPETITION AGREEMENT.**

You acknowledge and agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Motto Mortgage Offices and between us and Motto Mortgage Offices if you or your Owners were permitted to engage in other businesses competitive with Motto Mortgage Offices or with us. Accordingly, you agree that without our prior written consent, which we have the right to withhold in our sole discretion, neither you nor your Owners, nor any of your Owners' your spouse or domestic partner, nor your manager(s), nor your immediate family members (as defined below), will during the Term or any holdover period after expiration of the Term, directly or indirectly, as an officer, director, shareholder, member, partner, manager, employee, agent, consultant, independent contractor, or otherwise, operate, manage, own, have an interest in, or become affiliated with in any other way any business, aside from you and the Office, that negotiates or arranges mortgage loans or that makes, funds, or issues mortgage loans (a "**Mortgage Company**"). Moreover, without written consent from us, (see Subsection 2.A(3)), you agree not to directly or indirectly, as an officer, director, shareholder, member, partner, manager, employee, loan originator, consultant, independent contract, or otherwise, operate, manage, own, have an interest in or become affiliated with in any other way, with any insurance, home warranty, title, escrow, property management, real estate, or relocation business. We may make an exception to this provision in certain cases if we expressly grant our prior written consent, which we may grant or deny in our sole discretion. For purposes of this Agreement, an "immediate family member" shall include a spouse, a "significant other" or a "domestic partner" with whom you reside, as well as your parents, in-laws, siblings, and children.

You agree that our consent to your entering into or continuing other businesses prohibited by this Subsection 5.F. may be contingent upon amendment of this Agreement and/or immediate or future acquisition from us of a

franchise covering such business. You also agree to support the natural expansion by us into related service businesses including, without limitation, insurance, property management and relocation.

G. **TRADEMARK AND POST-TERMINATION/ OTHER OBLIGATIONS ACKNOWLEDGEMENT.**

You agree that you will require your manager(s) and Loan Originator(s) to sign a Trademark and Post-Termination/Other Obligations Acknowledgement (“**Acknowledgement**”) as a condition of employment/continued employment. The Acknowledgement is designed to help preserve and protect the valuable Marks and the goodwill therein, as well as to prohibit departing managers and Loan Originators from inducing mortgage wholesalers to discontinue business relationships with Motto Mortgage franchise owners or clients to discontinue relationships with you or your affiliates. The current Acknowledgement is set out in Exhibit B. If Motto Franchising, LLC promulgates any modifications, you agree to have your manager(s) and Loan Originator(s) sign the new form of Acknowledgement within 60 days. Motto Franchising, LLC does not make any representation that the Acknowledgement complies with all laws and requirements applicable to your Office or that all provisions will be entirely enforceable as written, including whether consideration in addition to continued employment is necessary.

H. **RIGHTS IN IMAGES AND LIKENESS.**

With respect to images, videos or other content (“**Materials**”) that you or your Owners supply to Motto Franchising, LLC, any of its Related Parties or a technology provider of Motto Franchising, LLC (“**Vendor**”), You and your Owners (as applicable) grant Motto Franchising, LLC and Vendor a fully paid up and royalty-free license and right to use and sublicense such Materials for any marketing (including franchise sales, loan originator recruiting and consumer marketing), educational or operational purpose Motto Franchising, LLC or Vendor deems appropriate in any media now in existence or hereafter created. To the extent that the Materials feature any Owner’s likeness, image, performance, voice or name (the “**Likeness**”), or the Likeness of You or your Owners appears in images, video or other content created by Motto Franchising, LLC during the Term, the license granted herein shall include the right to use and sublicense such Likeness. To the extent that You or your Owners do not own the copyright in the Materials, You and your Owners represent and warrant that you have permission to use such Materials and to authorize the uses contemplated by this Subsection. You and your Owners hereby release and covenant not to sue Motto Franchising, LLC, its Related Parties, or Vendors or the respective officers, directors, and employees of each of Motto Franchising, LLC and its Related Parties and Vendors in connection with any use of the Materials or Likeness permitted by this Agreement, and further agree to indemnify and hold Motto Franchising, LLC, its Related Parties, and Vendors and their respective officers, directors, and employees harmless against any claims by any third party that use of the Materials or Likeness infringes upon such third party’s rights, including but not limited to copyrights and rights of publicity. The license and other provisions of this Subsection shall survive termination or expiration of this Agreement or Abandonment of the Office.

I. **SUSPENSION OF SERVICES.**

If you fail to satisfy any of your obligations under this Agreement, including but not limited to making required payments, if you Abandon the Office; or as a response during a Crisis (as defined in Subsection 8.O), we shall have the right to suspend, during such period of default, delinquency, or Crisis, any or all benefits and services afforded to you as a Motto Mortgage franchisee or to the Loan Originators associated with your Office. Among other remedies (including, as applicable, the assessment of late charges and interest as set forth in Section 6 of this Agreement), Motto Franchising, LLC will have the right to: suspend or deny your access to the Motto Mortgage Office portal or website, to the loan origination platform software, to the Optional Tools and Resources, or to any other software or computer system that we make available; suspend your subscription to any Motto mortgage catalogs or publications; declare you ineligible for Motto mortgage performance awards; remove your name and/or the names of your Loan Originators from the find an affiliate/office feature (the “Motto Roster”) and bar you from attending any Motto Mortgage conventions or conferences. Suspension of these or any other benefits and services shall not be an exclusive remedy and shall not in any way affect our rights to receive or collect all outstanding fees, dues and other amounts owed by you or to terminate this Agreement because of your failure to make payments or to satisfy any of your other obligations required under this Agreement.

6. **FEES.**

A. **INITIAL FRANCHISE FEE.**

When you sign this Agreement, you agree to pay us an initial franchise fee ("***Initial Franchise Fee***") equal to \$ \_\_\_\_\_. You will not be entitled to any rights or privileges under this Agreement until the Initial Franchise Fee is paid in full, or if you are financing the Initial Franchise Fee, until you have paid the initial installment due under the financing. You agree that we have fully earned the Initial Franchise Fee and that it becomes non-refundable upon payment to us.

B. **CONTINUING SERVICE AND ROYALTY FEE.**

You agree to pay us a monthly ~~Continuing Service and Royalty Fee (the "***Royalty***") in an amount, and pursuant to the schedule, reflected in the table below. Where the Contract Month (as defined below) is month one, the Continuing Service and Royalty Fee ("***Royalty***") is due beginning with month seven; provided, if you enter into your franchise agreement on the 15<sup>th</sup> of the month or after we may, in our sole discretion, adjust your Royalty start time to Month 8. On or before the 20<sup>th</sup> business day (or such other day that we may designate) of each month beginning with the first month the Royalty is due you agree to pay us the Royalty due for that month. In addition, the Royalty will be increased \$250 per Loan Originator if more than 3 Loan Originators are associated with your Office. You agree that before using any additional Loan Originator beyond 3 Loan Originators, you will update your records with us to enable us to bill you in accordance with this paragraph.~~ fee in the amount of (i) \$2,500 per month (the "***Fixed Royalty Component***") plus (ii) an amount equal to 25 Basis Points ("***BPs***") per each loan transaction (each, a "***Transaction***") closed during the preceding calendar month, as reflected in your reports to us (the "***BP Component***"). Collectively, the Fixed Royalty Component and the BP Component are hereinafter referred to as the "***Royalty***".

You must pay us Royalties beginning with the first calendar month after expiration of the Ramp-Up Period (defined below). The time period that begins on Effective Date of this Agreement and expires on the sixth (6<sup>th</sup>) month anniversary of such date is hereinafter referred to as the "***Ramp-Up Period***." If you sign this Agreement on or after the 15<sup>th</sup> day of the month, we may, in our discretion, extend the Ramp-Up Period to include the seventh (7<sup>th</sup>) month and start your Royalty payments in the eighth (8<sup>th</sup>) month instead.

We ~~also may have the right~~, upon notice to you, to increase the Fixed Royalty Component by up to 10% each year during the Term, commencing 12 months from the date that you open your Office. ~~In addition, we may, in our sole discretion, reduce royalties for a period of time.~~

~~As used in this Agreement, the "Contract Month" is the month in which you sign your franchise agreement.~~

Billing and Payment Cadence. For each month that the Royalty is due to us hereunder, you must pay us, on the 20<sup>th</sup> calendar day of that month (or such other day that we from time to time designate) (i) the Fixed Royalty Component, which is payable for the month in which it is billed; and (ii) the BP Component, which is payable for all Transactions closed during the preceding month.

| <b><u>Time Period During the Term of this Agreement</u></b>             | <b><u>Royalty Amount<br/>(per month)</u></b> |
|-------------------------------------------------------------------------|----------------------------------------------|
| <del>Months 1 through 6, where the Contract Month is Month 1</del>      | \$0                                          |
| <del>Months 7 through 9</del>                                           | \$2,650                                      |
| <del>Months 10 through 12</del>                                         | \$3,650                                      |
| <del>Month 13 and for the remainder of the Term of this Agreement</del> | \$4,650                                      |



You shall receive an invoice for the Royalty owed, on the 10<sup>th</sup> calendar day of each month. The BP Component of the invoice shall be calculated based on your reported Transactions as submitted through LBS. You must report all Transactions for the preceding month through the LBS, by the fifth (5<sup>th</sup>) calendar day of each month.

~~Royalty Schedule and Marketing Fund Fee for Renewing and Transfer Franchises:~~

Loan Originator Fee. You may have up to seven (7) Loan Originators associated with your Office without an additional fee. If more than seven (7) Loan Originators are associated with your Office, the Fixed Royalty Component will be increased by \$250 for each additional Loan Originator associated with your Office (the “**Loan Originator Fee**”). You agree that before hiring any additional Loan Originator beyond seven (7) Loan Originators, you will notify us and update your records with us to enable us to bill you accordingly. Each time you hire an additional Loan Originator above seven (7) Loan Originators, the Fixed Royalty Component will be correspondingly increased beginning in the first full calendar month after the hire date of the additional Loan Originator.

~~Renewing Franchisees. At renewal you continue paying Royalties and Marketing Fund Fees, but at the then current Royalty and Marketing Fund Fee rates and schedule. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which you signed your original franchise agreement.~~

For any payment as described in this Section, if a payment due date falls on a weekend or a U.S. federal holiday, the payment will be due on the next business day.

~~Franchise Transfers. When you purchase an existing franchise, you begin paying Royalties and Marketing Fund Fees at transfer at the then current Royalty and Marketing Fund Fee rates. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which the original franchise agreement was signed for the franchised business being transferred.~~

Marketing and Development Fund Fee. A portion of the Fixed Royalty Component shall be allocated towards the Marketing and Development Fund as described in Section 6.C.

**C. MARKETING AND DEVELOPMENT FUND.**

You agree to pay us — or a marketing fund that we may designate — acknowledge that \$350 of the monthly Fixed Royalty Component you make to us will be allocated to our marketing and development fund (the “**Marketing Fund**” or “**Fund**”) fee of \$350 per month. This fee is due and will be considered late if not received by us by the 20<sup>th</sup> day (or such other day that we may designate) of the month beginning in Month 7, where the Contract Month is Month 1, and by the 20<sup>th</sup> day of each month throughout the remainder of the Term of this Agreement. However, in our sole discretion we may adjust your Marketing Fund Fee start time to coincide with the start time for your Royalty. We may increase the Marketing Fund fee contribution by up to 20% each year commencing 12 months from the date that you open your Office. ~~From time to time, we may also decrease the Marketing Fund fee.~~

Although the specific use and allocation of monies in the Marketing Fund shall be determined by Motto Franchising, LLC in its sole discretion and may change from time to time, monies in the Fund, including any interest, capital gains, or other income may be used for the preparation and placement of national, regional, and local advertising; developing, implementing, and maintaining an electronic commerce Website and/or related strategies; technology related services (which may include, without limitation, costs related to the development, operation, and maintenance of office and loan originator websites, lead and customer relationship management solutions, applications, and a design center); administering regional and multi-regional marketing and advertising programs; and supporting public relations, market research, and other advertising, promotion, and marketing activities. All monies contributed to the Marketing Fund in any given fiscal year, including any interest, dividends, capital gains or other income earned on these monies, will be accounted for separately from our other funds. Any funds that are contributed to the Marketing Fund in a given fiscal year that are not spent by the end of that fiscal year will remain in the Marketing Fund and may be carried over to the next year until these excess funds are spent for the advertising, promotional, and technology purposes (but excluding administrative costs) described in Subsection 9.C. A portion of your annual contributions will be used to pay administrative expenses reasonably related to the direction and implementation of the Marketing Fund’s purposes described above. As part of those administrative expenses, the Marketing Fund pays

Motto Franchising, LLC amounts equivalent to salaries, travel, rent, and other expenses. All Marketing Fund funds become the non-refundable property of Motto Franchising, LLC or the Marketing Fund.

D. **PAYMENT/LATE CHARGES/INTEREST.**

(1) **Failure to Timely Make Payment.**

If you fail to make any payments to us by their due date, you agree to pay us: (a) a late charge equal to 10% of the amount due, or if such rates exceed the highest rate permitted by applicable law, then at the highest rate permitted by applicable law; and (b) interest on all amounts owed but unpaid at the rate of 1% per month compounded, or if such rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted. If we are ever deemed to have contracted for, charged or received interest on any overdue sums in an amount that exceeds the amount permitted under applicable law, then such excess amount shall be deemed intended for, and will be applied as, payment of outstanding fees or other amounts due under this Agreement and, if no such amounts remain outstanding, such excess shall be returned to you.

(2) **Failure to Timely Submit Reports.**

If you fail to submit any reports by their due date, you agree to pay us a late charge of \$100 per day until the reports are submitted in compensation for the additional administrative costs and expenses we incur as a result of the late submission (see also Section 10).

(3) **Submission of Payments.**

You agree to pay all fees, dues, and charges in accordance with such procedures that Motto Franchising, LLC may specify. Motto Franchising, LLC accepts payments via electronic funds transfer ("**EFT**") or automated clearinghouse transfer ("**ACH**"). Motto Franchising, LLC reserves the right to specify alternative methods of payment or to require payment other than by EFT or ACH and you agree to comply with our payment instructions and procedures. If Motto Franchising, LLC elects to accept credit card or other alternative forms of payment (such as cryptocurrency), you agree to pay any associated processing fees and surcharges.

Before the Office opens and begins operating, you agree that you will sign and deliver to us the documents we require to authorize us to automatically debit your business checking account (the "**Electronic Depository Transfer Account**" or "**EDTA**") for the Royalty, Marketing Fund fees, and other amounts due under this Agreement and for your purchases from us and/or our Related Parties. We will debit the EDTA for these amounts on their due dates. In addition to any other remedies we may have, failure to timely complete the documents that we need to auto-debit your account may result in a processing fee of \$100 per month. You agree to ensure that funds are available in the EDTA to cover such withdrawals. If there are insufficient funds in the EDTA to cover any amount you owe (or, if you are paying by check and a check is returned for insufficient funds), you agree (i) to pay us, on demand, a processing fee of \$100, plus reimbursement of our administrative expenses and charges; and (ii) that we may require that you make some or all subsequent payments to us by certified check or other form of payment we may designate.

Motto Franchising, LLC reserves the right to vary the frequency and method of payment or collection, or require payment other than by EFT or ACH, and you agree to comply with our payment instructions and procedures.

E. **APPLICATION OF PAYMENTS.**

When we receive a payment or partial payment required under this Section 6, we have the right to apply it as we see fit to any past due indebtedness of yours, including late charges or interest due, all without regard to how you designate or direct that a particular payment be applied. If we are ever deemed to have contracted for, charged or received late payments or interest on any overdue sums in an amount that exceeds the amount permitted under applicable law, then such excess amount shall be deemed intended for, and will be applied as, payment of outstanding fees or other amounts due under this Agreement and, if no such amounts remain outstanding, such excess shall be returned to you.

## F. SURVIVING FINANCIAL OBLIGATIONS.

Within five (5) days of the expiration or earlier termination of this Agreement, you must pay all sums due to us, our Related Parties and designees and to third parties, such debts being accelerated automatically without further notice to you.

You acknowledge and agree that ~~an early~~<sup>a</sup> termination (as defined below) of this Agreement ~~or Abandonment of the Office~~<sup>by Motto Franchising, LLC</sup> (in accordance with the terms hereof) prior to the Term's expiration would cause Motto Franchising, LLC to be harmed and suffer damages; ~~and, y~~<sup>y</sup> You further acknowledge and agree that ~~some~~ of these damages can reasonably be calculated at this time, while some of these damages can be determined only after the occurrence of Early Termination of this Agreement or Abandonment of the Office. The damages that can reasonably be calculated at this time include lost future revenue ("**Lost Future Revenue**") and the damages that cannot reasonably be calculated at this time include ~~loss of goodwill, brand devaluation,~~<sup>loss of goodwill, brand devaluation,</sup> and lost opportunities ("**Intangible Damages**"). In the event of an early termination of this Agreement, for any reason other than pursuant to mutual consent, prior to the conclusion of the Term or any applicable renewal thereof ("**Early Termination**") or your Abandonment of the Office, you shall immediately become obligated to pay us for Lost Future Revenue and Intangible Damages. Lost Future Revenue shall consist of (i) all amounts which you would have been obligated to pay as Royalties and Marketing Fund fees from the date of Early Termination ("**Early Termination Date**") or Abandonment of the Office through what would have been the end of the Term; and (ii) repayment of all Franchisee Incentives (defined in Subsection 6.I below) that were granted to you during the Term. We and you acknowledge and agree that it would be impracticable or extremely difficult to calculate the actual amount of ~~L~~<sup>L</sup>ost ~~F~~<sup>F</sup>uture ~~R~~<sup>R</sup>evenue payable by you, and that the following ~~method of calculation~~<sup>method of calculation</sup> represents a fair and reasonable estimate of ~~foreseeable lost future revenue~~<sup>foreseeable lost future revenue</sup>: (a) the average monthly Royalties due hereunder for the 12 months immediately preceding the termination of this Agreement (b) multiplied by the lesser of (i) 36 or (ii) the number of months remaining in the Term of this Agreement ("**Lost Future Revenue**:-"). In addition to all other amounts due to us, you agree to pay us the Lost Future Revenue ~~shall be equal to the total amount of Royalties and Marketing Fund fees ("**Total Fees**") which you would have been obligated to pay as an open and operating franchisee from the Early Termination Date or date of Abandonment of the Office through what would have been the end of the Term, assuming the number of Loan Originators associated with the Office on the Early Termination Date or date of Abandonment of the Office would have remained the same plus all Franchisee Incentives that were granted to you during the Term. The total of these amounts shall constitute our Lost Future Revenue. This payment is due and will be considered late if not made within 5 days of the Early Termination Date or the date of Abandonment of the Office. If timely payment is not made you must pay our Lost Future Revenue and any additional late charges. Nothing in this Subsection shall be construed to provide you with any right to unilaterally terminate, to seek an Early Termination by negotiation with us, or Abandon this Agreement prior to the expiration of the Term. Nothing in this Subsection shall be construed to impose an obligation on Motto Franchising, LLC to negotiate an Early Termination with you. Nothing in this Subsection will prevent or preclude Motto Franchising, LLC from seeking or receiving any other damages or remedies, including Intangible Damages, to which we may be entitled at law or in equity unrelated to Lost Future Revenue.~~<sup>within thirty (30) days of the termination.</sup>

Nothing in this Subsection will prevent us from seeking intangible damages (e.g., for loss of goodwill, brand devaluation and lost opportunities) and all other damages or remedies to which we may be entitled at law or in equity.

**Our Right to Communicate with Loan Originators.** In order to facilitate an orderly and efficient transition and preserve the goodwill of the System and the Marks, upon the termination date, or within six (6) months prior to the date of expiration of this Agreement, we may engage in market recovery efforts that may include, but not be limited to, communicating directly with your Loan Originators and introducing them to other Motto Mortgage franchisees for recruiting purposes. We may disclose the date of expiration or termination of this Agreement to your Loan Originators and other Motto Mortgage franchisees six (6) months prior to the date of expiration or after the date of termination.”

**G. BRANCH OFFICE FEES.**

You agree to pay us the Initial Franchise Fee, the Renewal Fee, and ongoing Royalty and Marketing Fund Fees as set forth in each Branch Office Amendment you sign and all such fees shall be payable in addition to the fees set forth in this Agreement.

H. **LEGAL DOCUMENT PREPARATION FEE.**

You agree to pay a legal document preparation fee ("***Legal Document Preparation Fee***") to cover our administrative, legal, and/or other costs that we incur in each instance where we are obligated to prepare legal documents in connection with certain modifications of or related to this Agreement, including but not limited to: changes in ownership, contract extensions, transfers, or renewals which are outside the scope of our normal course of business; what is considered to be outside the scope of our normal course of business is to be determined in our sole discretion. The Legal Document Preparation Fee is due within (ten) 10 days after billing. In the event of a default under this Agreement, if applicable, the Legal Document Preparation Fee must be paid in full as part of the cure of any such default.

I. **MODIFICATION OF FEES.**

From time-to-time and solely as determined by Motto Franchising, LLC, we may offer certain franchisees that acquire additional offices, or a prospective franchisee that is converting an existing mortgage brokerage office to Motto Mortgage or merging with another mortgage brokerage office, a waiver, deferral, reduction, or restructuring of certain fees or other payments due under this Agreement ("***Expansion Incentives***"). We reserve the right to provide Expansion Incentives to facilitate mergers, conversions, or acquisitions. In addition, from time-to-time and solely as determined by Motto Franchising, LLC, we may institute certain temporary financial incentive programs or certain temporary fee structure pilot programs (together, "***Program Incentives***"), which may take the form of credits, waivers, deferrals, reductions, or restructuring of certain fees or payments due to Motto Franchising, LLC under this Agreement to facilitate or encourage franchisees' Loan Originator recruiting or franchisees' Motto Mortgage brand promotion activities. Motto Franchising, LLC reserves the right to provide such Program Incentives and to institute and terminate them at any time. Franchisee's compliance at all times with all of the material provisions of this Agreement is required for Franchisee to be eligible for any and all Expansion Incentives, Program Incentives, or any other financial accommodations (collectively, "***Franchisee Incentives***") we may offer. If you have received any Franchisee Incentives from us and you default on any of your material obligations to us under this Agreement, we reserve the right to terminate your eligibility for any and all such Franchisee Incentives. If you fail to cure any such default within the cure period provided in this Agreement, or if such default cannot be cured, or in the event ~~of an Early Termination~~ of this Agreement is terminated prior to its expiration for any reason other than pursuant to mutual consent, prior to the conclusion of the Term or any applicable renewal thereof ("***Early Termination***"), or upon Abandonment of the Office, Motto Franchising, LLC reserves the right to require you, on demand, to repay any and all Franchisee Incentives that you received from Motto Franchising, LLC prior to such default, Early Termination, or Abandonment.

7. **MORTGAGE WHOLESALERS, LOAN PROCESSING AND LOAN ORIGATION PLATFORM.**

A. **MORTGAGE WHOLESALERS.**

You may conduct business with mortgage aggregators, mortgage purchasers, and mortgage lenders that Motto Franchising, LLC has approved and added to our list of approved lenders, (collectively, the "***Listed Mortgage Wholesalers***," and each individually a "***Listed Mortgage Wholesaler***"). You are not required to use Listed Mortgage Wholesalers. We may approve a Mortgage Wholesaler that we identify on our initiative, or you may submit a request for us to approve a Mortgage Wholesaler.

You agree to complete such procedures as these Listed Mortgage Wholesalers require in order for you to be approved by them, and to maintain such approval. Some Listed Mortgage Wholesalers may limit their loan products, including limits related to originating only loans that are Qualified Mortgages under the Truth in Lending Act and Regulation Z ("***Qualified Mortgages***").

Motto Franchising, LLC may modify and add or remove Mortgage Wholesalers from the list of Listed Mortgage Wholesalers at any time in our sole discretion. If you use a Mortgage Wholesaler that is not a Listed Mortgage Wholesaler, then in connection with loans utilizing that Mortgage Wholesaler, Motto Franchising, LLC reserves the right to disallow your use of the loan origination platform, and/or certain Optional Tools and Resources or services, we provide. Motto Franchising, LLC the right to investigate any proposed mortgage product, mortgage service, or Mortgage Wholesaler, and we may require that you pay us evaluation and accommodation costs to

reimburse our costs for evaluating the Mortgage Wholesaler, and if appropriate, adding the Mortgage Wholesaler to the loan origination system.

**B. LOAN PROCESSING**

Our affiliate, Wemlo, LLC ("**wemlo**") offers loan processing services. You are required to use wemlo loan processing services in the operation of the Franchise for the entire duration of the Term. Motto Franchising, LLC reserves the right to allow, in our sole discretion, exceptions in certain circumstances, and in those cases you and your loan processors may be required to sign applicable user agreements and you will be responsible for your actions and/or the actions of your loan processors. Subject to state law, when you utilize wemlo loan processing services, you will be assessed the then current rate for the services provided, which as of the Agreement Date is \$825 for each closed loan; provided the loan is with a Listed Mortgage Wholesaler and meets certain loan product requirements (including a minimum credit score). If these requirements are not met the fee may be higher or processing may be unavailable. All fees, terms, and conditions are subject to change at any time without notice, and any discounts or special fee structures may be for a limited time and/or offered in connection with specific campaigns or promotions; Motto Franchising, LLC makes no representations that any opportunities or variations to the standard fees will be available. It will remain your sole responsibility to ensure that all your loan processing is in compliance with all applicable laws. At any time, wemlo may, in its sole discretion and without notice, add, discontinue, configure, revise, or delete aspects of loan processing services or related tools or resources that may be offered, and/or modify the terms of use/service and fees for these services. If so, you must consent to the modifications as a condition of your continued use of the service(s). You will be required to agree and, if required by wemlo, ensure that each of your Loan Originators and/or any support staff agree to the terms of use/service of wemlo for loan processing services and any related tools or resources as they may be modified from time to time. These agreements, among other things, limit liability to you and require that you indemnify wemlo and its affiliates. The wemlo Processing Agreement requires that you indemnify wemlo for claims, demands and expenses, including attorney's fees, if you breach the representations and warranties or other terms of the agreement and provides that you agree that in cases where third party fees are restricted, you will instruct the closing agent to deduct the funds required to pay wemlo from Broker's compensation and remit the processing fee directly to wemlo.

**C. LOAN ORIGINATION PLATFORM**

In addition, you must use the loan origination platform Motto Franchising, LLC requires. As of the Agreement Date the loan origination platform we require you to use is provided by wemlo. Wemlo's mortgage broker software, known as the Loan Brokering System<sup>SM</sup> ("**LBS**") includes software for loan origination and loan processing. The software agreement, among other things, limits liability to you. Notwithstanding the requirement to use the LBS, we may in some circumstances, require use of a different software specified by us.

Motto Franchising, LLC is not obligated to provide and does not include in the Royalty Fee any work or service that we determine is outside the scope of the LBS. If, in our sole discretion, Motto Franchising, LLC agrees to complete any work requested by you that is outside the scope of the LBS and/or is in the nature of an upgrade, enhancement or improvement ("**LBS Improvements**"), (i) Motto Franchising, LLC will determine the cost and time required for such work in our sole discretion; (ii) you must pay the required amount before we begin the work; and (iii) any work and any LBS Improvements will be owned and all rights retained by Motto Mortgage and/or wemlo, including rights to adopt, exploit, modify and perfect such LBS Improvements without compensation to you.

**8. BUSINESS IMAGE AND OPERATING STANDARDS.**

**A. APPEARANCE OF OFFICE.**

You agree to maintain the appearance of the Premises consistent with the image of a Motto Mortgage Office business as a modern, clean, attractive, and efficiently operated facility. You agree to take steps as reasonably required from time to time to maintain such appearance and efficient operation, including, without limitation, interior and exterior repair, and cleaning of the Office Premises, replacement of worn out or obsolete leasehold improvements, fixtures, equipment or signs; and periodic redecorating.



**B. SYSTEM STANDARDS AND OFFICE MATERIALS.**

Prior to the opening of the Office we will issue to you one or more printed or electronic copies of office materials containing trademark, graphic and other standards, recommendations, and other information relating to your obligations under this Agreement, your use of the Marks and the general operation of the Office (the “**Office Materials**”). The mandatory elements of the System are set forth in the most current edition of the Brand Standards Manual; the balance of the Office Materials are recommended to you and provided solely as a resource. The entire contents of the Office Materials will remain confidential and the property of Motto Franchising, LLC and must be returned to us upon transfer, expiration or termination of this Agreement or upon Abandonment of the Office. We will have the right to add to and otherwise modify the Office Materials from time to time, if deemed necessary to improve the standards of service or quality or the efficient operation of the Office, to protect or maintain the goodwill associated with the Marks or to meet competition. Such additions or modifications may be made by amendment or supplement to the Office Materials or by bulletins, notices or other written or electronic materials as we may publish from time to time. No such addition or modification, however, shall alter your fundamental status and rights under this Agreement.

You acknowledge and agree that the development and operation of the Office in accordance with the System, this Agreement, the Brand Standards Manual, and the mandatory provisions of the Office Materials is essential to preserve the reputation and high standards of quality and service of Motto Mortgage Offices and the goodwill associated with the Marks. You further acknowledge and agree that the mandatory elements of the System, containing standards, procedures, policies and guidelines contained in the Office Materials, have been established for the purpose of preserving such reputation, standards and goodwill, but do not, and are not intended to, govern or control the day-to-day affairs, activities or business of the Office or the means and manner by which you conduct the operations of the Office, which shall always be your responsibility and subject to your discretion and control.

**C. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.**

You acknowledge that it is your sole responsibility to secure and maintain in force all required licenses, permits and certificates relating to the operation of the Office and to operate the Office in full compliance with all applicable federal, state and local laws, ordinances and regulations, including, without limitation, government regulations relating to residential and commercial mortgages, mortgage brokers, loan originators, loan processing, occupational hazards, health, workers’ compensation and unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes, RESPA, the Americans with Disabilities Act; Fair Housing Laws; federal and state laws that regulate privacy and data security (including but not limited to laws regulating the processing, protection, and security of client information in any way including but not limited to laws pertaining to the use, storage, transmission, and disposal of data regardless of media type); the CAN-SPAM Act; the Telephone Consumer Protection Act; the Telemarketing Sales Rule, as well as other federal and state anti-solicitation laws regulating phone calls, spamming, and faxing, and/or privacy (collectively, “**Privacy Laws**”). You agree that you will: (i) comply with all Privacy Laws that relate to the privacy and security of client information; (ii) maintain reasonable physical, technical, and administrative safeguards for client information that is in your possession or control in order to protect the same from unauthorized processing, destruction, modification, or use that would violate the Agreement or any Privacy Law; refrain from any action or inaction that could cause us to breach any Privacy Laws; (iii) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep you and us in compliance with Privacy Laws; and (iv) immediately report to us the breach of any requirements in the Agreement regarding client information or any Privacy Law, or the theft or loss (or any apparent or alleged theft of loss) of client information. (See also Subsection 3.B(1)(b)).

You further acknowledge that Motto Franchising, LLC is not responsible for ensuring that you comply with all applicable laws related to the operations of the Office.

You agree to notify Motto Franchising, LLC in writing within five (5) days of the receipt of any notice of violation of any law, ordinance, or regulation relating to the Office, or the commencement of any regulatory investigation, or any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect you or your financial condition or the operation of the Office.

In furtherance of the protection of the Marks and the goodwill of the Motto Mortgage Network, if Motto Franchising, LLC requires, you must, at your expense, have a third party conduct a periodic audit or review of your compliance in one or more of these regulated areas of operation of your business.

All of the advertising and promotion emanating from you or your Office must be completely accurate and non-deceptive and must conform to the highest legal and ethical standards for marketing and advertising. In all of your dealings with clients, customers, suppliers, us and the public, you must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. All settlement service fees you receive or pay to an affiliate or third party must comply with all applicable laws, including without limitation, RESPA. You agree to refrain from any business or advertising practice which may be deemed to be unfair, deceptive, or abusive, or injurious to our business and the goodwill associated with the Marks and other Motto Mortgage Offices.

D. **INSURANCE.**

(1) **Required Insurance Coverage.**

You must at all times during the Term of the Franchise and this Agreement, and any extension or renewal thereof, maintain in force at your sole expense such insurance coverage that we require from time to time and to meet the insurance related obligations in this Franchise Agreement. This insurance shall include, at a minimum, the following coverage. Your obligation to obtain and maintain the insurance described below is not limited in any way by reason of any insurance Motto Franchising, LLC or its Related Parties maintain, nor will your performance of such obligations relieve you of any obligations under the Section 5 of this Agreement. This insurance shall include, at a minimum, the following coverage:

a. **Comprehensive General Liability.**

Comprehensive general liability insurance insuring against claims for bodily and personal injury, and death and property damage, caused by or occurring in conjunction with the operation of the Office or otherwise in conjunction with the conduct of business by you pursuant to the Franchise Agreement, in the face amount of not less than \$2,000,000 per occurrence or claim and annual aggregate. Coverage must also include broad form contractual liability, broad form property damage, personal and advertising injury, premises liability and products liability.

b. **Errors and Omissions.**

Mortgage Brokers Errors and Omissions insurance in the face amount of not less than \$1,000,000 per occurrence or claim and annual aggregate. The retroactive date on the policy shall pre-date the commencement of professional services performed by Franchisee. Such policy shall not have a deductible or retention greater than \$10,000.

c. **Automobile Liability.**

Automobile liability insurance covering each vehicle titled or leased in your name or in the name of the Franchise or any of its Owners and used at any time for the business of the Franchise. Each such automobile liability insurance policy must be carried in at least the following amounts a combined single limit of liability for bodily injury and property damage of at least \$1,000,000. The policy must also include auto owned or hired and non-owned automobile coverage.

d. **Worker's Compensation**

Workers' compensation insurance in amounts prescribed by law. Employer's liability with a limit of \$1,000,000 each accident, each occupational disease, and occupational disease aggregate.



e. Cyber/Network Security and Privacy Liability Insurance

Cyber/Network Security and Privacy Liability Insurance (which must include coverage for phishing, social engineering, extortion, threats and ransom payments, incident and public relations costs, business interruption loss, and similar claims) in an amount of not less than \$1,000,000 combined single limit to cover civil, regulatory and statutory damages, contractual damage, as well as data breach management exposure, and any loss of income or extra expense as a result of actual or alleged breach, violation or infringement of right to privacy, consumer data protection law, confidentiality, or other legal protection for personal information, as well as confidential information of Motto Franchising, LLC and other Related Parties that we may designate, as well as their respective officers, directors, and employees. (If, after using your best efforts, you are unable to obtain coverage of \$1,000,000 due to the size of your Office, then you must have coverage in an amount that is appropriate for the size of your Office, but in no event should the combined single limit be less than \$500,000).

f. Insurance required by Landlord or Lender

Any insurance coverage required by the terms of any lease or required by any lender for the Premises and operations; and

g. Additional Insurance Required by Law

Any additional policies and insurance coverage that may be required by law; in amounts prescribed by law.

We may from time to time increase or decrease the minimum amount of coverage required under any policy and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.

(2) Additional Recommended Insurance.

We recommend that you obtain and maintain media liability insurance, and employment practices liability insurance, and that you consult with an insurance advisor to determine the level of coverage that would be best for your Office. Where available, such additional insurance policies shall name Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC (and other Related Parties that we may designate, as well as the respective officers, directors and employees of each), as additional insureds, provide coverage to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC on a primary and noncontributory basis and contain a waiver by the insurance carrier of all subrogation rights against Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC and other parties covered by the insurance. You should also consult with an insurance advisor regarding whether there are any additional insurance policies that you should obtain.

(3) Commencement; Additional Insureds.

All required insurance policies must commence no later than the day the Office begins business operations and must name Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC (and other Related Parties that we may designate, as well as the respective officers, directors and employees of each) as additional insureds. The total limit of the insurance available to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC under these insurance policies is to be primary and noncontributory. As such, each required insurance policy must provide Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC primary and noncontributory insurance coverage, meaning each required policy, as set out in this Subsection, must contain language stating to the effect that such policy will be primary to all other insurance available to Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC and such insurer will not seek contribution from any other insurance available to Motto Franchising, LLC, RE/MAX Holdings, Inc. or RE/MAX, LLC.

(4) Waiver of Subrogation and Obligation to Notify Motto Franchising, LLC of Changes.

All insurance policies must contain a waiver by the insurance carrier of all subrogation rights against Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC and other parties covered by the insurance and must provide that Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC receive 30 days prior written notice of termination, expiration, cancellation or modification of any such policy.

(5) A.M. Best Insurance Rating.

All insurance coverage required pursuant to this Subsection must be maintained under one or more policies of insurance—and contain such terms and conditions—as specified from time to time by Motto Franchising, LLC. You agree to obtain insurance policies with an insurance company that has a current A.M. Best's rating of at least an A- and an A.M. Best's financial size category of at least VII.

(6) Certificates of Insurance.

You must provide insurance related information directly to us, or through such other third-party vendor that Motto Franchising, LLC may designate. You must also authorize your insurance provider to work with and provide your insurance related information to this vendor. You will be required to furnish Motto Franchising, LLC, via its third-party insurance tracking vendor if applicable, a copy of the certificate of or other evidence of the procurement, renewal, or extension of each above referenced insurance policy at least thirty (30) days prior to the effective date of such procurement, renewal, or extension; and thereafter annually or at our or our designee's request. The insurance certificate must show compliance with all required insurance specifications.

(7) Failure to Maintain Insurance.

If you at any time fail or refuse to maintain in effect any insurance coverage required by us, or if we determine that your coverage is inadequate or does not comply with our requirements, or you fail to furnish satisfactory evidence of such insurance, we may, at our option and in addition to any other rights and remedies we may have under this Agreement, obtain such insurance coverage on your behalf, although we are under no obligation to do so. Failure to maintain insurance is a material breach of this Agreement and may result in termination of the Agreement. You agree to fully cooperate with us and our third-party vendor in our efforts to obtain such insurance policies, promptly execute any and all forms or instruments required to obtain any such insurance, allow any inspections of the premises of the Office which are required to obtain such insurance, and reimburse us, on demand, for any costs, related administrative expenses and premiums we may incur. Should Motto Franchising, LLC cease using a third-party vendor, you agree to provide each required certificate of insurance directly to Motto Franchising, LLC. We reserve the right to designate an insurance agency or broker that you must use, at your expense, to comply with your insurance obligations.

(8) Third Parties Hired by Franchisee.

All third parties that you hire shall provide evidence of general liability coverage, automobile liability coverage, workers' compensation and employer's liability coverage, and other coverages we deem necessary. Coverage will be in favor of you and Motto Franchising, LLC and shall include additional insured status, primary and non-contributory coverage, and waiver of subrogation.

(9) Errors and Omissions Tails Coverage Required upon the Expiration, Termination, Abandonment or Transfer of this Agreement.

With regard to the mortgage brokers errors and omissions insurance, you agree to purchase an extended reporting period endorsement (also known as tails insurance) covering a period of three (3) years after the expiration, termination, Abandonment or transfer of this Agreement, which endorsement shall be consistent with all of the conditions set forth in this Subsection for mortgage brokers errors and omissions insurance coverage, including without limitation, the requirement to name Motto Franchising, LLC,

RE/MAX Holdings, Inc. and RE/MAX, LLC (and other Related Parties that we may designate, and each of our and their respective officers, directors, and employees), as additional insureds, provide coverage to Motto Franchising, LLC, RE/MAX Holdings, Inc. and RE/MAX, LLC on a primary and noncontributory basis and contain a waiver by the insurance carrier of all subrogation rights against Motto Franchising, LLC, RE/MAX Holdings, Inc. and RE/MAX, LLC and other parties covered by the insurance. You agree to provide Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC with evidence that you have obtained such errors and omissions insurance within thirty (30) days of the expiration, termination, or transfer of this Agreement. You agree that if you fail to obtain appropriate errors and omissions coverage, Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC have the right—but not the obligation—to obtain it on your behalf, and that you must promptly reimburse Motto Franchising, LLC, RE/MAX Holdings, Inc., and RE/MAX, LLC for the cost thereof as well as related administrative expenses.

E. **ORGANIZATION OF FRANCHISE OWNER.**

The franchised business must be operated through a newly formed business entity that must be formed within 60 days of the Agreement Date. You represent, warrant and agree, as a business entity and as individual Owners, that:

(1) You have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation; and

(2) You are duly organized and validly existing in good standing under the laws of the state of your incorporation, organization, or registration, that you are duly licensed and have the authority to execute, deliver and carry out all of the terms of this Agreement; and

(3) During the Term of this Agreement the only business you (i.e., the Business Entity) will conduct will be the development, ownership, and operation of the Office. You may operate an Existing Business only with Motto Franchising, LLC's and only through a separately incorporated or formed business entity; and

(4) The articles of incorporation, by-laws, articles of organization, partnership agreement and other organizational documents of the Business Entity ("**Organizational Documents**") recite that the issuance and transfer of any interest therein is restricted by the terms of this Agreement and all issued and outstanding stock certificates or certificate of membership interest or other evidence of ownership of any such Business Entity shall bear the following clause restricting transfer:

"The transfer of this stock (or other interest) is subject to the terms and conditions of the franchise agreement between this corporation (or other entity) and MOTTO FRANCHISING, LLC. These restrictions prohibit transfer without the prior written approval of MOTTO FRANCHISING, LLC."; and

(5) You and each Owner represent, warrant and agree that all "interests" (defined in Subsection 12.B below) in Franchise Owner are owned in the amount and manner described in the Ownership and Management Information form (attached as Exhibit A to this Agreement), that all information set forth in the Ownership and Management Information form is true and accurate and that the sole proprietor, shareholders, partners, members, officers, managers, directors and other individuals who have legal or equitable ownership in—or the legal right to control—the Business Entity are fully described therein. You and each Owner further represent, warrant, and agree to amend the Ownership and Management Information form to keep it accurate and current at all times, and to promptly provide Motto Franchising, LLC with any and all updates thereto. At our request, you shall provide us with copies of your certificate of incorporation, registration, or articles of organization, as the case may be, as well as copies of your by-laws, partnership or operating agreements, buy-sell agreements, and any other relevant documents we may request; and

(6) You and each Owner agree to execute a guaranty in the form attached to this Agreement, undertaking personally to be bound, jointly and severally, by all payment and other provisions of this Agreement and any ancillary agreements between you and us; and

(7) At our request you agree to promptly provide us with any Organizational Documents, buy-sell agreements and other relevant documents that we may request.

F. **MANAGEMENT OF THE OFFICE.**

You or your Office must be licensed in at least one state as a mortgage broker, or the equivalent under your state's law. All employees performing loan origination services at the Office must at all times have valid licenses as mortgage loan originators or such other license(s) as may be required under applicable law to perform the Services. The Office must be staffed with at least one full time manager (the "**Manager**"), which may be you, and at least one full time licensed loan originator. You agree to ensure that all Loan Originators are supervised by the Manager, and that the Manager will be charged with responsibility for continuing personal guidance, oversight, day-to-day management, orientation, instruction, and supervision of your Loan Originator(s).

You or your Manager must devote sufficient time and efforts to the management and supervision of the Office. If you own more than one Motto Mortgage Office, each Motto Mortgage Office must be under the direct supervision of a manager.

You and the Manager shall scrupulously observe and adhere to all federal and state regulations applicable to the Services of the Office. You, the Manager, and each Owner that holds a mortgage loan originator license shall maintain registration of such license(s) with the Office, and with no other mortgage brokerage office.

You shall take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as we may establish from time to time in the Office Materials or otherwise in writing. You agree to respond promptly to customer complaints and shall take such other steps as may be required to ensure positive customer relations. You and your employees shall handle all customer complaints in a manner that will not detract from the name and goodwill associated with the Marks.

You are solely responsible for all employment decisions for the Office, including hiring, firing, remuneration, personnel policies, education, benefits, and maintaining supervision and disciplines, regardless of whether you received advice from Motto Franchising, LLC on any of these subjects.

G. **INITIAL AND ONGOING EDUCATION.**

You shall attend in its entirety and successfully complete, prior to the opening of the Office, the next scheduled Motto Mortgage initial education program ("**Initial Education Program**") that we conduct for new Motto Mortgage Office franchisees in Denver, Colorado or such other place as we may reasonably designate including, in our sole discretion, online via web conferencing or webinar. You must complete required education within 60 days after the Agreement Date. Provided they are appropriately reflected in our records as affiliated with the Office, you may send two people (including you) from your Office to our Initial Education Program free of charge, although you will be responsible for all travel, meal, lodging, and entertainment expenses incurred while attending the education program.

In addition, if required by us, prior to renewal of the Franchise, you or one of your principal Owners shall, at your expense, complete such education course(s) as deemed necessary by us.

We require certain LBS training for you and your Loan Originators and we recommend but do not require that your Loan Originators complete other initial education programs provided by us. However, we may require certain specialized or refresher education be completed as we deem necessary or appropriate from time to time. Loan Originators must complete education programs provided by third parties that are required to obtain or maintain a loan originator license. You are responsible for all costs to attend and all related travel and living expenses and wages incurred in connection with you and your employees, Loan Originators and any other employees attending these education programs.

H. **PROFESSIONAL MEMBERSHIPS.**

You agree to join and remain a member in good standing and comply with the by-laws and rules and regulations of your state mortgage broker association as well as the National Association of Mortgage Professionals.

I. **CONFERENCES, MEETINGS AND RETREATS**

You are strongly encouraged to actively participate in and attend the education courses that we may periodically choose to provide (either online or in-person) as well as other meetings and retreats. You agree to pay reasonable registration or similar fees for these courses, meetings, and retreats, as well as any travel, meal, lodging, and entertainment expenses incurred in connection with attending such events.

J. **SUPPLIES AND PROMOTIONAL MATERIALS.**

Motto Franchising, LLC prescribes standards respecting the nature and quality of the supplies and promotional materials that bear the Marks that you use in the operation and promotion of the Office. Although neither you nor your Loan Originators are required to purchase supplies or promotional materials from a source approved by Motto Franchising, LLC, we encourage you to do so. If you or your Loan Originators obtain supplies or promotional materials from sources other than a source approved by Motto Franchising, LLC, you agree to ensure that they are of at least the same quality as are available from sources approved by Motto Franchising, LLC. You shall ensure that all such materials and supplies, including without limitation, all advertising, promotional and marketing materials and all stationery and signage that you use or that are used by your Loan Originators comply with the standards and guidelines established by Motto Franchising, LLC for proper use of the Marks including, without limitation, the standards and guidelines set forth in the Brand Standards Manual. You understand and agree that Motto Franchising, LLC does not assume any liability for the acts or omissions, or guaranty the performance, of any supplier, whether approved or not.

K. **MODIFICATIONS AND IMPROVEMENTS TO SYSTEM.**

We may change the System or any part of the System at any time, and such changes shall become part of the System referred to in this Agreement provided, however, that changes to the mandatory elements of the System shall pertain solely to the protection and goodwill of the Marks. Any improvements in the System that may be developed by you are hereby assigned and conveyed to and become the sole and exclusive property of Motto Franchising, LLC, which will have the right to adopt, exploit, modify and perfect such improvements without compensation to you. You hereby assign, transfer and set over to Motto Franchising, LLC the entire right, title and interest in and to such improvements in the System, including the right to recover damages and profits for any past, present, or future infringements of such improvements, for the use and enjoyment of Motto Franchising, LLC and its successors or assigns.

L. **COVENANT CONCERNING DELEGATION OF PERFORMANCE.**

You agree that Motto Franchising, LLC has the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

M. **COMPLIANCE WITH ANTI-TERRORISM LAWS.**

You and your Owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent, and warrant that neither your nor your Owner's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws, and that neither you nor your Owners are otherwise in violation of any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" means United States Department of State Executive Order 13224, the *USA PATRIOT Act*, and all other present and future U.S. federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you, any of your Owners, or any of your or your Owners' employees, or any "blocking" of your or any of your Owners' assets under the under the Anti-Terrorism Laws, shall constitute

grounds for immediate termination of this Agreement and any other agreement that you or any of your Owners has entered into with us (or any of our Related Parties) in accordance with the termination provisions of this Agreement. You shall notify Motto Franchising, LLC in writing immediately of the occurrence of any event that renders the foregoing certifications, representations, and warranties of this Section incorrect.

**N. COMPLIANCE WITH THE UNITED STATES FOREIGN CORRUPT PRACTICES ACT.**

You and your Owners represent that you are familiar with the United States Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2 (the “FCPA”), and the purposes of the FCPA. In particular, you and your Owners understand the FCPA’s prohibition of the payment of money or the gift of anything of value, either directly or indirectly, to a foreign official to influence the foreign official in his or her official capacity, to induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person. As of the Agreement Date, a copy of the FCPA may be found on the Internet at: [www.justice.gov/criminal-fraud/statutes-regulations](http://www.justice.gov/criminal-fraud/statutes-regulations). You and your Owners represent and warrant that you will take no action that would constitute a violation of the FCPA or any law of similar effect or nature. Further, you and your Owners represent and warrant that you are, and shall remain, in compliance with all applicable legal requirements and Motto Franchising, LLC’s policies against corrupt business practices, against money laundering and against facilitating or supporting persons who conspire to commit crimes or acts of terror against any person or government. You agree to immediately notify us in writing of the occurrence of any event which renders the representations and warranties of this Subsection 8.N incorrect.

**O. CRISIS SITUATIONS.**

In the interest of protecting the Motto Mortgage brand, Marks and the System, Motto Franchising, LLC has the absolute right, but not the obligation, to determine a response, including what steps will be taken and what communications will be made, in instances of a Crisis (as defined below), and you agree to comply with and implement our directions in response to a Crisis with no liability to you or your Loan Originators as a result of our action or inaction related to a Crisis. “Crisis” means an event or development that we determine may negatively impact the Motto Mortgage brand in such a way that it may cause substantial harm or injury to the Marks, System, reputation, or image.

**9. GUIDANCE AND ASSISTANCE.**

**A. EDUCATION.**

Prior to the opening of the Office, you or your Owner responsible for the Office will be provided with a mandatory Initial Education Program at the headquarters of Motto Franchising, LLC, or at such other location as Motto Franchising, LLC may designate (including, in Motto Franchising, LLC’s sole discretion, online education via web conferencing or webinar). The Initial Education Program will cover the operation of a Motto Mortgage Office franchise including, but not limited to, office and business establishment, recruiting and growth methods, brand standards, and exposure to Listed Mortgage Wholesalers. Teaching methods and tools utilized may include course workbooks, digital files and systems, presentations, and other audio and visual materials. Other than materials we specify as unavailable, you or your Owner attending the Initial Education Program will be entitled to use the materials and forms distributed on a loan basis only. These materials must be returned to us upon termination or expiration of this Agreement or Abandonment of the Office. We provide initial education for 2 attendees at no cost. Additional attendees we require may attend Initial Education at our then current fee, which we estimate will be \$0 to \$500 per attendee.

We provide access to online education courses as a means to deliver educational programming at no additional cost to you. We also offer live education engagements (including through in person education or webinars) that cover various intensive/advance topics, including origination and process automation. These education programs may be modified or discontinued at any time, are offered for varying periods of time, and are charged on a time basis at a rate set by Motto Franchising, LLC in its sole discretion; as of the Agreement Date these education programs are offered for periods of time ranging from one (1) to (five) 5 days, with charges ranging from \$1,000 to \$10,000.



You are responsible for all costs to attend and all related travel and living expenses and wages incurred in connection with you and your employees, Loan Originators and any other employees attending these education programs.

**B. OPENING ASSISTANCE.**

Prior to the opening of the Office, we will make available to you one or more printed or electronic copies of office materials, which includes our compliance manual and Brand Standards Manual (the “*Office Materials*”). These materials will include information to familiarize you with the System and assist you in the opening of the Office.

During the first month of operation of the Office, upon your written request, we will, at your expense, send one of our representatives to the Premises to assist you for one day. If you request, and we agree to provide, additional or special guidance, assistance, or education during this on-site support period, then you agree to pay our then applicable charges, including our personnel's travel, meal, and lodging expenses.

**C. ADVERTISING AND PROMOTION.**

We will collect monies paid to, control and administer the Marketing Fund described in Subsection 6.C. of this Agreement. Although the specific use and allocation of monies in the Marketing Fund shall be determined by Motto Franchising, LLC in our sole discretion and may change from time to time, all monies in the Marketing Fund, including any interest, dividends, capital gains or other income, will be used for the preparation and placement of local, regional, and/or national advertising materials, programs and public relations activities, and technology related services (which include, without limitation, professional services pertaining to marketing and development, such as web hosting, licensing, and consulting fees), as well as related administrative and maintenance costs. Marketing may be disseminated through television, video, radio, billboard, magazine, newspaper, Internet, and other media campaigns. Motto Franchising, LLC reserves the right to make certain assets owned by us, including our websites, domain names, and trademarks, available to our Related Parties for purposes related to their advertising and marketing efforts, including, for example, advertising on websites owned by us.

You understand that the Marketing Fund administered by us is intended to maximize general public recognition of the Marks and the System and services offered by Motto Mortgage Offices. Motto Franchising, LLC does not undertake any obligation to ensure that expenditures by the Marketing Fund are proportionate or equivalent to the contribution to it by Motto Mortgage Offices or that any Motto Mortgage Office will benefit directly or in proportion to its contribution to the Fund from the development of marketing and advertising materials or the placement of advertising. Motto Franchising, LLC may at any time vary, waive, reduce, or defer Marketing Fund contributions and operations. As a result, you understand that not all franchisees may contribute to the Marketing Fund on the same basis as other franchisees. Motto Franchising, LLC does not have any fiduciary obligations to you or any other Motto Mortgage Office in connection with the establishment of the Marketing Fund or the collection, control, or administration of monies paid into the Fund and Motto Franchising, LLC expressly disavows the existence of any such fiduciary relationship. Motto Franchising, LLC may operate the Marketing Fund directly or through a successor entity, and any successor entity shall have all the rights and duties described in this Agreement for the Marketing Fund.

We may make available for use certain website, marketing and promotional content, including website templates, e-mail marketing materials, social media content and imagery (the “*Marketing Content*”). You hereby acknowledge and agree that you will observe any limits on the use of such Marketing Content that are required by us, by law, or by anyone with an interest in such Marketing Content. The use of any Marketing Content may be discontinued at any time at our sole option, and you agree to take any action required to discontinue such use when required. You further agree (i) to use the Marketing Content in a manner compliant with the Brand Standards Manual; (ii) to use the Marketing Content only for promoting and advertising the Office and the Permitted Mortgage Services specified in this Agreement, and not in any way that harms, disparages, detracts from, or devalues Motto Franchising, LLC or its Related Parties and their respective officers, directors, employees and shareholders; (iii) to comply with any expiration date(s) for such Marketing Content, regardless of how such dates are communicated; (iv) upon an expiration date that applies to particular Marketing Content, to immediately delete, destroy, and otherwise stop any and all usage of, any products or materials, even ones that you have created or purchased, that incorporate or use any portion of such expired Marketing Content; and (v) upon any notification from us requiring that you do so, to



immediately delete, destroy, and otherwise stop any and all usage of, any products or materials, even ones that you have created or purchased, that incorporate or use any portion of the Marketing Content that is the subject of such notification. You also hereby agree that if you modify the Marketing Content in any manner, including but not limited to adding your business contact information or adding localized advertising claims regarding Office performance, market presence, market share, or other claimed achievements, you do so at your own risk and you assume any and all liability for (a) any claims that such usage violates applicable rules, laws or regulations or is otherwise improper, including due to copyright infringement or a misleading or false advertisement, and (b) any and all costs incurred by Motto Mortgage arising from any claims relating to your usage of the Marketing Content, including court costs and attorney fees.

**Your Advertising.** You agree to spend a minimum of \$200 per month to advertise and promote your Office. Motto Franchising, LLC reserves the right in our sole judgment to increase this amount by up to 20% each year commencing twelve (12) months from the date that you open your Office. You agree that your advertising, promotion, and marketing will be completely clear, accurate, and not misleading, and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe at any time and from time to time.

**D. CONSULTATION AND EDUCATIONAL COURSES.**

Motto Franchising, LLC may make available to you on a reasonable basis, either at the Office or via video or telephone conferencing, consultation and guidance relating to the System. We will have the right to charge you, and you agree to pay our per diem rate and all travel, lodging, meal, and related expenses incurred by us for any consultation services provided to you beyond the services ordinarily provided by us to Motto Mortgage Offices. The time and frequency of any such services will be subject to the availability of our personnel.

For purposes of this Agreement, "***Consultation Services***" that you may request may include on-site operational assessment of your Office, on-site additional education as needed for you or your Owners, your Loan Originators, or any of your other personnel, off-site sessions; and other specialized assistance.

**E. SYSTEM RECOGNITION AND PROMOTION.**

Motto Franchising, LLC will encourage the use of the Marks and the System and Motto Mortgage services.

**F. CONVENTIONS AND SEMINARS.**

You will be entitled to attend Motto Franchising, LLC's annual conventions, as well as occasional educational seminars it holds, designed to enhance the image of the System, and provide a forum for the exchange of ideas and information on the operation of Motto Mortgage Offices. Attendance is highly recommended. If you decide to attend any of these conventions or seminars, you will be responsible for payment of all travel, meal, lodging, and entertainment expenses, as well as a registration fee. Nominal fees or charges may also be assessed for a variety of other social functions, as well as for educational and certification classes for obtaining professional credits.

**G. PROFESSIONAL PUBLICATIONS AND MATERIALS.**

You will be entitled to receive from time to time any publications and materials produced and distributed by us to recognize the achievements of—and to highlight recent and future events that are of interest to—Motto Mortgage Offices. Additionally, we may make available a list of approved suppliers. All of this information is owned by Motto Franchising, LLC and is considered confidential and proprietary.

**10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

During the Term, you agree to establish and maintain, at your own expense, record keeping and accounting systems conforming to the requirements and formats prescribed by us from time to time. All books and records of the Office must be maintained at the Premises. We may require you to use a Computer System to maintain certain data and other information and to report such information to us via a website or other means. You agree to furnish us in the manner and format that we prescribe:

(a) on or before the ~~20<sup>th</sup>~~5<sup>th</sup> day of each month (or such other time we may prescribe) a report on the Office's revenues, volume, and related data for the preceding month, including, but not limited to, gross revenue, number of mortgage transactions, number of closed units, dollar volume, and lender paid compensation; and

(b) ~~(b)~~ on or before the ~~20<sup>th</sup>~~5<sup>th</sup> day of each month (or such other time as we may prescribe), Loan Originator, transaction, and related data for the preceding month, including, but not limited to, a list of each Loan Originator at your office, the lender paid compensation earned by each Loan Originator, the number of mortgage transactions closed, and the amount of each mortgage transaction; and

(c) within five (5) days of your submission of your quarterly Mortgage Call Reports ("MCRs") to the NMLS, you must also provide to us complete, accurate, and timely copies of i) all of your MCRs as filed with the NMLS, and ii) all annual MCRs as filed with the NMLS. Each MCR must be sent to us via email at [headquarters@mottomortgage.com](mailto:headquarters@mottomortgage.com).

(d) ~~(e)~~ Within fifteen (15) days of Motto Franchising, LLC's request (i) the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and the Office covering the previous calendar quarter and the fiscal year to date, and you must certify these statements are true and correct; and

(e) ~~(f)~~ within 60 days following the end of each fiscal year during the Term, annual profit and loss and source and use of funds statements and a balance sheet for the Office as of the end of the prior calendar year; and

(f) ~~(g)~~ within thirty (30) days following your filing of tax returns for the Office (or upon request), copies of federal and state income tax returns, and any other forms, records, books, and other information we periodically require relating to the Office.

We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly.

You agree to preserve and maintain all records in a secure location at the Premises for at least 3 years or longer if required by applicable law (including, but not limited to, purchase orders, invoices, payroll records, customer/client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers). We may require you to have financial statements prepared annually during the Term.

You agree throughout the term of the Agreement to be, and remain in, full compliance with all applicable data privacy and security laws and regulations.

No reports and records or other information supplied to us pursuant to Section 10 shall be considered confidential. We shall have the right to use information derived from that supplied by you for our own business purposes, to disclose such information as may be required by law and governmental authority, and to aggregate such information with other franchise information and disclose such aggregated information as we deem appropriate. For avoidance of doubt, we may only collect information and documents specifically identified in this Agreement. Nothing contained in this Section 10 allows us to collect, copy, image, photograph, or make other electronic recording of any kind of structured or unstructured data, including electronic correspondence or electronic files you may maintain or any other documents that are not specifically identified in this Agreement.

You agree to separately identify and timely report to us all information applicable to each Branch Office as part of your monthly reporting obligations set forth in this Section 10; provided, we shall have no obligation to any party to aggregate or separate any data that relates to the Main and/or Branch Office or to provide such data in any format other than the format selected by us in our sole discretion.

11. **INSPECTIONS AND AUDITS.**

A. **ACCESS TO ACCOUNTING RECORDS.**

To determine whether you are complying with the reporting and payment related obligations of this Agreement, we will have the right at any time during business hours, and upon notice as provided below, to inspect, audit and copy, or cause to be inspected, audited and copied, at your Office or such other place where your accounting records may be located, the books and accounting records of the Office and other data relating to your reporting and payment obligations to us, including the books and accounting records of: (i) any business whose funds may be commingled with the funds of the Office; (ii) any other business owned or operated by you or your Owners that operates at the same location as the Office; or (iii) any other business using the Marks. As part of any such inspection and audit of reporting and payment related materials we also have the right to interview Office personnel and staff, inspect your computer system (including any hardware, software, or storage media and “cloud” storage sites) where your accounting records and books may be maintained and conduct such other tests, reviews and inspections of your books and accounting records deemed desirable by us. You will cooperate, and you must ensure that everyone affiliated with your Office cooperates, with us or our representatives (including but not limited to independent accountants) that may be hired by us to conduct such inspection, interview, or audit, and you will permit us or our representatives to take photographs, videos, or other electronic recordings of the Office.

We will provide you with not less than 48 hours advance notice of any inspection and audit of your reporting and payment related materials, except if a circumstance arises where we believe that criminal, unethical or other activity that adversely affects—or is likely to adversely affect—the reputation or image of the Motto Mortgage brand or the goodwill associated with the Marks is occurring in your Office. In such event, we shall have the right at any time during business hours, without notice to you, to conduct an inspection and/or audit of the reporting and payment related records of your Office. Nothing contained in this Section 11 allows us to collect, copy, image, photograph, or make other electronic recordings of structured or unstructured data, including electronic correspondence or electronic files that you maintain or any other documents that are not specifically identified in this Agreement.

B. **AUTHORIZATION FOR RELEASE OF RECORDS; AUTHORIZATION TO CONDUCT CREDIT REPORT AND BACKGROUND CHECK.**

You authorize any federal, local or state body regulating or supervising mortgage brokerage practices to release to us all records and information it maintains for your Office including the names of Loan Originators licensed with your Office, complaints filed against you or anyone affiliated with your Office, or information pertaining to any disciplinary actions taken against you or anyone affiliated with your Office. You also authorize us to conduct a credit report, criminal background check, and/or asset investigation, on you, your Owners, or anyone affiliated with your Office, at any time (including up to one year after the termination or expiration of this Agreement or Abandonment of the Office), and for any reason, including but not limited to making decisions relating to the enforcement of the Agreement. You agree to fully cooperate with us in accessing information maintained by the regulatory authorities and conducting a credit report or criminal background check and, to that end, you agree to provide us with such information, execute such documents or take such other action as we deem necessary.

C. **UNDERSTATEMENT OF AMOUNTS OWED/COST OF INSPECTION OR AUDIT.**

If an inspection or audit reveals that (i) more than three (3) Loan Originators were employed in the Office without our knowledge, and/or (ii) an understatement of any fees, payments, or amounts otherwise owed to us under this Agreement, you must pay us, within 10 days after receipt of the examination report, such additional Royalties as we may require for the additional Loan Originators, and/or the amount of the understatement, plus our service charges and interest at the rate provided in Subsection 6.D of this Agreement on the understated amounts from the date originally due until the date of payment. Further, in the event an inspection, audit, or examination is made necessary due to your failure to furnish reports, supporting records, or other information as required by this Agreement, or to furnish reports, records, and information on a timely basis, or if the inspection reveals other conduct that is in any way unlawful or in breach of this Agreement, you must reimburse us for the cost of the inspection, audit, or examination, including, without limitation, the charges of any of our representatives (including but not limited to attorneys and independent accountants) and the travel expenses, room and board, and compensation of our employees. The foregoing remedies are in addition to all of our other remedies and rights under this Agreement and applicable law.

If we conduct an inspection, audit, or examination which reveals more than three (3) Loan Originators were employed in the Office without our knowledge and a Royalty or Fund contribution understatement exceeding 5% of the amount that you actually reported paid to us within any portion or through the entire period of examination, you agree to immediately pay us the additional amount due as shown by the examination plus interest (to be calculated as set forth in Subsection 6.D.). You must also immediately reimburse us for ~~the of~~ any costs we incur for the inspection, audit, or examination, including, without limitation, the charges of any of our representatives (including but not limited to attorneys and independent accountants) and the travel expenses, room and board, and compensation of our employees. Any such understatement and underpayment is a material breach of this Agreement and, in addition to our other remedies and rights under this Agreement and applicable law, we shall have the right to terminate this Agreement immediately upon notice to you, without opportunity to cure.

12. **TRANSFER AND ASSIGNMENT PROVISIONS.**

A. **TRANSEER BY MOTTO FRANCHISING, LLC.**

This Agreement is fully transferable by us and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to our interest in this Agreement. You consent to any such assignment or transfer. Following the effective date of transfer or assignment, you shall look solely to the transferee or assignee, and not to us, for the performance of all obligations contained in this Agreement. We will not be required to obtain your consent or provide you with any notice in connection with any such transfer or assignment. You agree to execute any documents and take such other action required or deemed necessary by us or our transferee or assignee to effect such transfer or assignment.

B. **NO TRANSFER OR ASSIGNMENT BY YOU OR YOUR OWNERS WITHOUT APPROVAL.**

You understand and acknowledge that the rights and duties created by this Agreement are personal to you, or if you are a Business Entity, your Owners, and that we have entered into this Agreement in reliance upon the individual or collective character, skill, aptitude, business ability, and financial capacity of you or, if appropriate, your Owners. Accordingly, neither this Agreement, the Franchise, all or a substantial portion of the assets of the Franchise or Office, nor any interest (as defined below) belonging to you or your Owners may be voluntarily, involuntarily, directly or indirectly, sold, leased, conveyed, given away, subfranchised, sublicensed, pledged, mortgaged, assigned, transferred, encumbered or otherwise disposed of by you or your Owners (including, without limitation, by will, inheritance, declaration of or transfer in trust or by operation of law) without our prior written approval. Any such assignment, transfer or encumbrance without such approval shall have no effect and shall constitute a breach of this Agreement. A transfer of ownership of the Franchise or Office (or its assets) may only be made in conjunction with a transfer of this Agreement. For purposes of this Section and any other Section of this Agreement, an “*interest*” shall mean shares of your stock or securities convertible into shares of your stock (if you are a corporation); proprietorship, partnership, membership or other interest (if you are a Business Entity); or any other equitable or legal right in or to any shares of such stock or in any such proprietorship, partnership, membership or other interest. Any unauthorized sale, lease, conveyance, gift, subfranchise, sublicense, pledge, mortgage, assignment, transfer or encumbrance by operation of law or otherwise, or any attempt to do so, shall be deemed void and grounds for us to terminate this Agreement.

C. **CONDITIONS FOR TRANSFER OR ASSIGNMENT OF LESS THAN A CONTROLLING INTEREST.**

If you, or if you are a Business Entity, your Owners, propose to transfer or assign any interest or interests totaling, in the aggregate, less than a controlling interest, we will not unreasonably withhold our consent to such transfer or assignment to persons who meet our qualifications for owners of Motto Mortgage Offices, although we reserve the right to impose reasonable conditions as a prerequisite for receiving our approval. Such conditions may include some or all of the conditions set forth in Subsection 12.D. below, as we deem appropriate under the circumstances. “*Controlling interest*” shall be defined to be any interest greater than 50% ownership interest in a proprietorship, partnership or limited liability company or other type of business entity or, if a corporation, any interest greater than 50% of the equity and voting power of all issued and outstanding capital stock.

D. **CONDITIONS FOR TRANSFER OR ASSIGNMENT OF AGREEMENT OR CONTROLLING INTEREST IN FRANCHISE OWNER.**

If you or your Owners propose to transfer or assign this Agreement, the Franchise, the assets of the Franchise or Office or a controlling interest (as defined above), we will not unreasonably withhold our consent provided you or your Owners, as appropriate, submit to us in connection with the request for our consent such financial and other information we prescribe demonstrating that the transferee(s) or assignee(s) have sufficient business experience, aptitude, qualifications and financial resources in our judgment to operate the Office and that they otherwise meet our criteria for ownership of a Motto Mortgage franchise. Because we place great value on developing business relationships with, and have relied on the personal skills of, individual franchise owners, we have generally permitted transfers or assignments only to individuals or entities closely owned or held by such individuals. In addition, our franchise agreements prohibit, and we do not permit, franchisees to engage in competitive businesses without express written permission. Moreover, we may decline transfers or assignments to competitors or entities controlled by or directly or indirectly affiliated with competitors or organizations in which conflicts of interest may arise, or for which their Motto Mortgage Office will not be their principal focus. Accordingly, it shall not be deemed unreasonable for us, and we expressly reserve the right (i) to withhold our consent to proposed transfers or assignments to institutions (whether held publicly or privately) including, by way of example only, banking or other financial institutions, mutual fund companies and insurance companies, mortgage lenders and title companies; and (ii) to withhold our consent to proposed transfers or assignments to individuals or entities offering products or services that directly or indirectly compete with the products or services offered by Motto Mortgage Offices or us, or that are designed to bolster other business activities as opposed to focusing primarily on the Motto Mortgage brokerage business, including without limitation, real estate, mortgage, title, insurance, relocation or franchising services; and/or (iii) to withhold our consent to proposed transfers or assignments if we have reason to believe that the transfer is being made in exchange for the referral of business to the Office.

In addition, we may require that any or all of the following conditions be met before or at the time of such assignment or transfer:

- (1) you and your Owners must be in compliance with the terms and conditions of this Agreement and any other franchise or other agreements you or your Owners may have with us;
- (2) the transferee (i) has a valid mortgage broker license, or such other license as may be required under applicable law to perform the Services; (ii) employs at least one (1) licensed Loan Originator; and (iii) has sufficient business experience, aptitude, education, record of compliance with applicable laws, and financial resources to operate the Office;
- (3) you have paid all Royalties, Marketing Fund contributions and other amounts owed to us and our Related Parties, including the entire unpaid balance of any promissory note with us and any interest due on such note;
- (4) you must submit to us current, accurate financial statements and other documents of the proposed transferee(s) or assignee(s) sufficient to enable us to determine and to either approve or disapprove, in our sole discretion, the character, creditworthiness, business experience, professional credentials and ethical background of the proposed transferee(s) or assignee(s);
- (5) at least 30 days prior to the date of the proposed transfer, you must submit to us for our review and prior approval all proposed transfer or assignment documents, including any purchase and sale agreements to be executed in connection with such transfer or assignment, which documents must be acceptable to us;
- (6) you have submitted all reports and statements required under this Agreement;
- (7) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a competitive business;

(8) the transferee(s) or assignee(s) must meet our then current subjective and objective standards for new franchisees, including, if then applicable, those relating to relevant experience, education and licensing, background and past record of compliance with laws, financial capacity, skills, integrity and other qualities of character. The transferee(s) or assignee(s) must also execute a form authorizing Motto Franchising, LLC to obtain a consumer report and to conduct a credit and background check;

(9) you or your Owners have demonstrated to our satisfaction (in our sole discretion) that the compensation paid to the transferor or by the transferee is reasonably related to the value of the interest transferred;

(10) the transferee completes to our satisfaction our Initial Education Program then being offered by us;

(11) if your lease or sublease for the Premises requires it, the landlord of the Premises must have consented to the assignment of the lease or sublease of the Premises to the transferee(s) or assignee(s); your lessor consents in writing to the transfer of the Lease or sublease of the Premises to the transferee (or, if you are subleasing the Premises, the sublessor and master lessor consent in writing to the transfer of the sublease to the transferee and the transferee agrees in writing to assume your obligations under the sublease);

(12) any applicable agency or authority with jurisdiction over the Office approves the transfer of this Agreement to the transferee;

(13) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you or one of your Owners), sign our then current form of franchise agreement and related documents (including, without limitation, our then current form of Trademark and Post-Termination Obligations Acknowledgement and our then current form of Guaranty and Assumption of Obligations, if applicable), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty and the Marketing Fund contributions, provided, however, that the execution of the new franchise agreement will terminate this Agreement (except for your guarantees, the post-termination obligations under this Agreement, and all other rights and obligations that survive termination or expiration of this Agreement);

(14) you or the transferee pays us a transfer fee equal to \$2,500, plus any amounts necessary to cover other costs, such as administrative and legal expenses, we may incur in connection with such transfer or assignment (our costs could be significantly higher than the transfer fee depending upon the nature and complexity of the transaction);

(15) you and your Owners must execute a transfer or assignment agreement or similar document which, as we may require, may include post-transfer non-competition restrictions for you and all or some of your Owners for what would have been, absent such transfer, the then-remaining term of this Agreement, and such other documents as we may require or deem important or desirable to the preservation and protection of our rights; and you and your Owners must provide us and/or our Related Parties and our and their respective officers, directors, employees and shareholders on the then current form we prescribe, a full general release and waiver in the form that we require;

(16) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Office;

(17) you and your transferring Owners (and your and your Owners' spouses) must not, beginning on the transfer's effective date and for the period(s) of time indicated in the applicable section(s), engage in any of the activities proscribed in Subsection 14.J;

(18) you and your transferring Owners will not directly or indirectly at any time or in any manner (except with respect to the other Motto Mortgage Office(s) you own and operate) identify yourself or themselves or any business as a current or former Motto Mortgage Office or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Motto Mortgage Office in any manner



or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us; and

(19) you purchase an extended reporting period endorsement covering a period of 3 years from the date of transfer of this Agreement (as set forth in more detail in Subsection 8.D).

You agree that it shall not be unreasonable for Motto Franchising, LLC to refuse to consent to an assignment or transfer on the basis that one or more of the above conditions have not been met. You also acknowledge and agree that each of the above conditions is for the benefit of Motto Franchising, LLC and that Motto Franchising, LLC may waive the fulfillment of any condition.

**E. DEATH, INCOMPETENCY OR PERMANENT DISABILITY.**

Upon the death, incompetency, or permanent disability (as defined below) of you or any Owner, the executor, administrator, conservator or other personal representative (hereinafter "*Personal Representative*") of such person may sell or transfer his/her interest in this Agreement and the Franchise Office within a reasonable time, not to exceed 6 months from the date of death or determination of incompetency or permanent disability, to a person we have approved. Such sale or transfer, including, without limitation, transfers by a will or by inheritance, will be subject to all the terms and conditions for assignments and transfers contained in this Agreement. Alternatively, the Personal Representative may choose to close the Office and terminate the Agreement within that 6-month period provided all other Owners agree with that decision and provided the Personal Representative and all other Owners give Motto Franchising, LLC at least 60 days written notice of their election to terminate, any and all outstanding fees have been paid in full, and they sign a termination and mutual release agreement. During that 6-month period, the Office must be under the primary supervision of a manager who has a valid license and otherwise meets our management qualifications. Failure to appoint such a manager or to dispose of such interest within that 6-month period of time will constitute grounds for immediate termination of this Agreement.

For purposes of this Agreement, "*incompetency*" or "*permanent disability*" shall mean the inability to perform the usual and customary tasks necessary to operate the Office in compliance with the terms and conditions of this Agreement through the remainder of the Term. If requested by Motto Franchising, LLC, you or your Personal Representative shall provide Motto Franchising, LLC with a written opinion from your medical doctor stating that you are incompetent or that you have a permanent disability rendering you unable to operate the Office for the remainder of the Term.

**F. TRANSFER TO A BUSINESS ENTITY.**

If you are in full compliance with this Agreement, we will not unreasonably withhold our approval of a proposed assignment or transfer of this Agreement to a Business Entity provided you, or if there is more than one of you, all of you together, maintain and own a controlling interest (as defined above) in the Business Entity and, if you have not already done so, you execute a Guaranty and Assumption of Obligations, in the form prescribed by us, in which you personally guarantee and agree to be bound by, and responsible for the performance of, all of the terms, conditions, covenants and obligations under this Agreement. In addition, we reserve the right to impose reasonable conditions as a prerequisite for receiving our approval to any proposed assignment or transfer to a Business Entity. Such conditions may include some or all of the conditions set forth in Subsection 12.D. above, as we deem appropriate under the circumstances, except that we will not charge a transfer fee for any permitted assignment or transfer under this Subsection 12.F. that occurs within 60 days of the Agreement Date. In the case of assignment or transfer of this Agreement to a Business Entity, the Business Entity shall conduct no business other than the business of the Office and must be managed by one of the principal Owners of the Business Entity or a manager as defined in Subsection 8.F. All Business Entities must comply fully with Subsection 8.E. of this Agreement. The articles of incorporation, by-laws, articles of partnership, partnership agreement and other organizational documents of the Business Entity shall recite that the issuance and transfer of any interest therein is restricted by the terms of this Section 12 and all issued and outstanding stock certificates of any corporation shall bear a legend reflecting or referring to the restrictions of this Section 12. Transfers of shares or of partnership, membership or other interests will be subject to the provisions of this Section 12.



G. **EFFECT OF CONSENT TO TRANSFER.**

Our approval of or consent to a transfer of this Agreement, or any interest in you or your Owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Office's or transferee's prospects of success, or a waiver of any claims we have against you (or your Owners) or of our right to demand the transferee's full compliance with this Agreement.

13. **TERMINATION OF THE FRANCHISE.**

A. **TERMINATION BY MOTTO FRANCHISING, LLC WITH CAUSE.**

You will be deemed to be in material default of an essential condition of this Agreement in the event of the occurrence of any of the specific defaults listed in Subsections 13.B., 13.C., and 13.D. below. You acknowledge and agree that the occurrence of any such material default will constitute just and good cause for termination of your rights under this Agreement, or any other franchise agreement between you or your Owners and Motto Franchising, LLC and any of its Related Parties, and that our right to terminate this Agreement based on any such material default is reasonable and that such provisions are lawful requirements of this Agreement.

B. **IMMEDIATE TERMINATION.**

You will be in material default of an essential condition of this Agreement, and we have the right to terminate this Agreement effective upon delivery of notice of termination to you and without providing an opportunity to cure, if:

(1) you or your Owners make any misrepresentation to us, or omit any material information—including but not limited to information bearing on your or your Owners' integrity or other qualities of character—in your application for the rights granted by this Agreement, in Exhibit A hereto, or in the financial information provided by you and your Owners;

(2) you fail to begin operating the Office at a location approved in writing by us within 180 days of the Agreement date;

(3) you do not attend and satisfactorily complete the Initial Education Program that we conduct for new franchisees prior to the opening of the Office;

(4) you fail to maintain a valid mortgage broker license, or such other license as may be required under applicable law to perform the Services;

(5) you fail to employ sufficient staff for the Office, including, but not limited to, failure to have at least one Loan Originator with a valid license to perform the Services;

(6) you voluntarily abandon, surrender, transfer control of or lose the right to occupy the Premises, or fail to actively operate the Office, for a period in excess of five (5) consecutive business days, unless your failure to do so is caused by fire, flood, earthquake or other similar cause beyond your reasonable control, as more fully set forth in Subsection 15.Z;

(7) you or any of your Owners sell, lease, convey, give away, subfranchise, sublicense, pledge, mortgage, assign, transfer, encumber or otherwise dispose of any direct or indirect interest in this Agreement, the Franchise, the assets of the Franchise or Office or any interest in violation of the provisions of Section 12 of this Agreement;

(8) you (or any of your Owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony, crime involving moral turpitude, or any other crime which we reasonably believe adversely affects the reputation of the Motto Mortgage Network or the goodwill associated with the Marks;

(9) you or any of your Owners or your or your Owners' spouses or domestic partners, managers, Loan Officers, or other persons affiliated with or represented as being affiliated with the Office materially violates laws applicable to mortgage brokerage and related activities or is convicted of or pleads no contest to any crime or offense or engage in other conduct or activity that Motto Franchising, LLC reasonably believes adversely affects or is likely to adversely affect the reputation or image of the Office, other Motto Mortgage offices or Motto Mortgage Affiliates, Motto Franchising, LLC, or the goodwill associated with the Marks or the System; or you or any of your Owners engages in any other conduct or activity that is unprofessional, unethical, dishonest or disruptive to the effective operation of the Office;

(10) you make any representation or warranty on our behalf that has not been specifically authorized in writing by us;

(11) you or your Owners knowingly make any unauthorized use or disclosure of any part of the Office Materials or any other Confidential Information;

(12) you violate any federal, state, or local law, ordinance, or regulation governing mortgage lending or the operation of the Office (including, but not limited to, applicable privacy and information security laws);

(13) you interfere with or refuse our right to inspect the Premises, or observe or videotape its operation, as provided in Section 11;

(14) you fail to pay us (or our Related Parties) any amounts due, and you do not correct the failure within 10 days after we deliver written notice of that failure to you;

(15) you (or any of your Owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any 6 consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; regardless of whether such failures to comply happen at the same or different times within the relevant 6 or 12 month period;

(16) a voluntary or involuntary petition in bankruptcy is filed by or against you (or any of your Owners or the Business Entity) unless such petition is set aside, withdrawn or ceases to be in effect within twenty (20) days of the date of any such filing;

(17) you (or any of your Owners or the Business Entity) (i) make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due, or are declared or judicially determined to be insolvent; or (ii) consent to or are involuntarily subject to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Office is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; are subject to any consent or order, whether through private agreement or by a court of competent authority of you (or any of your Owners or the Business Entity), that temporarily or permanently appoints a receiver, trustee, or liquidator, or any other officer with similar powers, is not vacated within 30 days following the order's entry;

(18) you (or any of your Owners) is seized, taken over or foreclosed by a governmental official in the exercise of its duties, or seized, taken over or foreclosed by a creditor, lien holder or lessor, a final judgment against you remains unsatisfied for 30 days or a levy of execution has been made upon the Business Entity or upon any property used in the Business Entity and it is not discharged within five (5) days of such levy;

(19) your or any of your Owners, or anyone affiliated with your Office, is determined to be in violation of the Anti-Terrorism Law (as defined in Subsection 8.M) or the United States Foreign Corrupt

Practices Act (as defined in Subsection 8.N) or otherwise violates any provisions of Subsection 8.L or Subsection 8.M;

- (20) you knowingly maintain false books or records, or submit any false reports to us;
- (21) you interfere with our right or refuse to permit us to inspect the Office's books, records, or accounts upon request;
- (22) a Mortgage Wholesaler refuses to fund mortgages with you or your Office;
- (23) you or any of your Owners, employees or loan processors misuse or make unauthorized use of the Computer System for the operation of the Office or the Existing Business or any other purpose;
- (24) you (or any of your Owners) fail to report to us all closed transactions, the names of all Loan Originators or any representatives of your Office for any month, and you do not correct the failure within 10 days after we deliver written notice of that failure to you;
- (25) you or your manager(s), spouses or domestic partners become an officer, director, shareholder, member, licensee, partner or manager of, or otherwise directly or indirectly operate, manage, own or have any ownership interest in, or become affiliated in any way with, (1) any Mortgage Company, aside from you and the Office; or (2) any other business or enterprise offering products or services that directly or indirectly competes with the products and services offered by Motto Mortgage Offices, Motto Franchising, LLC, or any of our Related Parties, in violation of Subsection 5.F of this Agreement;
- (26) you fail to timely comply with the requirements of Subsection 2.E. of this Agreement;
- (27) you or any of your Owners fail to comply with any requirement, obligation (including, if an agreement has expired or terminated, a surviving obligation), term or condition of any other franchise or other agreement between your or your Owners and us or any of our Related Parties, and do not cure such default in accordance with the terms of such other agreement; or
- (28) you fail to appoint a manager who has a valid license and otherwise meets any qualifications we may establish as required by Subsection 12.E. in the event of death, incompetency, or disability.

**C. 10 DAYS NOTICE.**

We have the right to terminate this Agreement effective 10 days after providing written notice to you if:

- (1) you fail to pay us (or our Related Parties) any amounts due, and you do not correct the failure within 10 days after we deliver written notice of that failure to you;
- (2) you or your Owners default under the terms of any promissory note executed in favor of us;
- (3) you or your Owners fail to report to us all Loan Originators affiliated with the Office for any month or fail to comply with any of the other records and reporting requirements set forth in Section 10 of this Agreement; or
- (4) you fail to comply with the requirements of Subsection 12.E. in the event of death, incompetency, or permanent disability (provided that failure to appoint a manager as required is an event that may result in immediate termination as provided above).

This notice will advise you, and you hereby understand and agree, that if the default is not cured within 10 days, this Agreement automatically terminates at the end of such 10 days without further notice from us.

D. **30 DAYS NOTICE.**

We have the right to terminate this Agreement effective 30 days after providing written notice to you if:

(1) you or your Owners fail to obtain the insurance coverage identified in Subsection 8.D. of this Agreement; or

(2) you or your Owners fail to comply with any other provision of this Agreement or any standard, procedure, policy or guideline we prescribe.

This notice will advise you, and you hereby understand and agree, that if the default is not cured within 30 days, this Agreement automatically terminates at the end of such 30 days without further notice from us.

14. **RIGHTS AND OBLIGATIONS OF MOTTO FRANCHISING, LLC AND FRANCHISE OWNER UPON TERMINATION OR EXPIRATION OF THE AGREEMENT OR ABANDONMENT OF THE OFFICE.**

A. **PAYMENT OF AMOUNTS OWED TO MOTTO FRANCHISING, LLC.**

(1) You agree to pay us within five (5) days after the effective date of termination or expiration of the Franchise, or Abandonment of the Office, or at any later date that the amounts due to us are determined, all Royalties, Marketing Fund fees, interest, Lost Future Revenue, and all other amounts owed to us and our Related Parties which then are unpaid.

B. **DE-IDENTIFICATION.**

You and your Owners agree that after the termination, expiration, non-renewal of the Franchise, or Abandonment of the Office, you and your Owners will, at your sole expense, ensure that you, your Owners, and each of your Loan Originators:

(1) immediately and clearly distinguish your operations from the Motto Mortgage Network and the System, so as to avoid any possibility of confusion to the public, and not directly or indirectly at any time identify any business with which you are associated as being a current or former Motto Mortgage Office or franchisee or otherwise use the System or hold yourself out to the public in any way as being or as having been affiliated with us or with other Motto Mortgage franchisees;

(2) immediately cease use of the Marks, including removing, erasing or obliterating the Marks from your letterhead, stationery, printed matter, advertising, websites and web pages (including without limitation, in visual content, hyperlinks, source code, meta tags, and third-party directory listings), software applications, social media services and other materials as well as all words and designations indicating that you are or were associated or affiliated with us or with other Motto franchisees;

(3) immediately take any action that may be required, including filing all necessary paperwork, to cancel all trade, fictitious or assumed names or equivalent registrations which contain any reference to any of the Marks or any variation thereof. In addition, if you did not use the Non-Motto Trade Name Terms with a non-Motto Mortgage Office for at least three (3) years prior to Franchisee's first date of affiliation with the System, then you further agree that upon a termination, Abandonment, or expiration of this Agreement that is subject to the provisions of Subsection 14.J (a "***Restrictive Event***"), Motto Franchising, LLC reserves the right to require that neither you nor your Owners, officers, or guarantors, nor any of your or their spouses or domestic partners will, for a period of one (1) year from the date of the Restrictive Event, use the Non-Motto Trade Name Terms (alone or with additional terms added) as a trade name, trademark, service mark, domain name, social media screen name or user name, or email address;

(4) immediately notify your clients, the appropriate state regulatory agencies, and any professional associations that you or your Office may belong to, that the Office is no longer a Motto Mortgage franchise; including taking all necessary steps to cause any listing of your tradename with the Nationwide

Multistate Licensing System (“*NMLS*”) to remove all references to the Marks. Additionally, you must no longer be listed as the sponsoring Mortgage Broker for Loan Originators who indicate any affiliation with our system or the Marks;

(5) immediately assign and transfer all of the Motto Formative Domain Names or other domain names that include the Marks (or any variation thereof) or any other service marks or trademarks of Motto Franchising, LLC that you register, and all those that your Loan Originators have registered, to us or our designee or, if we so direct, to deactivate and delete from the domain name registrar’s records some or all of such domain names or take such actions regarding such domain name(s) as we may direct;

(6) immediately take any action that may be required to cancel, or at our request transfer to us or our designee, all pseudonyms, logins, and identifiers (including but not limited to vanity license plates, usernames, instant messaging and social media screen names and user names, and email addresses) that contain any reference to any Marks or any variation thereof;

(7) refrain from adopting or using in any manner, or for any purpose, the Marks, or any other service marks or trademarks of Motto Franchising, LLC, including without limitation, the term “Motto,” or any other term that begins with the prefix “Mot” or rhymes with “Motto” or any other term or mark that on review is deemed by us to create a possibility of confusion or question regarding your or your Owners’ affiliation with or sponsorship or endorsement by the Motto Mortgage organization.

(8) refrain from referring to designations, certifications, awards or recognition that we or any of our Related Parties may have granted to you or your Owners at any time during your affiliation with the Motto Mortgage Network in any form of advertising or promotion;

(9) if you retain possession of the Premises or, if you do not, prior to vacating the Premises, immediately and completely remove any signage bearing the Marks (rather than merely covering such signage) and remove or modify any part of the interior and exterior decor that we deem necessary to disassociate the Premises from (i) the appearance of a Motto Mortgage Office; or (ii) if circumstances warrant, in our sole discretion, from the ~~non-MOTTO MORTGAGE~~ non-Motto Mortgage portion of the trade name. In each case, you agree to immediately provide evidence (such as photographs) to us that demonstrates your compliance with these signage obligations. If you do not take the actions we request within 10 days after notice from us, you agree that we have the right to enter the Premises, if you retain them, or to arrange entry with the owner of the Premises, if you do not retain them, and make the required changes at your expense and without liability to you or third parties for trespass or any other claim, and you agree to reimburse us for those expenses on demand. You acknowledge and agree that by executing this Agreement, you grant Motto Franchising, LLC a power of attorney that enables it or its designees to take on your behalf, any and all actions required to effectuate the provisions of this Subsection 14.B.(9);

(10) deliver to Motto Franchising, LLC all Office Materials, as well as any other Motto mortgage specific materials relating to or concerning operation of a Motto Mortgage franchise, that you received from Motto Franchising, LLC, as set forth in Subsection 8.B. of this Agreement, as well as any Motto Marketing Content; and

(11) refrain from directly or indirectly disputing the validity of the Marks or Motto Franchising, LLC’s ownership thereof, or challenging any application or registration owned by Motto Franchising, LLC for a Mark.

You agree that you will be responsible for ensuring your employees/Loan Originators comply with all provisions of this Subsection 14(B).

#### C. **CONFIDENTIAL INFORMATION.**

You agree that on termination or expiration of the Franchise, or Abandonment of the Office, you and your Owners will immediately cease to use, but maintain the confidentiality over, any of the Confidential Information, Office Materials, procedures, techniques, all other manuals, forms, rosters or other materials, regardless of format

(and all of any such items) acquired from us and agree not to use, sell, convey, display or share, in whole or in part, any of such items for any purpose. You and your Owners further agree to return all such items to us or destroy them in a secure manner.

**D. CONTINUING OBLIGATIONS.**

All obligations of this Agreement (whether yours or ours) which expressly or by their nature are intended to survive the expiration or termination of this Agreement, or Abandonment of the Office, will continue in full force and effect after and notwithstanding such expiration, termination or Abandonment until such obligations are satisfied in full or by their nature expire.

**E. MONETARY OBLIGATIONS NOT RELEASED.**

Termination or expiration of this Agreement, or Abandonment of the Office, shall not terminate any monetary obligation that you may owe to us or to any other person or entity as may be required by this Agreement and shall not entitle you to any refund of any monies previously paid pursuant to this Agreement.

**F. TERMINATION NOT EXCLUSIVE REMEDY.**

Termination of this Agreement by us shall not be an exclusive remedy and shall not in any way affect our rights to receive or collect fees, dues or other amounts required to have been paid by you under this Agreement, to enforce the provisions of this Agreement against you or to sue for damages or to pursue any other legal or equitable remedy for a breach of this Agreement by you.

If you have received any Franchisee Incentives from Motto Franchising, LLC and you default in any of your material obligations under this Agreement, including but not limited to your failure to provide proper notice of your intent to renew in accordance with Section 2.E above, Motto Franchising, LLC reserves the right to terminate your eligibility for any and all such then-current and future Franchisee Incentives, even if you cure such default. If you fail to cure any such default within the cure period provided in this Agreement, or if such default cannot be cured, or if you Abandon the Office, we reserve the right to require you on demand to repay any Franchisee Incentives that you received from Motto Franchising, LLC prior to such default.

**G. RIGHT TO MEET WITH MANAGERS AND LOAN OFFICERS.**

In order to facilitate an orderly and efficient transition and to preserve the goodwill associated with the Motto Mortgage brand and Marks in the event of termination or expiration of this Agreement or Abandonment of the Office, you agree that we shall have the right to contact and communicate personally with any or all of your managers and Loan Officers to solicit and/or to discuss with them their options for continued affiliation with other Motto offices and/or opportunities to purchase a Motto Mortgage franchise:

- (1) at any time if you tell us that you do not intend to renew;
- (2) 180 days prior to expiration of this Agreement if you fail to timely provide us with notice of your intentions regarding renewal;
- (3) 90 days prior to expiration of this Agreement if you timely elect to renew but fail to timely sign the new form of franchise agreement or pay the renewal fee as required by Subsection 2.E of this Agreement;
- (4) immediately after notice of default has been delivered to you (including during any period of time you may have to cure defaults) or immediately after notice of default has been delivered to any office under any other agreement between Motto Franchising, LLC or any of our Related Parties; and (a) you; (b) any of your Owners; or (c) any business entity in which you or any of your Owners has a controlling interest;
- (5) immediately after we have determined that you intend to Abandon or have Abandoned your Office, or any office under any other agreement between Motto Franchising, LLC or any of our Related



Parties; and (a) you; (b) any of your Owners; or (c) any business entity in which you or any of your Owners has a controlling interest; or

(6) upon and at any time after expiration of this Agreement during which, with our permission or otherwise, you continue to operate the Office on a month-to-month holdover basis as provided in Subsection 2.E of this Agreement.

#### H. **DAMAGES.**

Notwithstanding anything contained herein, in addition to any other remedies provided for herein or under applicable law, you agree that after passage of a ten (10) day period following the termination or expiration of this Agreement or Abandonment of the Office the sum of \$500 shall be paid to us for each day you fail to perform your obligations under any of the following Subsections 14.B(1), (2), (3), (4), (5), and (6) and 14.C, which monetary amount shall be regarded as liquidated damages and not as a penalty. This section does not limit or affect in any way you or your Owners' liability for trademark infringement, trademark counterfeiting, unfair competition or breach of contract, nor affect or limit the right of Motto Franchising, LLC to seek or obtain injunctive relief, specific performance or other extraordinary relief.

#### I. **FUTURE BUSINESS AND RESIDENCE ADDRESSES.**

For three (3) years following the termination or expiration of this agreement, or abandonment of the office, you agree to keep us advised of the current business and residential address(es), email address(es), and telephone numbers of you and your owners, as well as the business address and telephone number of all such person's employers, if any.

#### J. **COVENANT NOT TO COMPETE.**

##### (1) **EARLY TERMINATION OF AGREEMENT.**

You agree that if (i) this Agreement is terminated, regardless of the cause, prior to expiration of the Term or any applicable renewal thereof; or (ii) if the Agreement expires without proper renewal after you have provided a notice of intent to renew as required by this Agreement; or (iii) this Agreement expires without proper renewal after failure to provide proper notice of intent to renew as prescribed in this Agreement; (iv) if there is an Abandonment of the Office, neither you nor your Owners, officers or guarantors, nor any of their spouses or domestic partners will—for a period of one year from the effective date of termination—become an officer, director, shareholder, member, licensee, partner or manager of, or otherwise directly or indirectly operate, manage, own or have any ownership interest in any business that competes with Motto Franchising, LLC.

##### (2) **TERMINATION OR EXPIRATION OF AGREEMENT.**

In addition to the above, upon termination (regardless of the cause and whether or not such termination is prior to expiration of the Term) or expiration of this Agreement for any reason, or upon Abandonment of the Office, you and your Owners agree that:

a. For the 1-year period beginning on the effective date of any such termination, expiration or Abandonment, neither you nor any of your Owners, officers or guarantors, nor any of their spouses or domestic partners, will become an officer, director, shareholder, member, or manager, or serve in any equivalent role, at any Mortgage Company that is located or operates at the Premises or within 5 miles of the Premises; and

b. For the 6-month period beginning on the effective date of any such termination, expiration, or Abandonment, neither you nor any of your Owners, officers or guarantors, nor any of their spouses or domestic partners will become an officer, director, shareholder, member, or manager, or serve an equivalent role, at a Mortgage Company that offers loans or loan-related services in any metropolitan or micropolitan statistical area where you conducted such business as



a franchisee and where the loans are made by or sold or assigned to any lender that is a Listed Mortgage Wholesaler at the time of termination, expiration, or Abandonment.

**K. ERRORS AND OMISSIONS INSURANCE.**

You agree that immediately after the termination or expiration of the Franchise, or the Abandonment of the Office, you will purchase an extended reporting period endorsement covering a period of three (3) years from the date of termination of this Agreement or Abandonment of the Office (as set forth in more detail in Subsection 8.D).

**L. TRANSFER OF LOAN DATA.**

To support your transfer of certain data into an alternate system that you designate Motto Franchising, LLC will, to the extent we are reasonably able to do so and provided you have specified your data requirements in a timely and sufficient manner, facilitate the export of certain loan files and related data, limited solely to files we specify, that you have entered into the Loan Origination System (such facilitation being referred to herein as “*LOS Data Assistance*”), provided (a) such data is limited solely to that which we specify and which is then available to us; (b) you make a specific written request for such LOS Data Assistance (i) at the termination or expiration of this Agreement or (ii) after termination or expiration of this Agreement but within ten (10) days of your receipt of a demand which, pursuant to law or regulation, requires you to produce loan data; and (c) you pay our then current fees for such services. We will attempt to extract LOS data and documents to your sufficiently and reasonably defined specifications; however, we reserve the right to provide only a standard loan data and document extract. We will attempt to assist you with data translations per your sufficiently and reasonably defined specifications, but only while you remain a franchisee. We will make reasonable efforts to electronically deliver Loan data exported not later than 20 days after our receipt of your request.

If we or any of our Related Parties provide you access to settlement service provider data, including a service which may import certain closing costs in a loan origination platform, you are nonetheless responsible for ensuring that all of closing costs, fees, taxes, and disclosure information you include in your documents are accurate and in compliance with all applicable laws and regulations. If provided, we reserve the right to modify or discontinue offering LOS Data Assistance.

**15. CONSTRUCTION OF AGREEMENT AND ENFORCEMENT.**

**A. INVALID PROVISIONS; SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part of this Agreement, or any specification, standard, policy, or guideline we prescribe is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement or such specification, standard, policy, or guideline, which will continue to have full force and effect and bind the parties. If any covenant that restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and Motto Franchising, LLC agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice of (i) this Agreement's termination; or (ii) our refusal to enter into a successor franchise agreement, than this Agreement requires, or more notice of some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

**B. UNILATERAL WAIVER OF OBLIGATIONS.**

Either of us may, by written notice, unilaterally waive or reduce any obligation or restriction of the other party under this Agreement. The waiver or reduction may be revoked at any time for any reason on ten (10) days' written notice.

**C. CONSENTS.**

Whenever this Agreement requires our advance approval or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you.

Whenever we have reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, we may make decisions or exercise rights on the basis of the information readily available to us, and our judgment of what is in our best interests and/or in the best interests of the Motto Mortgage Network, at the time our decision is made, shall be deemed to be reasonable and enforceable, without regard to whether other reasonable or even arguably preferable alternative decisions could have been made by us and without regard to whether our decision or the action we take promotes our financial or other individual interest. In addition, for avoidance of doubt, whenever we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations if we exercise reasonable business judgment in making our decision or exercising our rights. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Marks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization and improving the competitive position of the System.

**D. NO GUARANTEES.**

If in connection with this Agreement we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on and will not assume any liability or obligation to you.

**E. NO WAIVER.**

If at any time we do not exercise a right or power available to us under this Agreement or do not insist on your strict compliance with the terms of the Agreement, or if there develops a custom or practice which is at variance with the terms of this Agreement, we will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement at a later time, with or without notice to you. Similarly, our waiver of any particular breach or series of breaches under this Agreement or under any other agreement between us and any franchisee will not affect our rights with respect to any later breach, nor shall any delay or omission by us in exercising any rights arising from a default affect or impair any rights to said default or subsequent defaults. It will also not be deemed to be a waiver of any breach of this Agreement for us to accept payments which are due to us under this Agreement.

**F. CUMULATIVE REMEDIES.**

The rights and remedies specifically granted to us by this Agreement will not be deemed to prohibit us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

**G. SPECIFIC PERFORMANCE; INJUNCTIVE RELIEF.**

You agree that Motto Franchising, LLC may, without being required to post a bond or other security and without needing to present evidence of irreparable harm, and even if this Agreement has been terminated or has expired or you have Abandoned the Office, obtain temporary and permanent injunctions and orders of specific performance (1) to enforce the provisions of this Agreement relating to your use of the Marks and your non-disclosure and non-competition obligations under this Agreement, (2) to prohibit any act or omission by you or your agents or employees that constitutes a violation of any applicable law, ordinance or regulation, constitutes a danger to the public,

or may impair the goodwill associated with Motto Franchising, LLC, the Marks, the System, other Motto Mortgage Affiliates or our Related Parties, or (3) to prevent any other irreparable harm to our interests.

**H. COSTS AND LEGAL FEES.**

If we engage legal counsel in connection with any failure by you or your Owners to comply with this Agreement, you shall reimburse us, upon demand, for the costs and expenses incurred by us as a result of such failure, including, without limitation, reasonable accountants', attorneys', attorneys' assistants', expert fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, and costs of collection including, without limitation, court costs and 33.33% collection fees, whether incurred prior to, in preparation for, in contemplation of or in connection with the filing of any judicial proceeding to enforce this Agreement (including without limitation all costs and expenses incurred by us with respect to any counterclaims brought by us in any legal proceedings initiated by you or your Owners). This provision does not limit in any way our right to seek any other costs and expenses which may be governed by applicable court rules and claimable in the context of a legal proceeding. You and your Owners shall be responsible for your own such costs and expenses. This provision shall survive termination or expiration of this Agreement, or Abandonment of the Office.

**I. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

THE PARTIES HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY AGGRAVATED, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH WILL BE LIMITED TO THE RECOVERY OF ANY ACTUAL COMPENSATORY DAMAGES. THE PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER OF THEM.

**J. WAIVER OF CLASS ACTION.**

THE PARTIES RECOGNIZE THAT THEIR RELATIONSHIP IS UNIQUE AND THAT EACH FRANCHISEE IS SITUATED DIFFERENTLY FROM ALL OTHER FRANCHISEES, AND THAT NO ONE FRANCHISEE CAN ADEQUATELY REPRESENT THE INTEREST OF OTHERS. THEREFORE, THE PARTIES AGREE THAT ANY LEGAL PROCEEDING SHALL BE CONDUCTED AND RESOLVED ON AN INDIVIDUAL BASIS ONLY AND NOT ON A CLASS-WIDE MULTIPLE PLAINTIFF, CONSOLIDATED OR SIMILAR BASIS. TO THE EXTENT PERMITTED BY LAW, YOU AGREE THAT ANY JUDICIAL PROCEEDING WILL BE CONSIDERED AS TO ITS FACTS AND WILL NOT BE COMMENCED OR PROCEEDED WITH AS A CLASS ACTION. TO THE EXTENT PERMITTED BY LAW, YOU AND EACH OF YOUR OWNERS WAIVE ANY RIGHT TO PROCEED AGAINST MOTTO FRANCHISING, LLC BY WAY OF CLASS ACTION.

**K. GOVERNING LAW/CONSENT TO JURISDICTION.**

EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§1051 ET SEQ.), THIS AGREEMENT AND THE FRANCHISE WILL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF COLORADO (WITHOUT REFERENCE TO ITS CHOICE OF LAW AND CONFLICT OF LAW RULES). YOU AGREE THAT ANY ACTION ARISING OUT OF OR RELATING IN ANY MANNER TO THIS AGREEMENT SHALL BE INSTITUTED IN, AND ONLY IN, A STATE OR FEDERAL COURT OF GENERAL JURISDICTION IN THE COUNTY OF DENVER, STATE OF COLORADO AND YOU IRREVOCABLY SUBMIT TO THE JURISDICTION OF SUCH COURTS AND WAIVE ANY OBJECTION YOU MAY HAVE TO EITHER THE EXCLUSIVE JURISDICTION OR VENUE OF SUCH COURT; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION RELATING TO THE MARKS, OR ANY ACTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, WE MAY BRING SUCH ACTION IN ANY STATE OR FEDERAL DISTRICT COURT THAT HAS JURISDICTION.

L. **SERVICE OF PROCESS AND YOUR CONSENT TO ALTERNATIVE SERVICE OF PROCESS.**

As an alternative to service of process under applicable law, you and your Owners hereby irrevocably consent to service of process of any summons, complaint, or other process arising from your and/or your Owner's breach of this Agreement by certified or registered mail, or overnight courier, directed to you and/or your Owners at the address that you have identified for the Premises or that you or your Owners have identified in Exhibit A to this Agreement. Nothing in this Agreement will affect the right of Motto Franchising, LLC or its Related Parties to serve process in any other manner permitted by applicable law.

M. **BINDING EFFECT.**

This Agreement is binding on and will inure to the benefit of our successors and assigns and will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors and administrators.

N. **MODIFICATION OF FRANCHISE AGREEMENT.**

This Agreement may not be modified, amended, or altered except by an instrument signed by all of the parties to this Agreement. Notwithstanding the preceding sentence, you understand and agree that we may, from time to time, to preserve and enhance the reputation of the Motto Mortgage organization, issue new (or amend or modify existing) brand standards, operating procedures, policies, and guidelines pertaining to the System, provided that the mandatory elements of the System pertain to the goodwill or protection of the Marks. In addition, you agree that you will execute any amendments or modifications to this Agreement as may from time to time be required as a result of changes in governing law.

O. **NO LIABILITY TO OTHERS; NO OTHER BENEFICIARIES.**

We will not, because of this Agreement or by virtue of any approvals, consent, advice or services provided to you, be liable to any person or legal entity who is not a party to this Agreement. You understand that you are not a third-party beneficiary of any other franchise agreement between us and other Motto Mortgage franchisees and that you have no independent right to enforce the terms of, or require performance under, any other franchise agreement.

P. **PARAGRAPH HEADINGS/CONSTRUCTION.**

All headings of the various Sections and Subsections of this Agreement are for convenience only and do not affect the meaning or construction of any provision. References to any gender in this Agreement shall include any other gender. References to our ability to terminate this Agreement for a specific default shall not create an implication that we do not have the right to terminate this Agreement for other defaults.

Q. **GUARANTY; JOINT AND SEVERAL LIABILITY.**

You or, if you are a corporation, partnership, limited liability company or other business entity, each of your Owners, must sign the Guaranty and Assumption of Obligations, attached to this Agreement as Exhibit C.

In addition, if the Franchise Owner consists of more than one person or Business Entity, or a combination thereof (i) the obligation and liabilities to Motto Franchising, LLC of each such person or Business Entity are joint and several; (ii) a right under the Agreement exercised by any one of them is deemed to be exercised jointly; and (iii) a representation, warranty, or undertaking made by one person or Business Entity is deemed to be a representation made by each of them.

R. **MULTIPLE ORIGINALS.**

This Agreement may be executed using multiple copies, each of which will be deemed an original.

S. **TIMING IS IMPORTANT.**

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

T. **INDEPENDENT PROVISIONS.**

The provisions of this Agreement are deemed to be severable. In other words, the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

U. **FRANCHISEE MAY NOT WITHHOLD PAYMENT.**

You agree to pay all amounts due under this Agreement without deduction, set-off or abatement. You further agree that you will not, on alleged grounds of non-performance by us of any of our obligations under this Agreement, withhold payment of any fees or other amounts due to us or any of our Related Parties.

V. **RELEASE OF PRIOR CLAIMS.**

By executing this Agreement, you individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting such assignment, release and discharge Motto Franchising, LLC, and its Related Parties, and their respective current and former officers, managers, directors, employees, agents, servants, and shareholders, from any and all claims existing as of the date of this Agreement, and which relate to or arise out of any franchise agreement or any other agreement between the parties executed prior to the date of this Agreement, or the franchise relationship previously existing between the parties, including but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities, antitrust laws or other laws of the United States or of any state.

W. **ACTIONS BARRED.**

Except for certain claims and actions as set forth below, any and all claims and actions arising out of or relating to this Agreement (including, but not limited to, the offer and sale of the franchise covered by this Agreement), the relationship between us and you or your operation of the Franchise, brought by any party to this Agreement against the other shall be commenced within 1 year from the occurrence of the acts or omissions giving rise to such claim or action, or such claim or action shall be barred. The foregoing one (1) year limitation period will not apply to claims or actions by us for monies due under this Agreement, claims or actions relating to the Marks, or the trade names, copyrights, trade secrets or Confidential Information belonging to us or claims or actions relating to the post-termination obligations set forth in Section 14 of this Agreement.

X. **AUTHORIZATION TO COMMUNICATE ELECTRONICALLY/ AND SHARE PERSONAL INFORMATION; PROMPT RESPONSE REQUIRED; ELECTRONIC EXECUTION AND COPIES.**

By executing this Agreement, you expressly authorize Motto Franchising, LLC, as well as any of its Related Parties and approved suppliers, to communicate with you electronically, including via electronic mail, text message or social media platforms, and to communicate with you at any cell phone number provided or listed (including via text messaging), notwithstanding whether any or all of your Office or personal telephone numbers appear on a federal or state Do-Not-Call registry. You also agree that communications may be pre-recorded or sent with a system capable of autodialing or sequencing phone numbers, or placed with an artificial voice. Further, you agree that you are on notice that Motto Franchising, LLC and its Related Parties may record or transcribe telephone or text conversations with you. Moreover, you authorize Motto Franchising, LLC and its Related Parties, to share, or disclose in Motto Franchising, LLC and its Related Parties’ sole discretion, your or your Owners’ information, including personal or contact information of Owners, with/to approved suppliers, service providers, and other third parties. As used herein, “personal information” shall mean and include information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual.

You understand and acknowledge that it is critical to the efficient and successful administration of the franchise relationship that you promptly respond to all communications from Motto Franchising, LLC. Accordingly, unless another time frame is specified by us, you agree to respond within five (5) business days to each communication from us that requests a response.

The parties hereby acknowledge and agree that electronic signature of this Agreement and other documents related to and executed in connection with this Agreement, in such form and manner as Motto Franchising, LLC may prescribe from time to time, shall be legal and binding and shall have the same force and effect as if an original of this Agreement and any other document related to and executed in connection with this Agreement, had been signed and delivered by hand. Both Motto Franchising, LLC and Franchisee (i) intend to be bound by the signatures (whether original or electronic) on any document sent or signed electronically, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement and any other document related to and executed in connection with this Agreement based on the foregoing forms of signature.

**Y. NOTICES AND PAYMENTS.**

All written notices and reports permitted or required to be delivered by the provisions of this Agreement shall be deemed delivered at the time delivered by hand to the recipient party; one (1) business day after transmission by electronic mail; one (1) business day after being placed in the hands of a commercial courier service for overnight delivery, or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing.

You are required to pay all fees, dues and charges required by this Agreement by electronic funds transfer or automated clearinghouse transfer, or in such other manner as we direct. All payments and reports which are required or permitted by this Agreement to be sent in hard copy shall be sent to us at the address to which you are notified from time to time, or to such other persons and places as we may direct from time to time.

**Z. CANCELLATION OF PRIOR UNDERSTANDINGS/ENTIRE AGREEMENT.**

This Agreement, and any documents executed contemporaneously herewith which expressly reference this Agreement, and any documents referred to herein, expresses fully the understanding by and between the parties, and all prior and contemporaneous understandings, agreements, commitments, conditions, warranties and representations of any kind, oral or written, as to the Franchise (except as to information and representations submitted by you to us in application to purchase the Franchise, including, but not limited to, financial statements, references, etc. which shall be deemed to be a part of this Agreement) are canceled and null, void and of no effect. Any previous matter, presently covered within this Agreement, is hereby superseded and canceled with no further liabilities or obligations of the parties with respect to such matter, except as to any monies due and unpaid between the parties to this Agreement at the time of execution of this Agreement. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

**AA. FORCE MAJEURE.**

***“Force Majeure”*** means an event that prevents our or your performance that is not the fault of or within the reasonable control of the party claiming Force Majeure. Force Majeure includes acts of God, fires, strikes, war, terrorism, riot, governmental laws or regulations, or any other similar event or cause rendering performance of the contract impossible. Except with respect to payment obligations, neither party shall be deemed to be in breach of this Agreement if a party’s failure to perform its obligations results from Force Majeure and any delay resulting from Force Majeure will extend performance accordingly or excuse performance in whole or in part as may be reasonable. Force Majeure does not include the Franchisee’s financial inability to perform, inability to obtain financing, inability to obtain permits or licenses or any other similar events unique to the Franchisee or to general economic downturn or conditions.

The party whose performance is affected by an event of Force Majeure shall provide a prompt written request for relief describing and setting forth the nature of the Force Majeure, an estimate as to its duration, and a plan for resuming full compliance with this Agreement. Motto Franchising, LLC will have sole discretion whether to grant or



deny any request for relief from Franchisee. A party that fails to provide the required notice shall be liable for failure to give such timely notice only to the extent of damage actually caused.

**BB. ELECTRONIC SIGNATURES**

The parties hereby acknowledge and agree that electronic signatures, in such form and manner as Motto Franchising, LLC may prescribe from time-to-time, shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been signed and delivered by hand. You and Motto Franchising, LLC both (i) intend to be bound by the signatures (whether original or electronic) on any document sent or signed electronically, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.

**CC. FURTHER ASSURANCES.**

Each party agrees to execute and deliver any documents, instruments, or agreements and to take any other actions reasonably necessary to carry out the intent and purpose of this Agreement. If any document required under this Agreement was not properly completed, executed or delivered at the time of signing, the parties shall promptly cooperate to correct such deficiencies upon request. Additionally, Franchisee agrees to cooperate with Motto Franchising, LLC in executing any additional documents or performing any further acts that may be required to protect the Marks, trade secrets, proprietary information, and other intellectual property, as well as to facilitate compliance with all applicable laws and regulations.

**16. ACKNOWLEDGMENTS.**

You expressly acknowledge and accept the following:

- (1) YOU RECEIVED FROM MOTTO FRANCHISING, LLC A MOTTO MORTGAGE FRANCHISE DISCLOSURE DOCUMENT AS REQUIRED BY LAW AT LEAST 14 CALENDAR DAYS PRIOR TO (i) THE EXECUTION OF THIS AGREEMENT; OR (ii) THE PAYMENT OF ANY CONSIDERATION TO US;
- (2) YOU HAVE INDEPENDENTLY INVESTIGATED THE MOTTO MORTGAGE OFFICE FRANCHISE OPPORTUNITY AND RECOGNIZE THAT, LIKE ANY OTHER BUSINESS, THE NATURE OF THE BUSINESS A MOTTO MORTGAGE OFFICE CONDUCTS MAY, AND PROBABLY WILL, EVOLVE AND CHANGE OVER TIME;
- (3) AN INVESTMENT IN A MOTTO MORTGAGE OFFICE INVOLVES BUSINESS RISKS THAT COULD RESULT IN THE LOSS OF A SIGNIFICANT PORTION OR ALL OF YOUR INVESTMENT;
- (4) YOUR SUCCESS IN OWNING AND OPERATING A MOTTO MORTGAGE SERVICES BUSINESS IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, YOUR INDEPENDENT BUSINESS ABILITY AND PERSONAL EFFORTS. YOU AGREE THAT YOU, ONE OF YOUR PRINCIPAL OWNERS, OR SUCH VALIDLY LICENSED MANAGER AND LOAN OFFICER AS YOU SELECT TO MANAGE THE OFFICE, WILL BE RESPONSIBLE FOR, AND INTENDS TO DEVOTE BEST EFFORTS AND FULL TIME TO, THE MANAGEMENT AND DEVELOPMENT OF THE OFFICE;
- (5) ATTRACTING CLIENTS FOR YOUR MOTTO MORTGAGE OFFICE WILL REQUIRE YOU TO MAKE CONSISTENT MARKETING EFFORTS IN YOUR COMMUNITY THROUGH VARIOUS METHODS, INCLUDING MEDIA ADVERTISING, DIRECT MAIL ADVERTISING, AND DISPLAY AND USE OF IN-OFFICE PROMOTIONAL MATERIALS;
- (6) RETAINING CLIENTS FOR YOUR MOTTO MORTGAGE OFFICE WILL REQUIRE YOU TO HAVE A HIGH LEVEL OF CUSTOMER SERVICE AND ADHERE STRICTLY TO THE



SYSTEM AND OUR SYSTEM STANDARDS AND THAT YOU ARE COMMITTED TO MAINTAINING SYSTEM STANDARDS;

- (7) MOTTO FRANCHISING, LLC HAS NOT GUARANTEED ANY RESULTS TO YOU AND CANNOT, EXCEPT UNDER AND TO THE EXTENT OF THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER YOUR BUSINESS. THAT YOU HAVE NOT RECEIVED FROM US, AND ARE NOT RELYING UPON, ANY REPRESENTATIONS OR GUARANTEES, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, SALES, INCOME, OR PROFITS OF A MOTTO MORTGAGE OFFICE;
- (8) YOU DID NOT RECEIVE ORAL OR WRITTEN INFORMATION FROM MOTTO FRANCHISING, LLC THAT IS CONTRARY TO THE INFORMATION CONTAINED IN OUR FRANCHISE DISCLOSURE DOCUMENT AND THIS AGREEMENT. NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY US TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED IN THIS AGREEMENT;
- (9) YOU DID NOT RECEIVE ORAL OR WRITTEN EARNINGS CLAIMS INFORMATION FROM MOTTO FRANCHISING, LLC AND HAVE NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT;
- (10) IN ALL OF MOTTO FRANCHISING, LLC'S DEALINGS WITH YOU, OUR OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS ACT ONLY IN A REPRESENTATIVE, AND NOT IN AN INDIVIDUAL, CAPACITY; BUSINESS DEALINGS BETWEEN YOU AND THEM IN CONNECTION WITH THIS AGREEMENT ARE DEEMED TO BE ONLY BETWEEN YOU AND MOTTO FRANCHISING, LLC;
- (11) YOU HAVE REPRESENTED TO MOTTO FRANCHISING, LLC, TO INDUCE OUR ENTRY INTO THIS AGREEMENT, THAT ALL STATEMENTS YOU HAVE MADE AND ALL MATERIALS YOU HAVE GIVEN US ARE ACCURATE AND COMPLETE AND THAT YOU HAVE MADE NO MISREPRESENTATIONS OR MATERIAL OMISSIONS IN OBTAINING THE FRANCHISE;
- (12) YOU HAVE HAD A FULL OPPORTUNITY TO REVIEW THE DISCLOSURE DOCUMENT AND THIS AGREEMENT PROVIDED BY US AND UNDERSTAND THE TERMS, CONDITIONS, AND OBLIGATIONS OF THIS AGREEMENT. YOU UNDERSTAND AND ACCEPT THAT THIS AGREEMENT'S TERMS AND COVENANTS ARE REASONABLY NECESSARY FOR MOTTO FRANCHISING, LLC TO MAINTAIN OUR HIGH STANDARDS OF QUALITY AND SERVICE, AS WELL AS THE UNIFORMITY OF THOSE STANDARDS AT EACH MOTTO MORTGAGE OFFICE, AND TO PROTECT AND PRESERVE THE GOODWILL OF THE MARKS;
- (13) MOTTO FRANCHISING, LLC HAS THE RIGHT TO TERMINATE THIS AGREEMENT IN THE EVENT THAT YOU OR THE OFFICE FAIL TO COMPLY WITH RESPA OR ANY OTHER APPLICABLE LAW;
- (14) YOU HAVE BEEN AFFORDED AN OPPORTUNITY TO ASK ANY QUESTIONS YOU HAVE AND TO REVIEW ANY MATERIALS OF INTEREST TO YOU CONCERNING THE MOTTO MORTGAGE OFFICE FRANCHISE OPPORTUNITY;
- (15) WE HAVE ENCOURAGED YOU TO SEEK LEGAL AND/OR OTHER PROFESSIONAL GUIDANCE AND ADVICE PRIOR TO SIGNING THIS AGREEMENT AND HAVE ENCOURAGED YOU TO CONTACT EXISTING MOTTO FRANCHISEES TO GAIN A BETTER UNDERSTANDING OF THE REQUIREMENTS AND BENEFITS OF OWNING A MOTTO MORTGAGE OFFICE FRANCHISE;

- (16) AS MORE FULLY SET FORTH IN SECTION 3.B OF THIS AGREEMENT, IF YOU OR ANY PERSON AFFILIATED WITH YOUR OFFICE UTILIZE (i) MORTGAGE WHOLESALERS THAT ARE NOT LISTED MORTGAGE WHOLESALERS OR (ii) SYSTEMS, VENDORS, OR TOOLS THAT ARE NOT OUR APPROVED AND DESIGNATED SUPPLIERS/TOOLS/SERVICES, OR ARE NOT PART OF OUR SYSTEM, IT IS YOUR RESPONSIBILITY TO ENSURE THAT SUCH USE IS IN COMPLIANCE WITH ALL APPLICABLE LAWS AND THIS AGREEMENT, AND IN RESPONSE, MOTTO FRANCHISING, LLC MAY TAKE ANY ACTIONS OR PURSUE ANY REMEDIES AVAILABLE TO US. MOTTO FRANCHISING, LLC WILL HAVE NO LIABILITY IN CONNECTION WITH USE OF, AND WILL NOT SUPPORT, ANY OUTSIDE SYSTEMS, VENDORS OR TOOLS. IN THE EVENT USING SYSTEMS, VENDORS, OR TOOLS NOT PROVIDED AND/OR DESIGNATED BY MOTTO FRANCHISING, LLC CAUSES COSTS OR LIABILITIES TO US YOU MUST INDEMNIFY US AS PROVIDED IN SECTION 5.D OF THIS AGREEMENT;
- (17) YOU ARE AWARE OF THE FACT THAT SOME PRESENT OR FUTURE FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENTS, AND CONSEQUENTLY, THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO VARIOUS FRANCHISEES MAY DIFFER MATERIALLY; AND
- (18) YOU ACKNOWLEDGE THAT WE MAY EXERCISE ANY OPTION OR OTHER RIGHT UNDER THIS AGREEMENT OR UNDER ANY AGREEMENT CONTEMPLATED HEREBY, WE MAY DO SO IN OUR REASONABLE BUSINESS JUDGMENT, WITHOUT LIABILITY OR OTHER OBLIGATION. SO AS TO PRESERVE THE FLEXIBILITY TO DEAL WITH PRACTICAL SITUATIONS, WE MAY, IN OUR REASONABLE BUSINESS JUDGMENT, ELECT TO NOT ENFORCE (OR TO SELECTIVELY ENFORCE) ANY PROVISION OF THIS AGREEMENT, OR ANY OTHER AGREEMENT, ANY POLICY OR OTHERWISE, WHETHER WITH RESPECT TO YOU OR ANY OTHER FRANCHISEE OR OTHERWISE, AND WE MAY APPLY DIFFERENT POLICIES TO ANY FRANCHISEE, ALL WITHOUT LIABILITY OR OTHER OBLIGATION, AND ANY SUCH ACTS OR OMISSIONS WILL NOT LIMIT OR OTHERWISE AFFECT OUR RIGHTS, WHETHER TO ENFORCE THIS AGREEMENT STRICTLY OR OTHERWISE.

17. **SUBMISSION OF AGREEMENT.**

THE SUBMISSION OF THIS AGREEMENT TO YOU DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL NOT BE BINDING ON MOTTO FRANCHISING, LLC UNLESS AND UNTIL IT IS ACCEPTED BY US, THAT IS, SIGNED BY OUR AUTHORIZED OFFICER AND RETURNED TO YOU.

**[SIGNATURES ON THE FOLLOWING PAGE]**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year set forth below.

**Motto Franchising, LLC**

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

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

**FRANCHISEE** (If a corporation, partnership, limited liability company, or other legal entity recognized under applicable law)

Entity name: \_\_\_\_\_

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

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

**FRANCHISEE** (If an individual)

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

**EXHIBIT A**  
**To Franchise Agreement**

**OWNERSHIP AND MANAGEMENT INFORMATION**

**PLEASE COMPLETE AND EXECUTE ONLY THE VERSION OF  
EXHIBIT A THAT APPLIES TO THE FRANCHISE OWNER:**

|                    |                                  |
|--------------------|----------------------------------|
| <b>EXHIBIT A-1</b> | <b>SOLE PROPRIETORSHIP</b>       |
| <b>EXHIBIT A-2</b> | <b>PARTNERSHIP</b>               |
| <b>EXHIBIT A-3</b> | <b>CORPORATION</b>               |
| <b>EXHIBIT A-4</b> | <b>LIMITED LIABILITY COMPANY</b> |

IF THE FRANCHISE OWNER IS A BUSINESS ENTITY (E.G., TRUST ENTITY, LIMITED LIABILITY PARTNERSHIP, ETC.) OTHER THAN A SOLE PROPRIETORSHIP, PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE FRANCHISE OWNER SHALL PROVIDE MOTTO FRANCHISING, LLC WITH INFORMATION SIMILAR TO THAT REQUESTED ON EXHIBIT A-1 THROUGH A-4.

**EXHIBIT A - 1**  
**OWNERSHIP AND MANAGEMENT INFORMATION**  
*(Sole Proprietorship)*

1. Please list below the name and residence address of the sole owner:

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2. List below the name of the validly licensed mortgage broker under whose license the Office will be conducted:

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***I certify that this Exhibit is true and complete as of the date set forth below and acknowledge my obligation under Subsection 1.C. to update this Exhibit whenever there are changes in the information above.***

---

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

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

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

**EXHIBIT A - 2**  
**OWNERSHIP AND MANAGEMENT INFORMATION**  
*(Partnership)*

1. If you are a general partnership, please list all partners, their addresses (residential address, if an individual), and respective percentage ownership interests (please identify the managing partner (“MP”), if applicable):

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(if more space is required, attach additional sheets hereto)

2. If you are a limited partnership, list below the names, addresses (residential address, if an individual) and respective percentage ownership interests of each partner (after each name, please identify as either a general (“G”) or limited (“L”) partner):

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(if more space is required, attach additional sheets hereto)

3. If any of the partners listed in Sections 1 or 2 above is a Business Entity and not an individual, please list below its owners, their addresses (residential address, if an individual) and their percentage ownership interests (if more space is required, attach additional sheets hereto):

Name of Business Entity Partner: \_\_\_\_\_

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

Name of Business Entity Partner: \_\_\_\_\_

- |                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(If any of the owners of these partners are Business Entities and not individuals, please attach additional sheets to show their respective owners, their addresses (residential address, if an individual) and their percentage ownership interests until the individual level is reached.)

4. List below the name of the validly licensed mortgage broker under whose license the Office will be conducted:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*I certify that this Exhibit is true and complete as of the date set forth below and acknowledge my obligation under Subsection 1.C. to update this Exhibit whenever there are changes in the information above.*

\_\_\_\_\_

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

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

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

**Please submit a copy of the Franchise Owner's partnership agreement, if any, (with any and all amendments) to MOTTO FRANCHISING, LLC.**



**EXHIBIT A - 3**  
**OWNERSHIP AND MANAGEMENT INFORMATION**  
*(Corporation)*

- 1 Please list below the names, addresses (residential address, if an individual) and percentage ownership of each shareholder or stockholder, as appropriate:

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(if more space is required, attach additional sheets hereto)

2. If any of the shareholders or stockholders listed in Section 1 is a Business Entity and not an individual, please list below its owners, their addresses (residential address, if an individual) and their percentage ownership interests (if more space is required, attach additional sheets hereto):

Name of Business Entity (Shareholder/Stockholder): \_\_\_\_\_

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

Name of Business Entity (Shareholder/Stockholder): \_\_\_\_\_

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(If any of the owners of these shareholders or stockholders are Business Entities and not individuals, please attach additional sheets to show their owners, their addresses (residential address, if an individual) and their percentage ownership interests until the individual level is reached.)

3. List below the names and residence addresses of each **director** of the corporation:

|          |          |
|----------|----------|
| a. _____ | b. _____ |
| _____    | _____    |
| _____    | _____    |
| _____    | _____    |
| c. _____ | d. _____ |
| _____    | _____    |
| _____    | _____    |
| _____    | _____    |

(if more space is required, attach additional sheets hereto)

4. List below the names, residence addresses and title of each **officer** of the corporation:

|              |              |
|--------------|--------------|
| a. _____     | b. _____     |
| _____        | _____        |
| _____        | _____        |
| Title: _____ | Title: _____ |
| c. _____     | d. _____     |
| _____        | _____        |
| _____        | _____        |
| Title: _____ | Title: _____ |

(if more space is required, attach additional sheets hereto)

5. List below the name of the validly licensed mortgage broker under whose license the Office will be conducted:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*I certify that this Exhibit is true and complete as of the date set forth below and acknowledge my obligation under Subsection 1.C. to update this Exhibit whenever there are changes in the information above.*

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

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

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

**Please submit a copy of the Franchise Owner's Articles of Incorporation and Bylaws (with any and all amendments, if applicable) to MOTTO FRANCHISING, LLC.**

**EXHIBIT A - 4**  
**OWNERSHIP AND MANAGEMENT INFORMATION**  
*(Limited Liability Company)*

1. Please list below the names, addresses (residential address, if an individual) and percentage ownership of each member of the LLC:

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(if more space is required, attach additional sheets hereto)

2. If any of the members listed in Section 1 is a Business Entity and not an individual, please list below its owners, their addresses (residential address, if an individual) and percentage ownership interests (if more space is required, attach additional sheets hereto):

Name of Business Entity (Member): \_\_\_\_\_

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

Name of Business Entity (Member): \_\_\_\_\_

|                                       |                                       |
|---------------------------------------|---------------------------------------|
| a. _____<br>_____<br>_____<br>_____ % | b. _____<br>_____<br>_____<br>_____ % |
| c. _____<br>_____<br>_____<br>_____ % | d. _____<br>_____<br>_____<br>_____ % |

(If any of the owners of these members are Business Entities and not individuals, please attach additional sheets to show their owners, their addresses, (residential address, if an individual) and their percentage ownership interests until the individual level is reached.)

3. Please list below the names, residence addresses and percentage ownership of each **manager** of the LLC, if any:

|    |         |    |         |
|----|---------|----|---------|
| a. | _____   | b. | _____   |
|    | _____   |    | _____   |
|    | _____   |    | _____   |
|    | _____ % |    | _____ % |
| c. | _____   | d. | _____   |
|    | _____   |    | _____   |
|    | _____   |    | _____   |
|    | _____ % |    | _____ % |

(if more space is required, attach additional sheets hereto)

4. If any of the managers listed in Section 3 is a Business Entity and not an individual, please list below its owners, their addresses (residential address, if an individual) and their percentage ownership interests (if more space is required, attach additional sheets hereto):

Name of Business Entity (Manager): \_\_\_\_\_

|    |         |    |         |
|----|---------|----|---------|
| a. | _____   | b. | _____   |
|    | _____   |    | _____   |
|    | _____   |    | _____   |
|    | _____ % |    | _____ % |
| c. | _____   | d. | _____   |
|    | _____   |    | _____   |
|    | _____   |    | _____   |
|    | _____ % |    | _____ % |

Name of Business Entity (Manager): \_\_\_\_\_

|    |         |    |         |
|----|---------|----|---------|
| a. | _____   | b. | _____   |
|    | _____   |    | _____   |
|    | _____   |    | _____   |
|    | _____ % |    | _____ % |
| c. | _____   | d. | _____   |
|    | _____   |    | _____   |
|    | _____   |    | _____   |
|    | _____ % |    | _____ % |

(If any of the owners of these managers are Business Entities and not individuals, please attach additional sheets to show their owners, their addresses (residential address, if an individual) and their percentage ownership interests until the individual level is reached.)

5. List below the names, residence addresses and title of each **officer** of the LLC, if any:

|              |              |
|--------------|--------------|
| a. _____     | b. _____     |
| _____        | _____        |
| _____        | _____        |
| Title: _____ | Title: _____ |
| c. _____     | d. _____     |
| _____        | _____        |
| _____        | _____        |
| Title: _____ | Title: _____ |

(if more space is required, attach additional sheets hereto)

6. List below the name of the validly licensed mortgage broker under whose license the Office will be conducted:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*I certify that this Exhibit is true and complete as of the date set forth below and acknowledge my obligation under Subsection 1.C. to update this Exhibit whenever there are changes in the information above.*

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Please submit a copy of the Franchise Owner's Articles of Organization and Operating Agreement or LLC Agreement (with any and all amendments, if applicable) to MOTTO FRANCHISING, LLC.**

**MOTTO® MORTGAGE****TRADEMARK AND POST-TERMINATION/OTHER OBLIGATIONS ACKNOWLEDGEMENT**

I, the signatory below ("I" or "Me"), agree to the terms of this Trademark and Post-Termination Obligations Acknowledgement (the "Agreement"), as described below, in consideration of the terms contained herein, the sufficiency of which I acknowledge, and as a pre-requisite to Me being eligible for employment, and as a condition for continued employment, with Broker and affiliation, and continued affiliation, with the Motto Network:

**1. DEFINITIONS.**

A. "**Broker**" is Motto Mortgage \_\_\_\_\_, with an office address \_\_\_\_\_.

B. "**Franchisor**" means Motto Franchising, LLC.

C. "**Marks**" means Franchisor's registered and unregistered marks, which include, without limitation, the name "Motto," the Motto logo shown above at left, and certain other service marks, trademarks, trade dress and other commercial symbols, including those that Franchisor may develop, acquire, or license for Motto franchisees' use from time-to-time.

D. "**Motto Network**" means Franchisor and the network of franchisees/brokers providing mortgage services under the Marks.

E. "**Related Parties**" means any entity that directly or indirectly, in whole or in part, is controlled by or under common control with Motto Franchising, LLC.

F. "**System**" means the system devised and developed by Franchisor, for providing high quality mortgage services to the general public.

**2. MOTTO TRADEMARKS.****A. MARKS.**

(1) Ownership of Marks. I acknowledge that Franchisor is the exclusive owner of all right, title and interest in and to the Marks.

(2) Permitted Uses of Marks on Behalf of Broker. I understand and agree that I am not being granted a license, and have no independent right, to use of any of the Marks, but rather that, by virtue of the limited license in Broker's Franchise Agreement, I may use the Marks, only on Broker's behalf and under Broker's supervision, when acting in my capacity as a loan originator or employee of Broker's office. I understand that all use of the Marks on behalf of Broker inures exclusively to the benefit of Franchisor. I agree to use the Marks only in connection with Broker's office name and address and in compliance with the most current edition of *Motto Mortgage Brand Standards: Trademarks and Usage* or its successor.

(3) Registration and Ownership of Domain Names; Prohibited Activities. I am not authorized to, and I agree not to, register or own any Internet domain name that includes "motto" or any of the Marks ("**Motto Formative Domain Name**"). I further agree that I will not register, own or use an Internet domain name that includes a trademark (or any variation thereof) of a Related Party of Motto Franchising, LLC (a "**Prohibited Domain Name**"). I agree and acknowledge that, either during the term or after the termination of this Agreement, I have no legitimate interest in registering or owning any Prohibited Domain Name, and I have no legitimate interest in registering or owning any Motto Formative Domain Name. I also agree that registering or owning any Motto Formative Domain Name or Prohibited Domain Name or retaining ownership or use of any Motto Formative Domain Name after the transfer, expiration, or termination of this Agreement, would be an act of bad faith. I further agree that I will not sell or offer to sell any Motto Formative Domain Names or Prohibited Domain Names.

**TRADEMARK AND POST-TERMINATION/OTHER OBLIGATIONS ACKNOWLEDGEMENT –  
CONTINUED**

B. DE-IDENTIFICATION. Following termination or expiration of this Agreement or of my affiliation with the Motto Network (“**Termination**”), I will be free to establish my own brokerage operation or other business, alone or with others. However, I acknowledge the exclusive rights of Franchisor to its System, its method of operation and its distinguishing characteristics, including but not limited to the Marks, advertising materials, copyrighted materials and other distinguishing characteristics now or hereafter adopted, and Franchisor’s compelling business interest in protecting the exclusivity of same to members of the Motto Network. Following Termination, in connection with any business thereafter carried on by Me, I will:

(1) immediately and clearly distinguish my business from Motto and the System so as to avoid any possibility of confusion to the public, and not directly or indirectly identify or hold myself out as being or as having been affiliated with Broker or the Motto Network;

(2) immediately cease use of the Marks, including removing, erasing or obliterating the Marks and all indications that I am or was affiliated with Broker or the Motto Network from my letterhead, stationery, printed matter, advertising, web pages (including without limitation, in visual content, hyperlinks, source code, and third-party directory listings), social media services and other materials;

(3) immediately assign and transfer any Motto Formative Domain Names owned, held or controlled by Me, to Franchisor or take such actions regarding such domain name(s) as Franchisor may direct. I agree, at my own expense, promptly to execute and deliver all necessary documents and take any action reasonably requested by Broker or Franchisor to effect the assignment and transfer of all such domain names, including compliance with any transfer procedure established by the domain name registrar;

(4) immediately take any action that may be required to cancel, or at Franchisor’s request transfer to it or its designee, all pseudonyms, logins, and identifiers (including but not limited to vanity license plates, user names, instant messaging and social media accounts, and e-mail addresses) that contain any reference to any Marks;

(5) not adopt, use, or imitate, in any manner or for any purpose, the Marks or any name, trademark, service mark, logo, advertisement, representation, or business activity that may mislead others in the mortgage business and/or the public to believe I am still a part of, affiliated with, or sponsored in any way by the Motto Network, including without limitation, the term “Motto” or any other term that begins with the prefix “Mot” or rhymes with “Motto” or any other term that is deemed by Franchisor to create a possibility of confusion or question regarding my affiliation with or sponsorship or endorsement by Broker, Franchisor or the Motto Network;

(6) refrain from referring in any form of advertising or promotion to designations, certifications, awards or recognition that Franchisor or any of its Related Parties may have granted to Me during my affiliation with the Motto Network; and

(7) not directly or indirectly dispute the validity of the Marks or Franchisor’s ownership thereof, or challenging any application or registration by Franchisor for a Mark.

C. APPOINTMENT. I hereby appoint Broker or Franchisor as my agent and attorney-in-fact to act for and on my behalf to take any of the actions referred to in Subparagraphs 2.B(3) and (4) with the same legal force and effect as if taken by Me.

D. INDEMNIFICATION FOR COSTS OF FORCED COMPLIANCE. I agree to indemnify Broker and/or Franchisor for all costs incurred, including court costs, expert witness fees, consumer survey costs and reasonable attorney fees, by Broker and/or Franchisor to secure full compliance with the provisions of this Paragraph 2.

E. APPLICABILITY. The prohibitions of this Paragraph 2 do not affect the rights and privileges that may be conferred upon Me by any contract establishing an affiliation with another Motto franchisee after Termination.



**TRADEMARK AND POST-TERMINATION/OTHER OBLIGATIONS ACKNOWLEDGEMENT –  
CONTINUED**

**3. RIGHTS IN IMAGES, CONTENT AND LIKENESS.** With respect to images, videos or other content ("**Materials**") that I supply to Broker, Franchisor, any of their affiliates, or a technology provider of Franchisor ("**Vendor**"), I grant Broker, Franchisor, and Vendor a fully paid up and royalty-free license and right to use and sublicense such Materials for any marketing, educational or operational purpose Broker, Franchisor or Vendor deems appropriate in any media now in existence or hereafter created. To the extent that the Materials feature my likeness, image, performance, voice or name (the "**Likeness**"), or the Likeness appears in images, video or other content created by Franchisor before Termination, the license granted herein shall include the right to use and sublicense such Likeness. To the extent that I do not own the copyright in the Materials, I represent and warrant that I have permission to use such Materials and to authorize the uses contemplated by this paragraph. I hereby release and covenant not to sue Broker, Franchisor, any of their affiliates, or Vendor or the respective officers, directors and employees of each, in connection with any use of the Material or Likeness permitted by this Agreement, and further agree to indemnify and hold Broker, Franchisor, their affiliates, and Vendor harmless against any claims by any third party that use of the Materials or Likeness infringes upon such third party's rights, including but not limited to copyrights and rights of publicity. The license and other provisions of this paragraph shall survive termination or expiration of this Agreement.

**4. IDEA SUBMISSIONS.** I acknowledge that if I submit any unsolicited or solicited ideas, proposals, suggestions, works, or similar submissions, including any recommendations or ideas for marketing and advertising, services, products, technology, product improvements or enhancements or other content (collectively referred to as "**Submissions**"), the following terms apply to those Submissions, regardless of whether my communication or Submission contains other terms. I agree that: (i) the Submissions, including any related intellectual property rights, will become Franchisor's property automatically when I submit them to Franchisor, and without any compensation to me; (ii) Franchisor is not restricted in its use of the Submissions and may use them in any way, including giving them to others; and (iii) there is no obligation to keep Submissions confidential or to attribute them to me in any way.

**5. AUTHORIZATION TO COMMUNICATE ELECTRONICALLY, SHARE PERSONAL INFORMATION.** By executing this Agreement, you expressly authorize (a) Franchisor, as well as any of its Related Parties and approved suppliers, to communicate with you electronically, including via electronic mail, facsimile, text message, or social media platforms and to communicate with you at any cell phone number provided or listed (including via text messaging), notwithstanding whether any or all of your office or personal telephone numbers appear on a federal or state Do-Not-Call registry; and you agree that communications may be sent with a system capable of autodialing or sequencing phone numbers (b) Franchisor and its Related Parties to record or transcribe telephone or text conversations with you and to share, disclose, or provide, for a business purpose, in Franchisor and its Related Parties' sole discretion, your information, including personal or contact information, with/to approved suppliers, service providers, and other third parties. As used herein, "personal information" shall mean and include information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual.

**6. ADDITIONAL POST-TERMINATION OBLIGATIONS.** I agree, for a period of one year from the effective date of termination or expiration of this Agreement to refrain from encouraging or inducing: (a) any mortgage wholesaler or lender to discontinue its business relationship with Broker or Broker's affiliates or other Motto franchise owners or (b) any customer to discontinue its relationship with Broker or Broker's affiliates.

**7. ENFORCEMENT.**

A. **INJUNCTIVE RELIEF.** I hereby acknowledge and agree that it would be difficult to measure the economic loss that would occur as a result of the breach of any of the provisions of Paragraphs 2 and 4, and that such a breach would cause immediate and irreparable harm for which there would be no adequate monetary remedy. I further acknowledge and agree that any of the above provisions may be enforced by injunction and/or restraining order.

**TRADEMARK AND POST-TERMINATION/OTHER OBLIGATIONS ACKNOWLEDGEMENT –  
CONTINUED**

B. **THIRD-PARTY BENEFICIARY.** Franchisor is a third-party beneficiary of the acknowledgements, agreements and provisions of this Agreement. Further, I acknowledge and agree that Franchisor, as the owner of the Marks and the System, will have a direct right to enforce any of the provisions contained herein through appropriate legal proceedings. I agree that Broker may transfer to Franchisor the right to pursue, in Broker's and/or Franchisor's name, any claim (including without limitation a breach of contract claim) against Me for breach of any term or condition contained herein. I agree not to contest any such transfer in any legal proceeding.

C. **ATTORNEYS' FEES.** If Broker and/or Franchisor retains an attorney to enforce any of the provisions of this Agreement or to institute legal proceedings incident to such enforcement, I will pay, in addition to all other sums for which I may be found liable, reasonable attorneys' fees, court costs and litigation expenses Broker and/or Franchisor incur.

**8. WAIVER.** No waiver of any breach of any provision or condition of this Agreement is a waiver of any subsequent breach of the same or any other provision or condition of this Agreement.

**9. SEVERABILITY.** The invalidity or unenforceability of any particular word, sentence, paragraph, subparagraph or provision of this Agreement will not affect the validity or enforceability of the rest of this Agreement and this Agreement will be interpreted in all respects as if such invalid or unenforceable parts were omitted.

I, by my signature below, acknowledge my understanding of, commitment to, and agreement with the terms of this Agreement as of the date set forth below.

---

**Signature**

---

**Name**

---

**Home Address**

---

**Date**

**EXHIBIT C**  
**To Franchise Agreement**  
**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (this “**Guaranty**”) relates to that certain Franchise Agreement dated \_\_\_\_\_ (the “**Agreement**”) by and between MOTTO FRANCHISING, LLC (“**we**,” “**us**” or “**MOTTO FRANCHISING, LLC**”) and \_\_\_\_\_ (“**Franchisee**”).

In consideration of, and as an inducement to, the execution of the Agreement by MOTTO FRANCHISING, LLC, each of the undersigned (each a “**Guarantor**”) hereby personally and unconditionally (a) guarantees to MOTTO FRANCHISING, LLC, and its successors and assigns, for the Term of the Agreement and thereafter as provided in the Agreement (including during any post-expiration hold-over period), the full and punctual payment and performance of each and every undertaking, agreement and covenant set forth in the Agreement and any successor agreement that Franchisee is bound by during any post-expiration holdover period (“**successor agreement**”); (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and any successor agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities; and (c) agrees to be personally bound by the jurisdiction and governing law provisions in the Agreement and any successor agreement. Any married person who signs this Guaranty hereby expressly agrees that recourse under this Guaranty may be had against his or her separate property, marital property and community property.

Each Guarantor consents and agrees that: (1) his or her direct and immediate liability under this Guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement and any successor agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by us of any remedies against Franchisee or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by a subsequent assignment or transfer of the Agreement by Franchisee or by an extension of time, credit or other indulgence or forbearance which we may from time-to-time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable; (5) he or she has established adequate means of obtaining from Franchisee on a continuing basis information regarding Franchisee’s financial condition and agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Guarantor’s risks under this Guaranty, and Guarantor further agrees that, absent a request for information, we shall have no obligation to disclose to Guarantor any information (including any indulgences or forbearances granted to Franchisee or any other person) or documents acquired by Franchisee in the course of MOTTO FRANCHISING, LLC’s relationship with Franchisee; and (6) the terms of this Guaranty shall survive the termination or expiration of the Agreement and shall continue in full force and effect subsequent to and notwithstanding such termination or expiration until they are satisfied in full.

Each Guarantor waives all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of the Guarantor’s execution of and performance under this Guaranty and waives any right he or she may have to revoke this Guaranty until it is satisfied in full. Each Guarantor further waives any defense to liability arising from: (a) any act or omission by which MOTTO FRANCHISING, LLC directly or indirectly discharges Franchisee on any undertaking, agreement or covenants set forth in the Agreement or which increases the probability or amount of Guarantor’s liability hereunder; (b) MOTTO FRANCHISING, LLC’s failure to enforce or delay in enforcing its rights under the Agreement or any successor agreement; or (c) any modification or change of any terms of the Agreement or any successor agreement or any grant of indulgence or forbearances by MOTTO FRANCHISING, LLC.

Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor’s full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

**IN WITNESS WHEREOF**, each of the undersigned has hereunto affixed his or her signature to this Guaranty as of the date indicated below.

**GUARANTOR(S)**

|                    |               |                    |               |
|--------------------|---------------|--------------------|---------------|
| _____<br>Signature | _____<br>Date | _____<br>Signature | _____<br>Date |
| _____<br>Signature | _____<br>Date | _____<br>Signature | _____<br>Date |

**EXHIBIT A-1**

**RENEWAL ADDENDUM – Address Only**

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT  
ADDRESS ONLY

THIS ADDENDUM is entered into as of even date with the Franchise Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, (the “**Agreement**” or “**Franchise Agreement**”) by and between Motto Franchising, LLC, (referred to as “**we**,” “**us**,” “**Motto**” or “**Motto Franchising, LLC**”) and \_\_\_\_\_ (referred to as “**you**,” “**Franchise Owner**,” or “**Franchisee**”).

This Addendum is being executed to amend certain terms and conditions of the Franchise Agreement applicable to the renewal of Franchisee's franchise as follows:

1. Subparagraph (3) of Subsection 2.A. of the Franchise Agreement is hereby amended to read as follows:

(3) **Term.**

The term of the Franchise will begin on the Agreement Date and continue through \_\_\_\_\_ (the “**Term**”), unless the Franchise is terminated earlier pursuant to the provisions of this Agreement. Termination or expiration of this Agreement will constitute termination or expiration of your Franchise and the Limited License (as defined below) to use the Motto Marks conferred by this Agreement.

2. The first sentence of Section 3.A. of the Franchise Agreement is hereby amended to read as follows:

You agree that the Office will be “opened” and operating as of the Agreement Date.

3. Subsection 6.A. of the Franchise Agreement is hereby replaced in its entirety and shall now read as follows:

**6.A. RENEWAL FRANCHISE FEE.**

You agree to pay us a renewal franchise fee in the amount of \$ \_\_\_\_\_ when you sign this Agreement. You will not be entitled to any rights or privileges under this Agreement until the renewal franchise fee is paid in full. You agree that we have fully earned the renewal franchise fee and that it becomes non-refundable upon payment to us.

4. Subsection 13.B. (2) of the Franchise Agreement (regarding failure to open the office) is hereby deleted.

5. Unless specifically amended or modified in one of the above paragraphs, all of the provisions of the Franchise Agreement apply to this renewal, including but not limited to Subsection 2.E., which pertains to future renewal of this franchise relationship, and Subsection 6.B., which pertains to Continuing Service and Royalty Fee.

Subsection 2.E.(8) states that upon your next renewal one of the conditions of renewal requires:

(8) At least 90 days prior to the expiration of this Agreement, you execute the form of franchise agreement (including the renewal addendum and additional supplemental agreements then being used by us) we are then customarily using to grant franchises for Motto mortgage offices, which agreement and renewal addendum shall take effect on the day after this Agreement expires, and which will supersede this Agreement and may have materially different and less favorable terms than this Agreement, including without limitation, requirements to upgrade equipment and facilities, use new systems and procedures and pay higher fees, dues and marketing fund contributions.

In addition, Subsection 2.E.(9) of the Franchise Agreement provides that upon the next renewal of the franchise relationship, you will be required to pay us, at least 90 days prior to the expiration of the Franchise Agreement, a renewal fee equal to 50% of the then current initial franchise fee.

Subsection 6.B. states that upon renewal your Contract Month for purposes of the Royalty schedule is the month in which the original franchise agreement was signed:

Renewing Franchisees. At renewal you continue paying Royalties and Advertising Fund Fees, but at the then current Royalty and Advertising Fund Fee rates and schedule. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which you signed your original franchise agreement.

6. The Franchise Agreement supersedes any previous franchise agreements entered into between Motto Franchising, LLC and Franchisee. With the exception of any monies that may be due and owing to Motto Franchising, LLC at the time of renewal, Motto Franchising, LLC and Franchisee agree to release and forever discharge each other from any and all claims, disputes, damages or liabilities, and causes of action of any kind or nature, arising out of any previous franchise agreements entered into between them.

7. This Addendum is intended to be, and is hereby, incorporated in its entirety as a part of the Franchise Agreement and to be read as a material part thereof. It is expressly understood that to the extent, if any, the terms and conditions of this Addendum are different from, or conflict with, those set forth in the Franchise Agreement, this Addendum shall control. This Addendum may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the day and year above written.

**MOTTO FRANCHISING, LLC**

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

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

**FRANCHISEE** (If a corporation, partnership, limited liability company, or other legal entity recognized under applicable law)

**FRANCHISEE** (If an individual)

Entity name: \_\_\_\_\_ Date \_\_\_\_\_

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

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

## **EXHIBIT A-2**

### **TRANSFER ADDENDUM**



## TRANSFER ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM is entered into as of even date with the Franchise Agreement dated the \_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, (the “*Agreement*” or “*Franchise Agreement*”), by and between Motto Franchising, LLC, (referred to as “*we*,” “*us*,” or “*Motto Franchising, LLC*”) and \_\_\_\_\_ (referred to as “*you*,” “*Franchise Owner*,” or “*Franchisee*”).

This Addendum is being executed to amend certain terms and conditions of the Franchise Agreement applicable to the transfer of Franchisee's franchise as follows:

1. Subparagraph (3) of Subsection 2.A. of the Franchise Agreement is hereby replaced in its entirety and shall now read as follows:

(3) **Term.**

The term of the Franchise will begin on the Agreement Date and continue through \_\_\_\_\_ (the “*Term*”) unless the Franchise is terminated earlier pursuant to the provisions of this Agreement. Termination or expiration of this Agreement will constitute termination or expiration of your Franchise and the Limited License (as defined below) to use the Motto Marks conferred by Section 4 of this Agreement.

2. The first sentence of Section 3.A. of the Franchise Agreement is hereby replaced in its entirety and shall now read as follows:

You agree that the Office will be “opened” and operating as of the Agreement Date.

3. Subsection 6.A. of the Franchise Agreement is hereby deleted in its entirety.

4. Subsection 13.B. (2) of the Franchise Agreement (regarding failure to open the office) is hereby deleted.

5. Unless specifically amended or modified in one of the above paragraphs, all of the provisions of the Franchise Agreement apply to this transfer, including but not limited to Subsection 6.B., which pertains to Continuing Service and Royalty Fee.

Subsection 6.B. states that upon transfer your Contract Month for purposes of the Royalty schedule is the month in which the original franchise agreement was signed:

Franchise Transfers. When you purchase an existing franchise, you begin paying Royalties and Advertising Fund Fees at transfer at the then current Royalty and Advertising Fund Fee rates. The “Contract Month” for purposes of that Royalty schedule is defined as the month in which the original franchise agreement was signed for the franchised business being transferred.

6. This Addendum is intended to be, and is hereby, incorporated in its entirety as a part of the Franchise Agreement and to be read as a material part thereof. It is expressly understood that to the extent, if any, that the terms and conditions of this Addendum are different from, or conflict with, those set forth in the Franchise Agreement, this Addendum shall control. This Addendum may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

IN WITNESS WHEREOF, the parties have executed this Addendum as of the day and year above written.

**Motto Franchising, LLC**

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

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

**FRANCHISEE** (If a corporation, partnership, limited liability company, or other legal entity recognized under applicable law)

Entity name: \_\_\_\_\_

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

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

**FRANCHISEE** (If an individual)

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

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

## EXHIBIT A-3

[RESERVED]

**EXHIBIT A-4**

**MOTTO MORTGAGE EMAIL  
USER AGREEMENT**

## MOTTO MORTGAGE EMAIL USER AGREEMENT

This agreement (“Agreement”) is entered into by and between Motto Franchising, LLC (“Motto”), a Delaware Limited Liability Company whose address is 5075 S. Syracuse Street, Denver, CO 80237, and you, a franchisee of Motto (“Franchisee,” “you,” “your”). The Agreement governs access to and use of email services made available by Motto for use by you and by individual users associated with you. For you and your users to be permitted access to these email services, you must accept this Agreement. If you do not agree to all the terms and conditions in the Agreement, you will not be permitted to use the email services covered by this Agreement.

1. **Email Services.** Subject to the terms and conditions of this Agreement and during the term of this Agreement, Motto will provide you access to email services and use of email addresses, which Motto will assign, denominated with the mottomortgage.com domain (collectively the “Email Services”). You may designate one or more individuals as users of the Email Services under this Agreement (“Users,” “your Users”, and Motto will assign an email address to each User. Motto may limit the total number of Users that you are permitted to designate. The Email Services will be hosted and managed on one or more internet-accessible servers controlled and managed by Motto or a third-party provider that Motto may choose, at premises selected by Motto or by its third-party provider. It is the responsibility of you and your Users to be aware of and abide by any local, state, or federal rules pertaining to marketing emails, and you agree that you are informed of, and will inform your Users of, and shall abide, and ensure your Users abide, by local, state and federal rules pertaining to marketing in any emails you or your Users send using the Email Services.

2. **Other Services.** Motto provides a suite of computer systems and services that a user accesses through a single logon feature (collectively “Motto Online Services”). The Website Services are among the Motto Online Services. Motto may from time to time, in its sole discretion, add services to or remove services from the collection of Motto Online Services. Your license to use the Website Services is conditional upon your agreeing to the applicable terms governing access to each and every one of the Motto Online Services.

3. **User Access.** Before a User can access the Email Services, the User must complete an online registration process that Motto has established and may modify from time to time. During the registration process, the User will provide information that Motto requires to establish an email account for the User. Completing the registration process is voluntary, but access to the Email Services will not be available to a User before the User completes the process. Only one User may access the Email Services using the account established by the User. You will be liable for the actions of Users you designate to have access to the Email Services and for any actions under those User accounts, as well as for any damages or liabilities arising from access through those User accounts. **You are required to maintain and ensure that your Users maintain the confidentiality of any login credentials, including user IDs and passwords, used to access the Email Services.** If there is a breach of security through a failure by any of your Users to maintain such confidentiality, then you will be liable for any unauthorized access to the Email Services attributable to unauthorized use of the affected credentials.

If a User’s activities are not in compliance with this Agreement, Motto may, immediately and without notice, suspend or terminate the User’s access to the Email Services. In addition, Motto may link a User’s access to the Email Services to the User’s access to other components of the Motto Online Services. If Motto modifies, terminates, or disables a User’s access to another Motto Online Service, the User may lose access to the Email Services as well. Motto will not be liable for any suspension or termination of access.

Except as set forth in this Section 3, Motto will provide, modify, or terminate a User’s access or change a User’s Type solely at your direction.

4. **Agreement.** This Agreement shall have no force or effect until it is accepted in the State of Colorado by Motto. Your continued use of the Email Services will be deemed acceptance of this Agreement, and you agree that this Agreement supersedes and replaces all prior agreements between you and Motto regarding your

access to or use of the Email Services. If there are any conflicts between the terms and conditions of this Agreement and any prior versions, the terms and conditions of this Agreement shall control.

5. **Termination.** This Agreement, and access by you and your Users under the Agreement, will terminate immediately and automatically if at any time your franchise agreement with Motto terminates. In addition, Motto may suspend or terminate the Agreement, without notice to you, if (a) you are in breach of any term or condition of the Agreement; (b) your agreement regarding another of the Motto Online Services terminates; or (c) you or one of your Users engages in any Prohibited Use of the Email Services (as defined in Section 8 below). Motto is not responsible for any costs or expenses that you incur as a result of losing access to Email Services because of a suspension or termination of the Agreement or your access to the Email Services.

6. **Disclaimer of Warranties and Limitation of Liability.**

6.1. MOTTO MAKES NO WARRANTIES OR GUARANTIES AS TO THE AVAILABILITY OR RELIABILITY OF THE EMAIL SERVICES. MOTTO MAKES NO REPRESENTATIONS ABOUT THE SUITABILITY OF THE EMAIL SERVICES FOR ANY PURPOSE OR ABOUT THE ACCURACY OF ANY INFORMATION TRANSMITTED THROUGH THE EMAIL SERVICES. MOTTO HEREBY DISCLAIMS ALL WARRANTIES AND CONDITIONS WITH REGARD TO THE EMAIL SERVICES, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NONINFRINGEMENT. IN NO EVENT SHALL MOTTO OR ITS EMPLOYEES, AFFILIATES, PARENT COMPANIES, DIRECTORS/MANAGERS, SHAREHOLDERS/MEMBERS, OFFICERS OR AGENTS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, YOUR USE OF THE EMAIL SERVICES. IN ANY CASE, MOTTO'S ENTIRE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE HIGHEST AMOUNT OF ROYALTIES THAT HAS COME DUE AND HAS BEEN PAID BY YOU IN ANY SINGLE MONTH UNDER YOUR FRANCHISE AGREEMENT. MOREOVER, IT IS YOUR RESPONSIBILITY TO ENSURE YOUR OWN COMPLIANCE WITH MARKETING AND EMAIL LAWS THAT PERTAIN TO YOU.

6.2. Motto does not endorse or guarantee the accuracy, completeness, truthfulness or reliability of any service, opinion, advice, communication, information or other material or content transmitted through the Email Services. You hereby waive all claims against Motto regarding such material or content, including any claims that arise as a result of your or your Users' use of or reliance upon the accuracy, completeness, truthfulness, security or reliability of any service, opinion, advice, communication, information or other material or content transmitted through the Email Services.

7. **Connectivity.** You are responsible for all equipment, telephone connectivity, software, and other services necessary to access the Email Services. Motto may from time to time require the use of specific equipment or software to access the Email Services. Motto will not be responsible for any costs or expenses that you incur to obtain such equipment or software or for any damages you incur as a result of lacking equipment, connectivity, software, or other services necessary to access or use the Email Services.

8. **Prohibited Uses.** As a condition of your use of the Email Services, you warrant that you will not use the Email Services for any purpose that is unlawful or prohibited by this Agreement or that violates any applicable local, state or national law or regulation pertaining to marketing communications. You agree to and warrant that your Users will abide by all applicable local, state, national, and foreign laws, treaties, and rules and regulations in connection with use of the Email Services. You are responsible for your own and your Users compliance with local, state, and national laws pertaining to marketing and communications to consumers, as well as laws that restrict marketing emails. You agree not to and warrant that your Users will not:

- a. Post or send any unsolicited or unauthorized advertising, promotional materials, junk mail, spam, chain letters, pyramid schemes, or any other form of duplicative or unsolicited messages, whether commercial or otherwise;
- b. Transmit any unlawful, harassing, libelous, abusive, tortious, defamatory, threatening, harmful, invasive to another's privacy, vulgar, obscene, sexually oriented, pornographic, or otherwise objectionable material of any kind or nature;
- c. Transmit any material that the sender knows or should know contains a software virus or viruses, or other harmful or objectionable computer code, files, program or routine such as Trojan horses, worms, time bombs, cancel bots, or popups;
- d. Engage in "scamming", "spoofing", "spamming" or any other objectionable or illegal email activities;
- e. Transmit any material which infringes upon any intellectual property or other rights of any person including without limitation trademark rights, copyrights, or rights of publication in any form or format without the express written authorization of the owner of the copyrighted or proprietary material.
- f. Attempt to gain unauthorized access to the Email Services, or to other accounts, computer systems, networks, or other Users connected to or using the Email Services, through password mining or any other means.
- g. Interfere with or disrupt servers, networks, hardware, software, or Users connected to or using the Email Services, or violate the licenses, policies, procedures, or regulations of such.
- h. Harass or interfere with another User's use or enjoyment of the Email Services.
- i. Grant access to the User's Account to any other person.

9. You are responsible for any communications you or your Users transmit using the Email Services. You indemnify and hold harmless Motto and its shareholders, affiliates, parent companies, directors, officers, officers, employees, and agents for any claims or liabilities arising from your use of the Email Services.

10. You are responsible for any and all activities that occur under your Users' accounts. A User must log off and exit from his or her email account at the end of each session of use. You agree to send Motto notice immediately upon being aware or suspicious of any unauthorized use of the Email Services by any person. You are solely responsible for protecting your computer systems from viruses, malware, spyware, malicious code, communication disruptions, and attacks by hackers and other unauthorized parties. You will take reasonable steps to maintain the security of your computer systems and will comply with applicable laws relating to privacy and data security.

11. You authorize Motto to send you and your Users email messages and electronic communications, including periodic company news updates, billing information, information concerning educational courses, special announcements, industry news of special interest and regional information, using the email addresses assigned for use with the Email Services. You further authorize Motto and third parties to which Motto may confer such authorization to send commercial electronic mail messages (as defined by the CAN-SPAM Act of 2003, and acts amendatory thereto) to those email addresses. You acknowledge and agree that Motto may provide your Motto Email Services email address to such third parties to facilitate their sending your commercial electronic mail messages.

12. Motto will provide email addresses only in a format in accordance with Motto's email policies. Motto is not responsible for any costs or expenses, including, but not limited to, those for printing promotional



materials with non-compliant email addresses, that you or your employer may incur as a result of requesting an email address that Motto determines, in its sole discretion, does not comply with such policies.

13. Motto will only provide on-line technical support for difficulties you may have accessing the Email Services or during instances where you believe the Email Services have been compromised by a potential data security incident. Technical support shall not include any aspect of your computer hardware, software, configurations, means of gaining access to the Internet, or ability to browse the Internet. You acknowledge and agree that if Motto implements spam or virus filters in the Email Services, those services may not be effective to prevent the transmission to you of spam or viruses. You acknowledge that Motto, in its sole discretion, may limit the size of file attachments that you send using the Email Services. You also agree that as part of providing you technical support for difficulties you may have accessing the Email Services or during instances where you believe the Email Services have been compromised we may change your password, disable your Email Services, lock or unlock your access to the Email Services, or take other steps we deem necessary to protect our systems and help you regain access to the Email Services.

14. You agree to indemnify, defend, and hold harmless Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of any breach or violation by you of any term or condition of this Agreement as well as for any actions or inactions taken by Motto as part of our on-line technical support described above in Paragraph 13. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.

15. **Availability of the Email Services.** Motto will use commercially reasonable efforts to provide access to the Email Services during business hours. You agree that from time to time the Email Services may become inaccessible or inoperable for various reasons, including (a) equipment malfunctions, (b) periodic maintenance procedures or repairs, or (c) causes beyond Motto's reasonable control or not reasonably foreseeable by Motto, including interruption or failure of telecommunication or digital transmission links, hostile network attacks or network congestion or other failures. Motto makes no representations or warranties regarding availability of the Email Services.

16. **Privacy.** Motto may collect personally identifiable information from Users when they register to use the Email Services and during the course of their sessions using the Email Services. Information collected includes the content of emails transmitted through the Email Services, both to and from a User, as well as attachments to those emails and metadata related to the emails and email address information and other personal identifiable information of consumers to whom emails are sent by or to a User.

You agree to provide to each of your mortgage customers, at the initiation of the customer relationship, a notice regarding privacy that is compliant with applicable federal and state law regarding privacy and disclosure of nonpublic personal information, including the Gramm-Leach-Bliley Act and Regulation P. This notice must disclose that personal information may be shared with Motto and other companies that provide administrative and support services to help operate the Email Services, specifically for the purpose of providing those administrative and support services.

To the extent allowed by law—and conditional upon your having provided adequate notice and opportunity to opt out, and a consumer's not having opted out—Motto may access, use, or share nonpublic personal information about a consumer for purposes consistent with notice provided to the consumer and the consumer's choices to opt in or opt out of such uses and you grant to Motto a non-exclusive, perpetual, irrevocable, worldwide, royalty-free license to reproduce, modify, adapt, translate, publish, perform, and distribute such applicable nonpublic personal information you transmit through or store using the Email Services.

You may also authorize Motto to access nonpublic personal information to perform additional functions on your behalf. If Motto accesses or uses nonpublic personal information pursuant to your direction, Motto will not disclose or use the information other than to carry out the purposes for which you authorize Motto to access the information.

Except as required by law or as otherwise authorized by you, Motto will use or disclose the email address information and other personal identifiable information of consumers and the contents of emails or email attachments as well as any personally identifiable information contained therein only for the purpose of and in the course of providing the Email Services. Motto may collect certain aggregate information related to use of the Email Services. Aggregate information is non-personally identifiable or anonymous information about Users, including the date and time of particular occasions on which a User accesses the Email Services, as well as information about the User's computer such as the IP address, data about the computer browser, and the domain and host used to access the internet. You agree that Motto may use or disclose such aggregate information as Motto determines in its sole discretion.

**17. Modification of Agreement.** This Agreement may be modified by Motto at any time, without limitation, by posting notice on the Portal of any modifications to the terms or conditions of this Agreement. Unless otherwise specified in the notice, any modifications to the Agreement shall be effective when posted on the Portal.

**18. Governing Law.** This Agreement shall be governed by the laws of the state of Colorado without regard to its conflict of laws principles. The courts of Colorado shall have exclusive jurisdiction over all disputes relating to this Agreement. You agree that venue and jurisdiction for judicial proceedings is proper and shall exist exclusively in Denver, Colorado.

**19. Entire Agreement.** Unless modified as provided in Section 17, this Agreement includes the entire understanding between Motto and you regarding the subject hereof and supersedes all previous agreements between them.

**20. Assignment.** This Agreement and the rights and obligations created hereunder shall be binding upon and inure solely to the benefit of Motto and you and our respective successors and assigns, and no other person or legal entity shall acquire or have any rights under or by virtue of this Agreement. This Agreement may be assigned by Motto to a corporate affiliate, subsidiary or successor in interest, in Motto's sole discretion. This Agreement may not be assigned or otherwise transferred by you without the prior written consent of Motto.

**21. Severability.** If any term or condition of this Agreement or application of any such term or condition is held unlawful or invalid, the remainder of this Agreement and the application of such term or condition other than to the extent it is held unlawful or invalid, will not be held unlawful, invalidated, or affected thereby, and shall remain in full force and effect.

**22. No Waiver.** A failure by Motto or you to enforce at any time any term or condition of this Agreement shall not be considered a waiver of that party's right thereafter to enforce that same term or condition or any other term or condition of this Agreement.

**23. Headings.** The headings contained in this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

**24. No Joint Venture.** Motto and you agree that this Agreement does not create a joint venture, partnership, employment, or agency relationship as a result of this Agreement or your use of the Email Services. Motto and you expressly understand and agree that each party is acting as an independent contractor unrelated to the other party or its subsidiaries or affiliates.

25. **Notice.** Whenever you are required by the terms of this Agreement to provide notice to Motto or obtain written permission from Motto, it shall be sent via email to [webmaster@mottomortgage.com](mailto:webmaster@mottomortgage.com).

Motto and you have executed this Agreement as of the respective dates indicated below.

\_\_\_\_\_  
Motto Franchising, LLC

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

Franchisee

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

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

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

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

## **EXHIBIT A-5**

### **MOTTO PORTAL USER AGREEMENT**

## MOTTO PORTAL USER AGREEMENT

This agreement (“Agreement”) is entered into by and between Motto Franchising, LLC (“Motto”), a Delaware Limited Liability Company whose address is 5075 S. Syracuse Street, Denver, CO 80237, and you, a franchisee of Motto (“Franchisee,” “you,” “your”). The Agreement governs access to and use of the Motto Portal, a collection of computer services defined below, by you and by individual users associated with you. For you and your users to be permitted access to the Motto Portal, you must accept this Agreement.

1. **Motto Portal.** The Motto Portal (also called the “Portal”) is a website service comprising (a) computing services; (b) information, documents, and other content provided by Motto and by other users of the Portal; (c) access to the services and to the content; (d) a data entry and upload feature; (e) products and services for sale; and (f) a billing feature. Motto may, from time to time, in its sole discretion and without notice, change or discontinue the Portal or add to, revise, or delete any or all aspects of the Portal. At any time and without notice, Motto in its sole discretion may elect, but is not obligated, to introduce or grant different grades of service, introduce or grant different degrees of access to information and/or analysis to different types or categories of users (“Types”), or introduce new features and future versions of the Portal which may change or cancel functions, introduce new or revised security restrictions, or limit access to information and/or analysis. Motto may or may not make a given service, feature, or change available to you or your users, and Motto shall incur no liability in connection with any introduction, grant, or change in services or features. You agree to bear all risks and hold Motto harmless for any and all effects that any of the above changes may have on the ability of you or your Users (defined in Section 2 below) to use the Portal for any purpose.

2. **License.** Subject to the terms and conditions of this Agreement, and during the term of this Agreement, Motto grants you a non-exclusive, non-transferable, limited license for you and such of your employees, officers, or directors as you may designate (“Users”) to access and use the Portal. Motto may limit the total number of Users or the number of Users of various Types that you are permitted to designate. If a User’s activities are not in compliance with this Agreement, Motto may, immediately and without prior notice, suspend the User’s access to the Portal. Except as set forth in this Section 2, Motto will provide, modify, or terminate a User’s access or change a User’s Type solely at your direction.

3. **Other Services.** Motto provides a suite of computer systems and services that a user accesses through a single logon feature (collectively “Motto Online Services”). The Website Services are among the Motto Online Services. Motto may from time to time, in its sole discretion, add services to or remove services from the collection of Motto Online Services. Your license to use the Website Services is conditional upon your agreeing to the applicable terms governing access to each and every one of the Motto Online Services.

4. **User Access.** Before a User can access the Portal, the User must complete an online registration process that Motto has established and may modify from time to time. During the registration process, the User will provide information that Motto requires to establish an account for the User. Completing the registration process is voluntary, but access to the Portal will not be available to a User before the User completes the process. Only one User may access the Portal using the account established by the User. You will be liable for the actions of Users you designate to have access to the Portal and for any actions under those User accounts, as well as for any damages or liabilities arising from access through those User accounts. **You are required to maintain and ensure that your Users maintain the confidentiality of any login credentials, including user IDs and passwords, used to access the Portal.** If there is a breach of security through a failure by any of your Users to maintain such confidentiality, then you will be liable for any unauthorized access to the Portal attributable to unauthorized use of the affected credentials.

Motto may limit the total number of Users or the number of Users of various Types that you are permitted to designate. If a User's activities are not in compliance with this Agreement, Motto may, immediately and without prior notice, suspend the User's access to the Portal. In addition, Motto may link a User's access to the Portal to the User's access to other components of the Motto Online Services. If Motto modifies, terminates, or disables a User's access to another Motto Online Service, the User may lose access to the Portal as well. Motto will not be liable for any suspension or termination of access.

Except as set forth in this Section 4, Motto will provide, modify, or terminate a User's access or change a User's Type solely at your direction.

5. **Agreement.** This Agreement shall have no force or effect until it is accepted in the State of Colorado by Motto. Your continued use of the Portal will be deemed acceptance of this Agreement, and you agree that this Agreement supersedes and replaces all prior agreements between you and Motto regarding your access to or use of the Portal. If there are any conflicts between the terms and conditions of this Agreement and any prior versions, the terms and conditions of this Agreement shall control.

6. **Termination.** This Agreement, and access by you and your Users under the Agreement, will terminate immediately and automatically if at any time your franchise agreement with Motto terminates. In addition, Motto may suspend or terminate the Agreement, without notice to you, if (a) you are in breach of any term or condition of the Agreement; (b) your agreement regarding another of the Motto Online Services terminates; or (c) you or one of your Users engages in any Prohibited Use of the Portal (as defined in Section 13 below). Motto is not responsible for any costs or expenses that you incur as a result of losing access to the Portal because of a suspension or termination of the Agreement or your access to the Portal.

7. **Approved Suppliers.** Motto from time to time enters into contractual arrangements with suppliers of certain products and services (the "Approved Suppliers") under which Motto or Approved Suppliers may provide you or your Users with information about these products and services, including special offers and product or service updates. Motto may, in its sole discretion, (a) post information about and provide Users access to Approved Suppliers on the Portal, (b) communicate with you or your Users directly about such Approved Suppliers, and/or (c) provide your Users' email addresses to such Approved Suppliers so that they may communicate with the Users directly.

8. **Resources Accessed Through the Portal.** The Portal may include links to other services, websites, or resources, such as an email account that Motto provides you and your Users, a marketing and advertising design tool, advertising management tools, and other services provided by Motto or by third parties. Services which you can access through a link available on the Portal are not part of the Portal, and this Agreement does not license you to use those additional services.

9. **Connectivity.** You are responsible for all equipment, telephone connectivity, software, and other services necessary to access the Portal. Motto may from time to time require the use of specific equipment or software to access the Portal. Motto will not be responsible for any costs or expenses that you incur to obtain such equipment or software or for any damages you incur as a result of lacking equipment, connectivity, software, or other services necessary to access or use the Portal.

10. **Content.** Motto provides the Portal for the purposes of sharing positive information and ideas, inspiring creativity, fostering the Motto Mortgage network, and streamlining access to the Motto membership resources (collectively the "Purposes"). Motto may make content of various types, such as documents, images, or videos, available for viewing through the Portal or download via the Portal. Except to the extent that Motto indicates otherwise by specifically marking particular content, including by marking content as "Advertising" pursuant to Section 11 below, the content available on the Portal is confidential material subject to your franchise agreement with Motto. Motto reserves the right, in its sole discretion, to

modify, supplement, delete, discontinue or remove any file, publication, information, communication or other content appearing on, uploaded to or transmitted through the Portal. Motto will bear no liability for damages resulting from any such change.

11. **Advertising Materials.** In limited circumstances Motto may provide on the Portal audio and visual advertising materials, such as brochures, posters, or digital media templates (“Advertising Materials”), which Motto will mark on the Portal as “Advertising.” To the extent you have received a license to use trademarks or service marks related to the Motto Mortgage brand (“Motto Marks”), you may also use the Advertising Materials, subject to the terms of your license to the Motto Marks and to this Agreement. You hereby acknowledge and agree that you will observe any limits on the use of the Advertising Materials that are required by Motto, by law, or by anyone with an interest in the Advertising Materials. The use of any Advertising Materials may be discontinued at any time at Motto’s sole option, and you agree to take any action required to discontinue such use when required. You further agree to (a) use the Advertising Materials in the form in which they have been created, without modifications other than those permitted by the *Motto Mortgage Brand Standards Trademarks and Usage* manual; (b) comply with any expiration date(s) for such Advertising Materials, whether such dates are posted on slates preceding television commercials, posted on the Portal, or communicated in any other manner; (d) upon an expiration date that applies to particular Advertising Materials, immediately delete, destroy, and otherwise stop any and all usage of, any products or materials, even ones that you have created or purchased, that incorporate or use any portion of such expired Advertising Materials; (e) upon any notification from Motto requiring that you do so, which may consist solely of posting the notification on the Portal, immediately delete, destroy, and otherwise stop any and all usage of, any products or materials, even ones that you have created or purchased, that incorporate or use any portion of the Advertising Material that is the subject of such notification; and (f) regularly check the Portal and any other communication from Motto for such notifications and expirations.

You also hereby agree that if you modify the Advertising Materials in any manner, including but not limited to adding on your business contact information, you do so at your own risk and you assume any and all liability for (i) any claims that such usage is improper, including without limitation copyright infringement or a violation of federal or state law applicable to advertising and (ii) any and all costs incurred by Motto arising from any claims relating to your usage of the Advertising Materials, including court costs and attorney fees. **You agree to ensure that any advertising you disseminate based on the Advertising Materials is compliant with applicable law, including Regulations N and Z and prohibitions on unfair, deceptive, or abusive practices. You acknowledge that Motto generally does not review advertising by franchisees and cannot advise on regulatory risks presented by franchisee-developed content.**

12. **Listings.** Motto provides through the Portal a service (“Listings Service”) that controls business listings data regarding you and your loan originators (“Listings Data”) that is presented to third parties operating online business directories, search websites, social media websites, mobile apps, or other online services through which users search for and obtain information about businesses (“Directories”).

a. You authorize Motto, and any third party with which Motto may contract to perform the Listings Service, to submit Listings Data to one or more Directories, as Motto may in its discretion select from time to time. You agree to facilitate Motto’s performance of the Listings Service by authorizing access to any account that a Directory provides you for managing your Listings Data at that Directory.

b. Motto will use Listings Data that you have provided to Motto. Motto will not verify your Listings Data, and you are responsible for ensuring that the Listings Data you have provided are accurate and are consistent with applicable law. You agree to indemnify, defend, and hold harmless



Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of any display of Listings Data through a Directory. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.

c. You acknowledge that a Directory might impose character limits, quality standards, or other content policies that restrict the Listings Data that it will accept, and that a Directory may reject a submission of Listings Data. Motto does not represent, guarantee, or warrant that a given Directory will display your Listings Data, will display your Listings Data in any particular location, format, or website, or will display data regarding your business that are consistent with your Listings Data. Motto will have no liability for how any Directory displays information about you or your loan originators.

d. In the event your franchise agreement with Motto terminates, you authorize Motto to submit updated Listings Data to Directories to remove any listings that use or portray trademarks or service marks owned by Motto. This subsection 12(d) shall survive the expiration or termination of this agreement.

13. **Use of the Portal.** You agree that any and all information you or your Users place on the Portal shall at all times be:

- a. True and accurate in all respects to the posting User's knowledge and belief;
- b. Corrected promptly by the posting User;
- c. Lawfully placed on the Portal; and
- d. Accessed, used, and distributed strictly in accordance with all terms of this Agreement.

14. **Prohibited Use of Portal.** You agree to abide by all applicable local, state, national, and foreign laws, treaties, and rules and regulations in connection with the Portal and agrees that its Users must not use the Portal or any feature, aspect, or data in, a part of, or from the Portal to:

- a. Post or send any unsolicited or unauthorized advertising, promotional materials, junk mail, spam, chain letters, pyramid schemes, or any other form of duplicative or unsolicited messages, whether commercial or otherwise; harvest, collect, gather, or assemble information or data regarding other franchisees or their Users, including, but not limited to, email addresses and payment information without their consent;
- b. Transmit, upload, post or publish on the Portal any unlawful, harassing, libelous, abusive, tortious, defamatory, threatening, harmful, invasive to another's privacy, vulgar, obscene, sexually oriented, pornographic, or otherwise objectionable material of any kind or nature;
- c. Transmit any material that the posting User knows or should know contains a software virus or viruses, or other harmful or objectionable computer code, files, program or routine such as Trojan horses, worms, time bombs, cancel bots, or popups;
- d. Attempt to gain unauthorized access to the Portal, or to other accounts, computer systems, networks, or other Users connected to or using the Portal, through password mining or any other means;

- e. Interfere with or disrupt servers, networks, hardware, software, or Users connected to or using the Portal, or violate the licenses, policies, procedures, or regulations of such;
- f. Harass or interfere with another User's use or enjoyment of the Portal or other User's information or data on the Portal;
- g. Engage in "scamming", "spoofing", "spamming" or any other objectionable or illegal email activities;
- h. Transmit, upload, post or publish any material which may infringe upon any intellectual property or other rights of any person including without limitation trademark rights, copyrights, or rights of publication in any form or format without the express written authorization of the owner of the copyrighted or proprietary material. When copyrighted or proprietary material is uploaded, posted or otherwise published by a User on the Portal, the User must include with such material all notices of copyright or claims of proprietary rights that are required by law;
- i. Copy any portion of the Portal for any purpose, including, but not limited to, copy any portion of the Portal for transmission or use, directly or indirectly, on any computerized electronic exchange other than the Portal, excepting only that portion of the information or data on the Portal that a User uploaded to the Portal through the User's Account;
- j. Grant access to the User's Account to any other person;
- k. Transfer, rent, lease, grant a security interest in, or otherwise encumber in any way any portion of the Portal or any of your rights to access or use the Portal, whether through this Agreement or otherwise;
- l. Delete any author attributions, legal notices, or proprietary designations or labels in any file that is uploaded;
- m. Falsify the origin or source of software or other material contained in a file that is uploaded; or;
- n. Download any file that the User knows, or reasonably should know, cannot be legally distributed in such manner.

Motto reserves the right to refrain from processing and/or to delete from the Portal any software, file, information, communication or other material or content that, in the judgment and sole discretion of Motto, is inconsistent with or contrary to the Purposes of the Portal or the prohibitions specified in this Section 14.

**15. User Responsibilities.** You undertake the following responsibilities with respect to your Users:

- a. No other individual or entity, including other Users, shall access the Portal through a given User's Account. You shall be responsible for any and all charges, claims, liabilities, losses, damages, costs and expenses (including reasonable attorney fees) that arise from any unauthorized access to the Portal through one of your User's Accounts. A User will comply with all applicable laws with respect to use of the Portal and with all rules and regulations adopted by Motto governing use of the Portal. A User is responsible for reading and complying with all rules, regulations, warnings, notices and instructions posted by Motto on the Portal.

b. You are responsible for any and all information and data that your Users place on the Portal. You shall indemnify and hold Motto and its shareholders, affiliates, parent companies, directors, officers, employees, and agents harmless from and against any and all claims that any information or data that one of your Users places directly or indirectly on the Portal is inaccurate, incomplete or unauthorized in any respect.

c. You are responsible for any and all activities that occur under its Users' Accounts. A User must log off and exit from his or her Account at the end of each session of use. You shall send Motto notice immediately upon being aware or suspicious of any unauthorized use of the Portal by any person. You are solely responsible for protecting your computer systems from viruses, malware, spyware, malicious code, communication disruptions, and attacks by hackers and other unauthorized parties. You will take reasonable steps to maintain the security of your computer systems and will comply with applicable laws relating to privacy and data security.

d. You grant Motto full access to any information regarding your Users, your Users' accounts, any information your Users place on the Portal, and all cookies and any other information gathered in connection with use of the Portal. You hereby consent to the use and disclosure of any and all such information and data, including as may be required by law or by governmental authority, or as Motto may from time to time deem appropriate in accordance with the franchise agreement between you and Motto. This access specifically excludes any account data (as defined in the Data Security Standards, version 3.2, issued in April 2016 by the Payment Card Industry Security Standards Council) associated with a payment card that a User has used on the Portal ("Card Data"). Such data are transmitted to the authorized payment gateway and third-party transaction processing system directly without being accessed or stored by Motto.

e. You hereby grant Motto and its assigns a non-exclusive, unrestricted, perpetual royalty-free license to display, publish, and otherwise use any and all information or data that your Users place on the Portal.

f. You represent and warrant that with respect to information that your Users place on the Portal, you have all rights necessary for its Users to provide the information and for you to grant the licenses and authorizations in subsections 15(d) and 15(e).

15.1. In addition, you acknowledge and will alert your Users that any information a User places on the Portal (other than Card Data) is public, and not private, communication. Further, all information that a User places on the Portal is accessible by Motto at all times and may be revised by Motto to conform to any Portal requirement, although Motto is under no obligation to reformat any data and shall not be liable to a User, to you, or to any other person for any information or data or revisions thereto. Motto reserves the right for any reason to remove, without notice, any information received from any User. However, you acknowledge that no information, pictures, analysis, postings, conferences, and other communications by other Users is endorsed by Motto. Such communications shall not be considered reviewed, screened, or approved by Motto.

15.2. Motto may place cookies and other files on a User's computer hard drive or other storage medium to assist the Portal in limiting access to only authorized Users and recording authentication information for the duration, activities, and content of each session of a User on the Portal.

15.3. If a User has received a mottomortgage.com email address, Motto may use that mottomortgage.com email address as the User's primary email address in the User's profile in the Portal.

16. **No Unlawful or Prohibited Use.** You warrant that your Users will not access or use the Portal for any purpose that is unlawful or prohibited by this Agreement.

17. **Availability of the Portal.** Motto will use commercially reasonable efforts to provide access to the Portal during business hours. You agree that from time to time the Portal may become inaccessible or inoperable for various reasons, including (a) equipment malfunctions, (b) periodic maintenance procedures or repairs, or (c) causes beyond Motto's reasonable control or not reasonably foreseeable by Motto, including interruption or failure of telecommunication or digital transmission links, hostile network attacks or network congestion or other failures. Motto makes no representations or warranties regarding availability of the Portal.

18. **Support.** Motto shall only provide on-line technical support for difficulties you may have accessing the Portal or any of its features. Technical support shall not include any aspect of your computer hardware, software, configurations, means of gaining access to the Internet, ability to browse the Internet, or ability to access any facet or portion of the Portal.

19. **Copyrights and Licenses.**

a. Motto hereby claims and reserves all rights in copyrights and other rights in and to the Portal, including the Portal name, front page, Portal graphics and all material and content originating with or provided by Motto, including any audio or visual advertising materials or other documents accessible through the Portal.

b. Except to the extent, if any, permitted by the "fair use" doctrine of copyright law, or as permitted in Section 11 above, you agree that wherever a copyright notice or claim is included (i) with or on any content or material or (ii) on any screen display on the Portal, that you will not download, duplicate, forward, distribute, display, perform or otherwise use such content, material or screen display without the express written authorization from the owner of such copyright.

c. You acknowledge and agree that only the owner of copyrighted or proprietary material, and those authorized in writing by the owner of such material to do so, may upload copyrighted or proprietary material to the Portal. You warrant that your Users will not upload copyrighted material to the Portal for the purpose of making such copyrighted material available to other Users without the express written authorization to do so from the owner of such copyright. For copyrighted material that you or one of your Users is authorized to upload to the Portal, you agree that the copyrighted nature of such material and the scope of its permitted use shall be designated. You acknowledge and agree that in posting or uploading any copyrighted material, changes to or deletion of author attribution or copyright notice is expressly prohibited.

d. You agree that software or tools downloaded or otherwise available through access to the Portal may not be reverse engineered or otherwise tampered with unless specifically authorized in writing by the owner of the rights in such software or tools.

20. **Disclaimer of Warranties and Limitation of Liability.**

19.1. MOTTO MAKES NO WARRANTIES OR GUARANTIES AS TO THE AVAILABILITY OR RELIABILITY OF THE PORTAL OR THE INFORMATION MEMBERS PLACE ON THE PORTAL. MOTTO MAKES NO REPRESENTATIONS ABOUT THE SUITABILITY OF THE INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES CONTAINED ON THE PORTAL FOR ANY PURPOSE. ALL SUCH INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES ARE PROVIDED "AS IS, AS AVAILABLE" WITHOUT WARRANTY OF ANY KIND. MOTTO HEREBY DISCLAIMS ALL

WARRANTIES AND CONDITIONS WITH REGARD TO ALL INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES REGARDING THE PORTAL, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NONINFRINGEMENT. IN NO EVENT SHALL Motto OR ITS EMPLOYEES, AFFILIATES, PARENT COMPANIES, DIRECTORS/MANAGERS, SHAREHOLDERS/MEMBERS, OFFICERS OR AGENTS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE USE OF THE PORTAL OR ANY INFORMATION THEREON, OR WITH THE DELAY OR INABILITY TO USE THE PORTAL, OR FOR ANY INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES THROUGH THE PORTAL, OR OTHERWISE ARISING OUT OF THE USE OF THE PORTAL, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORMATION, LOSS OF ANALYSIS, OR OTHER LOSS) ARISING OUT OF THE USE OF OR INABILITY TO USE THE PORTAL OR THE FAILURE TO PROVIDE SUPPORT FOR OR RESOLVE ANY SUPPORT ISSUES REGARDING THE PORTAL, EVEN IF MOTTO HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES. IN ANY CASE, MOTTO'S ENTIRE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE HIGHEST AMOUNT OF ROYALTIES THAT HAS COME DUE AND HAS BEEN PAID BY YOU IN ANY SINGLE MONTH UNDER YOUR FRANCHISE AGREEMENT.

19.2. Motto does not endorse or guarantee the accuracy, completeness, truthfulness or reliability of any service, opinion, advice, communication, information or other material or content included on or made available on, over or through the Portal. You hereby waive all claims against Motto regarding such material or content, including any claims that arise as a result of your or your Users' use of or reliance upon the accuracy, completeness, truthfulness, security or reliability of any service, opinion, advice, communication, information or other material or content included on or made available on, over or through the Portal. You expressly acknowledge that the provisions of this Section 19 relating to disclaimer of warranties and exclusion of liability shall also apply to any claims relating to access to services, information and other content provided by parties other than Motto, and any other content available through the Portal. You agree you will not hold Motto responsible for any selection or retention of, or the acts or omissions of, third parties in connection with the Portal.

21. **Indemnity.** You agree to indemnify, defend, and hold harmless Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of any breach or violation by you or any of your Users of any term or condition of this Agreement. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.

22. **Privacy.** Motto collects personally identifiable information from Users when they register to use the Portal and during the course of their sessions using the Portal. The license to you for a User to access and use the Portal is conditional upon the User's acceptance of Motto's privacy policy regarding the Portal, as posted on the Portal. Motto may amend the privacy policy from time to time. A User's continued use of the Portal after a change will constitute consent to the amended policy.

23. **Modification of Agreement.** This Agreement may be modified by Motto at any time, without limitation, by posting notice on the Portal of any modifications to the terms or conditions of this Agreement. Unless otherwise specified in the notice, any modifications to the Agreement shall be effective when posted on the Portal.

24. **Governing Law.** This Agreement shall be governed by the laws of the state of Colorado without regard to its conflict of laws principles. The courts of Colorado shall have exclusive jurisdiction over all disputes relating to this Agreement. You agree that venue and jurisdiction for judicial proceedings is proper and shall exist exclusively in Denver, Colorado.

25. **Entire Agreement.** Unless modified as provided in Section 25, this Agreement includes the entire understanding between Motto and you regarding the subject hereof and supersedes all previous agreements between them.

26. **Assignment.** This Agreement and the rights and obligations created hereunder shall be binding upon and inure solely to the benefit of Motto and you and our respective successors and assigns, and no other person or legal entity shall acquire or have any rights under or by virtue of this Agreement. This Agreement may be assigned by Motto to a corporate affiliate, subsidiary or successor in interest, in Motto's sole discretion. This Agreement may not be assigned or otherwise transferred by you without the prior written consent of Motto.

27. **Severability Clause.** If any term or condition of this Agreement or application of any such term or condition is held unlawful or invalid, the remainder of this Agreement and the application of such term or condition other than to the extent it is held unlawful or invalid, will not be held unlawful, invalidated, or affected thereby, and shall remain in full force and effect.

28. **No Waiver.** A failure by Motto or you to enforce at any time any term or condition of this Agreement shall not be considered a waiver of that party's right thereafter to enforce that same term or condition or any other term or condition of this Agreement.

29. **Headings.** The headings contained in this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

30. **No Joint Venture.** Motto and you agree that this Agreement does not create a joint venture, partnership, employment, or agency relationship as a result of this Agreement or your use of the Portal. Motto and you expressly understand and agree that each party is acting as an independent contractor unrelated to the other party or its subsidiaries or affiliates.

31. **Third Parties' Networks.** The Portal may contain hyperlinks to websites operated by parties other than Motto. Motto does not control such websites and is not responsible for their content or the availability, security or integrity of any information submitted to such websites. Motto's inclusion of hyperlinks to such websites does not imply any endorsement of the material, products or services on such websites or any association with their operators. The Portal contains functionalities and services that allow sending, delivering or receiving information between franchisees, Motto and third parties, which may be relayed or carried through Motto, public, third parties' or other networks, systems, servers, websites, applications, or Software as a Service ("SaaS") (e.g., telephone and cellular networks, email servers) ("Third Parties' Networks"). The Third Parties' Networks are not controlled by Motto in any way and Motto shall not be held responsible for the performance, security, integrity, availability, functionality, quality or reliability of any of the Third Parties' Networks or the information sent, delivered, relayed, carried or received through the Third Parties' Networks. Notwithstanding anything herein, Motto does not warrant or guarantee that the information sent, relayed, carried or delivered through these Third Parties' Networks will reach its destination or its correct address or recipient, that the details of the recipient or sender are correct or accurate, or that the integrity or confidentiality of the information will be maintained in transit.

32. **Force Majeure.** Motto shall not be liable for, and shall be excused from, any failure to deliver or perform, or for any delay in delivery or performance, due to causes beyond its reasonable control, after exercising its best commercially reasonable efforts to remedy any such failure or delay, including without limitation any government actions, fire, work stoppages, civil disturbances, interruptions of power or communications to Motto or any facilities used by or for Motto, failure of the Internet, hosting, telecommunications, or other services to Motto or facilities used by or for Motto, natural disasters, acts of God, or acts of terrorism or war.

33. **Notice.** Whenever you are required by the terms of this Agreement to provide notice to Motto or obtain written permission from Motto, it shall be sent via email to [webmaster@mottomortgage.com](mailto:webmaster@mottomortgage.com).

Motto and you have executed this Agreement as of the respective dates indicated below.

\_\_\_\_\_  
Motto Franchising, LLC

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

Franchisee

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

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

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

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



## **EXHIBIT A-6**

### **MOTTO WEB HOSTING USER AGREEMENT**

## MOTTO WEB HOSTING USER AGREEMENT

This agreement ("Agreement") is entered into by and between Motto Franchising, LLC ("Motto"), a Delaware Limited Liability Company whose address is 5075 S. Syracuse Street, Denver, CO 80237, and you, a franchisee of Motto ("Franchisee," "you," "your"). The Agreement governs use by you and your loan originator employees of services that Motto provides for hosting your office web page, as well as associated services.

1. **Website Services.** Motto will provide access to a website hosting service to deliver webpage content regarding your Motto Mortgage office and your loan originators to internet users browsing the website. The website hosting service may encompass other services associated with the hosting of your website, such as content editing tools through you or users associated with you can edit the content of your webpages. Collectively the services described in this paragraph are referred to as the "Website Services." At any time and without notice, Motto in its sole discretion may elect, but is not obligated, to introduce or grant different degrees of access to information and/or analysis to different types or categories of users ("Types").

2. **Information Services.** The Website Services may include information submission forms through which internet users can provide information to you and request information from you, and database services through which you or your users can manage records of those information requests (together, "**Information Services**"). Motto may, from time to time, in its sole discretion and without notice, add to, revise, or delete any or all aspects of the Information Services available to you. Motto shall incur no liability in connection with any change to the Information Services.

3. **Provider.** The Website Services may be hosted and managed on one or more internet-accessible servers controlled and managed by Motto or a third-party provider that Motto may choose, at premises selected by Motto or by its third-party provider.

4. **License.** Subject to the terms and conditions of this Agreement, and during the term of this Agreement, you have a limited, non-exclusive, non-transferable, license for you and such of your employees and loan originators as you may designate ("Users") to access and use the Website Services for the purposes of promoting your services and those of your loan originators; for collecting lead information; and to use tools and services available through the Website Services. You are not permitted to transfer, rent, lease, grant a security interest in, or otherwise encumber in any way any portion of the Website Services or any of your rights to access or use the Website Services, whether through this Agreement or otherwise. You agree that Motto may establish general practices and limitations concerning use of the Website Services and may modify such practices and limits from time to time without notice to you.

5. **Other Services.** Motto provides a suite of computer systems and services that a user accesses through a single logon feature (collectively "Motto Online Services"). The Website Services are among the Motto Online Services. Motto may from time to time, in its sole discretion, add services to or remove services from the collection of Motto Online Services. Your license to use the Website Services is conditional upon your agreeing to the applicable terms governing access to each and every one of the Motto Online Services.

6. **User Access.** Before a User can access the Website Services, the User must complete an online registration process that Motto has established and may modify from time to time. During the registration process, the User will provide information that Motto requires to establish an account for the User. Completing the registration process is voluntary, but access to the Website Services will not be available to a User before the User completes the process. Only one User may access the Website Services using

the account established by the User. You will be liable for the actions of Users you designate to have access to the Website Services and for any actions under those User accounts, as well as for any damages or liabilities arising from access through those User accounts. **You are required to maintain and ensure that your Users maintain the confidentiality of any login credentials, including user IDs and passwords, used to access the Website Services.** If there is a breach of security through a failure by any of your Users to maintain such confidentiality, then you will be liable for any unauthorized access to the Website Services attributable to unauthorized use of the affected credentials.

Motto may limit the total number of Users or the number of Users of various Types that you are permitted to designate. If a User's activities are not in compliance with this Agreement, Motto may, immediately and without prior notice, suspend the User's access to the Website Services. In addition, Motto may link a User's access to the Website Services to the User's access to other components of the Motto Online Services. If Motto modifies, terminates, or disables a User's access to another Motto Online Service, the User may lose access to the Website Services as well. Motto will not be liable for any suspension or termination of access.

Except as set forth in this Section 6, Motto will provide, modify, or terminate a User's access or change a User's Type solely at your direction.

7. **License to Host Website.** To the extent necessary for performing the Website Services, you grant to Motto and to any third-party provider that Motto selects for carrying out the Website Services a non-exclusive right to reproduce, modify, adapt, display, distribute, transmit, and otherwise use content that you provide for inclusion in a website or webpage hosted through the Website Services.

8. **Agreement.** This Agreement shall have no force or effect until it is accepted in the State of Colorado by Motto. Your continued use of the Website Services will be deemed acceptance of this Agreement, and you agree that this Agreement supersedes and replaces all prior agreements between you and Motto regarding your access to or use of the Website Services. If there are any conflicts between the terms and conditions of this Agreement and any prior versions, the terms and conditions of this Agreement shall control.

9. **Termination.** This Agreement, and access by you and your Users under the Agreement, will terminate immediately and automatically if at any time your franchise agreement with Motto terminates. In addition, Motto may suspend or terminate the Agreement, without prior notice to you, if (a) you are in breach of any term or condition of the Agreement; (b) your agreement regarding another of the Motto Online Services terminates; or (c) Motto's agreement with a third-party provider of Website Services is terminated. Motto is not responsible for any costs or expenses that you incur as a result of losing access to the Website Services because of a suspension or termination of the Agreement or your or your Users' access to the Website Services.

10. **Connectivity.** You are responsible for all equipment, telephone connectivity, software, and other services necessary for your Users to access the Website Services. Motto may from time to time require the use of specific equipment or software to access the Website Services. Motto will not be responsible for any costs or expenses that you incur to obtain such equipment or software or for any damages you incur as a result of lacking equipment, connectivity, software, or other services necessary to access or use the Website Services.

11. **Content.** Motto provides the Website Services to enable you to present your mortgage brokerage business, through a website and associated webpages, to consumers, to potential employees or loan originators, to real estate professionals, or to others who may be interested in learning more about your services. You are responsible for all information, data, text, software, music, sound, photographs,

graphics, video, messages, or other materials that you upload, transmit, or cause to be transmitted through the Website Services (“Content”). **You agree to ensure that your Content is compliant with applicable law, including Regulations N and Z and prohibitions on unfair, deceptive, or abusive practices. You acknowledge that Motto generally does not review your Content and cannot advise on regulatory risks presented by your Content.**

12. **Website Materials.** Motto may also provide you access through the Website Services to documents, images, graphics, information, videos, website and webpage designs, and web coding (collectively “Website Materials”).

a. The Website Materials may include templates, which Motto may allow you to modify, alter, or customize. To the extent you have received a license to use trademarks or service marks related to the Motto Mortgage brand (“Motto Marks”), you may also use the Website Materials on your websites and webpages hosted through the Website Services, subject to the terms of this Agreement and of your franchise agreement with Motto. Motto reserves the right, in its sole discretion, to modify, supplement, delete, discontinue or remove any portion of the Website Materials. Motto will bear no liability for damages resulting from any such change.

b. You hereby acknowledge and agree that you will observe any limits on the use of the Website Materials that are required by Motto, by law, or by anyone with an interest in the Website Materials. The use of any Website Materials may be discontinued at any time at Motto’s sole option, and you agree to take any action required to discontinue such use when required.

c. Motto may limit the modifications you can make to a given template. Motto may also require that your website include certain materials, such as mandatory graphics on the background of webpages, mandatory text on certain pages, or code for certain webpage functionality. You agree to observe any limitations that Motto prescribes or implements on the use or alteration of the Website Materials; you agree not to employ any device to circumvent those limitations; and you agree not to remove, obscure, or disable any material that Motto requires to be on a website or webpage.

d. Motto may make available code or links to enable you to solicit and accept mortgage loan applications submitted through an online form. You agree not to implement code or links for online loan applications unless and until Motto provides you such code or links, and you agree not to implement code or links other than those that Motto provides.

e. You acknowledge that aside from Website Materials that Motto specifies or provides, in the precise and unaltered form that Motto provides such Materials, you or your Users are the sole creators and authors of your websites and webpages hosted through the Website Services. You acknowledge and agree that Motto will not review, edit, or advise on your Content, other than to verify your compliance with this agreement or as specifically permitted in this agreement.

f. You agree that when you modify the Website Materials in any manner, including but not limited to adding on your business contact information, you do so at your own risk and you assume any and all liability for (i) any claims that such usage is improper, including without limitation copyright infringement or a violation of federal or state law applicable to advertising and (ii) any and all costs incurred by Motto arising from any claims relating to your usage of the Website Materials, including court costs and attorney fees.

13. **Prohibited Use of Website Services.** You agree to abide by all applicable local, state, national, and foreign laws, treaties, and rules and regulations in connection with the Website Services and agrees that you and your Users must not transmit or store materials through the Website Services that:

- a. are harmful to the Website Services or to the computer systems or software used to implement the Website Services;
- b. contain software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment;
- c. interfere with or disrupt the Website Services or servers or networks connected to the Website Services, or disobey any requirements, procedures, policies or regulations of networks connected to the Website Services;
- d. are unlawful, harmful, threatening, abusive, harassing, tortuous, defamatory, vulgar, obscene, libelous, or invasive of another's privacy (up to, but not excluding any address, email, phone number, or any other contact information without the written consent of the owner of such information);
- e. harm minors in any way;
- f. misrepresent the identity of any person or the source of any information, including through forging of metadata or web code;
- g. infringe upon any intellectual property or other rights of any person including without limitation trademark rights, copyrights, or rights of publication in any form or format without the express written authorization of the owner of the copyrighted or proprietary material;
- h. promote or provide instructional information about illegal activities;
- i. offer to provide any product or service in a manner for which you are not authorized, under applicable law;
- j. violate applicable local, state, or federal law.

14. **Removal, Preservation, or Disclosure of Content.** While Motto does not regularly review your Content, you agree that Motto has the right (but not the obligation) in its sole discretion to remove or delete any Content that violates this Agreement or your franchise agreement with Motto. You agree that Motto may preserve copies of Content, including Content that it has removed, and may disclose Content if such preservation or disclosure is required by law or is reasonably necessary to comply with legal process; to enforce this Agreement; to respond to claims that any Content violates the rights of third parties; or to protect the rights, property, or safety of Motto, of franchisees, or the public.

15. **Additional Responsibilities.** You undertake the following responsibilities with respect to your Users:

- a. No other individual or entity, including other Users, shall access the Website Services through a given User's Account. You shall be responsible for any and all charges, claims, liabilities, losses, damages, costs and expenses (including reasonable attorney fees) that arise from any unauthorized access to the Website Services through one of your Users' Accounts. A

User will comply with all applicable laws with respect to use of the Website Services and with all rules and regulations adopted by Motto governing use of the Website Services.

b. You are responsible for any and all content that you or your Users transmit, upload, or display using the Website Services. You indemnify and hold Motto and its shareholders, affiliates, parent companies, directors, officers, employees, and agents harmless from and against any and all claims that any such content is inaccurate, incomplete or unauthorized in any respect, or is in violation of applicable law.

c. You are responsible for any and all activities that occur under your Users' accounts. A User must log off and exit from his or her account at the end of each session of use. You shall send Motto notice immediately upon being aware or suspicious of any unauthorized use of the Website Services by any person.

d. You are solely responsible for protecting your computer systems from viruses, malware, spyware, malicious code, communication disruptions, and attacks by hackers and other unauthorized parties. You will take reasonable steps to maintain the security of your computer systems and will comply with applicable laws relating to privacy and data security.

e. You represent and warrant that with respect to content you or your Users transmit, upload, or display using the Website Services, you have all rights necessary for its Users to provide the content and for you to grant the license in Section 7.

f. Motto may place cookies and other files on a User's computer hard drive or other storage medium to assist the Website Services in limiting access to only authorized Users and recording authentication information for the duration, activities, and content of each session of a User on the Website Services.

16. **Availability of the Website Services.** Motto will use commercially reasonable efforts to provide your Users access to the Website Services during business hours and to provide third-party users access to your website and webpages hosted through the Website Services during reasonable hours. You agree that from time to time the Website Services may become inaccessible or inoperable for various reasons, including (a) equipment malfunctions, (b) periodic maintenance procedures or repairs, or (c) causes beyond Motto's reasonable control or not reasonably foreseeable by Motto, including interruption or failure of telecommunication or digital transmission links, hostile network attacks or network congestion or other failures. Motto makes no representations or warranties regarding availability of the Website Services or your website or webpages hosted through the Website Services.

17. **Support.** Motto shall only provide on-line technical support for difficulties Member may have accessing the Website Services or any of its features. Technical support shall not include any aspect of Member's computer hardware, software, configurations, means of gaining access to the Internet, ability to browse the Internet, or ability to access any facet or portion of the Website Services.

18. **Copyrights and Licenses.** You acknowledge and agree that only the owner of copyrighted or proprietary material, and those authorized in writing by the owner of such material to do so, may upload copyrighted or proprietary material to the Website Services. You warrant that neither you nor your Users will incorporate copyrighted material into a website or webpage hosted through the Website Services without express written authorization to do so from the owner of such copyright. For copyrighted material that your or one of your Users is authorized to upload to the Website Services, you agree that the copyrighted nature of such material and the scope of its permitted use shall be designated. You acknowledge and agree that in posting or uploading any copyrighted material, changes to or deletion of author attribution or copyright notice is expressly prohibited.



19. **Disclaimer of Warranties and Limitation of Liability.**

a. MOTTO MAKES NO WARRANTIES OR GUARANTIES AS TO THE AVAILABILITY OR RELIABILITY OF THE WEBSITE SERVICES. MOTTO HEREBY DISCLAIMS ALL WARRANTIES AND CONDITIONS WITH REGARD TO ALL INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES REGARDING THE WEBSITE SERVICES, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NONINFRINGEMENT. IN NO EVENT SHALL MOTTO OR ITS EMPLOYEES, AFFILIATES, PARENT COMPANIES, DIRECTORS/MANAGERS, SHAREHOLDERS/MEMBERS, OFFICERS OR AGENTS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE USE OF THE WEBSITE SERVICES OR ANY INFORMATION THEREON, OR WITH THE DELAY OR INABILITY TO USE THE WEBSITE SERVICES, OR FOR ANY INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES THROUGH THE WEBSITE SERVICES, OR OTHERWISE ARISING OUT OF THE USE OF THE WEBSITE SERVICES, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORMATION, LOSS OF ANALYSIS, OR OTHER LOSS) ARISING OUT OF THE USE OF OR INABILITY TO USE THE WEBSITE SERVICES OR THE FAILURE TO PROVIDE SUPPORT FOR OR RESOLVE ANY SUPPORT ISSUES REGARDING THE WEBSITE SERVICES, EVEN IF MOTTO HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES. IN ANY CASE, MOTTO'S ENTIRE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE HIGHEST AMOUNT OF ROYALTIES THAT HAS COME DUE AND HAS BEEN PAID BY YOU IN ANY SINGLE MONTH UNDER YOUR FRANCHISE AGREEMENT.

b. Motto does not endorse or guarantee the accuracy, completeness, truthfulness or reliability of any the Website Materials. You hereby waive all claims against Motto regarding such material or content, including any claims that arise as a result of your or your Users' use of or reliance upon the accuracy, completeness, truthfulness, security or reliability of any of the Website Materials or the Website Services. You expressly acknowledge that the provisions of this paragraph 19 relating to disclaimer of warranties and exclusion of liability shall also apply to any claims relating to access to services, information and other content provided by parties other than Motto, including any third party that provides Website Services. You agree that you will not hold Motto responsible for any selection or retention of, or the acts or omissions of, third parties in connection with the Website Services.

20. **Indemnity.** You agree to indemnify, defend, and hold harmless Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of any breach or violation by you of any term or condition of this Agreement. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.

21. **Privacy.** Motto collects personally identifiable information from your Users when they register to use the Website Services and during the course of their sessions using the Website Services. The license to you for a User to access and use the Website Services is conditional upon a User's acceptance of Motto's privacy policy regarding the Website Services. The privacy policy is available at [link]. Motto may amend the privacy policy from time to time. A User's continued use of the Website Services after a change will constitute consent to the amended policy.



22. **Consumer Privacy.** When consumers view or visit your website, the Website Services may include code that uses cookies, web beacons, or other tracking technology, and code that may share tracking data with Google or with other third-party vendors. In addition, a consumer may use the Information Services to submit information to indicate interest in using your services to obtain a mortgage loan. You acknowledge and agree that Motto may access and use information obtained during a consumer's visitation of your website or obtained from a consumer through the Website Services and may share such information with third parties, to the extent permitted under applicable law. You grant to Motto a non-exclusive, perpetual, irrevocable, worldwide, royalty-free license to reproduce, modify, adapt, translate, publish, perform, and distribute data gathered through the Website Services to the extent allowed by law in light of consumer choices regarding disclosure of personal information.

a. You agree to include on your website a privacy notice that is compliant with applicable law regarding privacy and disclosure of nonpublic personal information. Motto may specify the content and form of this notice, in part or in whole, and you agree to provide notices substantially similar to what Motto specifies unless you receive written permission from Motto to provide a different notice.

b. Neither you nor Motto will share personal information collected through the Website Services regarding a consumer for the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family, or household purposes; for employment purposes; or for other purposes for which consumer reports are authorized under the Fair Credit Reporting Act or comparable state law.

c. If a consumer opts out from the sharing of nonpublic personal information about that consumer, Motto will access or disclose nonpublic personal information about that consumer only in order to provide support services related to your use of the Website Services or to perform functions you may specify or direct on your behalf. When Motto accesses or uses nonpublic personal information pursuant to this Section 22(c), it will not disclose or use the information for any purpose other than to carry out the purposes for which it is authorized to access the information.

23. **Modification of Agreement.** This Agreement may be modified by Motto at any time, without limitation, by posting notice of any modifications to the terms or conditions of this Agreement. Unless otherwise specified in the notice, any modifications to the Agreement shall be effective when posted.

24. **Governing Law.** This Agreement shall be governed by the laws of the state of Colorado without regard to its conflict of laws principles. The courts of Colorado shall have exclusive jurisdiction over all disputes relating to this Agreement. You agree that venue and jurisdiction for judicial proceedings is proper and shall exist exclusively in Denver, Colorado.

25. **Entire Agreement.** Unless modified as provided in Section 23, this Agreement includes the entire understanding between Motto and you regarding the subject hereof and supersedes all previous agreements between us.

26. **Assignment.** This Agreement and the rights and obligations created hereunder shall be binding upon and inure solely to the benefit of you and Motto and our respective successors and assigns, and no other person or legal entity shall acquire or have any rights under or by virtue of this Agreement. This Agreement may be assigned by Motto to a corporate affiliate, subsidiary or successor in interest, in Motto's sole discretion. This Agreement may not be assigned or otherwise transferred by you without the prior written consent of Motto.

27. **Severability Clause.** If any term or condition of this Agreement or application of any such term or condition is held unlawful or invalid, the remainder of this Agreement and the application of such term or condition other than to the extent it is held unlawful or invalid, will not be held unlawful, invalidated, or affected thereby, and shall remain in full force and effect.

28. **No Waiver.** A failure by Motto or you to enforce at any time any term or condition of this Agreement shall not be considered a waiver of that party's right thereafter to enforce that same term or condition or any other term or condition of this Agreement.

29. **Headings.** The headings contained in this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

30. **No Joint Venture.** Motto and you agree that this Agreement does not create a joint venture, partnership, employment, or agency relationship as a result of this Agreement or your use of the Website Services. Motto and you expressly understand and agree that each party is acting as an independent contractor unrelated to the other party or its subsidiaries or affiliates.

31. **Force Majeure.** Motto shall not be liable for, and shall be excused from, any failure to deliver or perform, or for any delay in delivery or performance, due to causes beyond its reasonable control, after exercising its best commercially reasonable efforts to remedy any such failure or delay, including without limitation any government actions, fire, work stoppages, civil disturbances, interruptions of power or communications to Motto or any facilities used by or for Motto, failure of the Internet, hosting, telecommunications, or other services to Motto or facilities used by or for Motto, natural disasters, acts of God, or acts of terrorism or war.

32. **Notice.** Whenever you are required by the terms of this Agreement to provide notice to Motto or obtain written permission from Motto, it shall be sent via email to [webmaster@mottomortgage.com](mailto:webmaster@mottomortgage.com).

You and Motto have executed this Agreement as of the respective dates indicated below.

\_\_\_\_\_  
Motto Franchising, LLC

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

Franchisee

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

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

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

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

**RIDER TO THE WEB HOSTING USER AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF NORTH CAROLINA**

This Rider is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC (“**MOTTO FRANCHISING, LLC**,” “**we**,” or “**us**”), and \_\_\_\_\_ (“**you**” or “**Franchise Owner**”).

We and you are parties to that certain Web Hosting User Agreement “**Web Hosting User Agreement**” dated \_\_\_\_\_, 20\_\_\_\_, that has been entered into concurrently with this Rider. This Rider is annexed to and forms part of the Web Hosting User Agreement. This Rider modifies the Web Hosting User Agreement as provided below:

3. Consumer Privacy. The second sentence of Subsection 22.a of the Web Hosting User Agreement is deleted in its entirety and the following sentence is added in its place:

This notice must disclose that personal information may be shared with Motto and other companies that provide administrative and support services to help operate the Website Services, specifically for the purpose of providing those administrative and support services.

Subsection 22.c is revised as follows:

Unless otherwise allowed by law—and conditional upon your having provided adequate notice and opportunity to opt out, and a consumer’s not having opted out—Motto will access, use, or share nonpublic personal information about that consumer only in order to provide administrative and support services related to your use of the Website Services or to perform functions you may specify or direct on your behalf. When Motto accesses, uses, or shares nonpublic personal information pursuant to this Section 22(c), it will not disclose or use the information for any purpose other than to carry out the purposes for which it is authorized to access the information.

The following is added to Section 22 as Subsection 22.d:

- d. You agree that Motto may access and use and may share with other companies anonymous web tracking information, as described at the beginning of this paragraph, and anonymous session-related information, such as IP address and browser information, for purposes of providing administrative and support services related to the Website Services; analyzing visitors’ use of your website; and targeting advertisements. Your privacy notice will disclose the possibility of such use and sharing.

You and Motto have executed this Rider as of the respective dates indicated below.

\_\_\_\_\_  
Motto Franchising, LLC

Franchisee

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

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

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

## **EXHIBIT A-7**

### **MOTTOSWAG USER AGREEMENT**

## MOTTOSWAG USER AGREEMENT

This agreement (“**Agreement**”) is entered into by and between Motto Franchising, LLC ( “**we**”, “**Motto**” or “**Motto Mortgage**”), a Delaware limited liability company whose address is 5075 S. Syracuse Street, Denver, CO 80237, and you, a franchisee of Motto Mortgage (“**Franchisee**,” “**you**,” “**your**”). The Agreement governs access to and use of MottoSwag powered by Knock-Out Specialties, Inc., a collection of computer services defined below, by you and by individual users associated with you. For you and your users to be permitted access to MottoSwag, you must accept this Agreement.

1. **Description of MottoSwag Services.** MottoSwag is a website e-store platform comprising of (a) computing services; (b) information, documents, and other content provided by Motto and by other users of MottoSwag; (c) access to the services and to the content; (d) a data entry and upload feature; (e) products and services for sale; and (f) a billing feature. Motto may, from time to time, in its sole discretion and without notice, change or discontinue MottoSwag or add to, revise, or delete any or all aspects of MottoSwag. At any time and without notice, Motto in its sole discretion may elect, but is not obligated, to introduce or grant different grades of service, introduce or grant different degrees of access to information and/or analysis to different types or categories of users (“**Types**”), or introduce new features and future versions of MottoSwag which may change or cancel functions, introduce new or revised security restrictions, or limit access to information and/or analysis. Motto may or may not make a given service, feature, or change available to you or your users, and Motto shall incur no liability in connection with any introduction, grant, or change in services or features. You agree to bear all risks and hold Motto harmless for any and all effects that any of the above changes may have on the ability of you or your Users (defined in Section 2 below) to use MottoSwag for any purpose.

(a) **Other Services.** Motto provides a suite of computer systems and services that a user accesses through a single logon feature (collectively “**Motto Online Services**”). The Website Services are among the Motto Online Services. Motto may from time to time, in its sole discretion, add services to or remove services from the collection of Motto Online Services. Your license to use the Website Services is conditional upon your agreeing to the applicable terms governing access to each and every one of the Motto Online Services.

2. **License.** Subject to the terms and conditions of this Agreement, and during the term of this Agreement, Motto grants you a non-exclusive, non-transferable, limited license for you and such of your employees, officers, or directors as you may designate (“**Users**”) to access and use MottoSwag. Motto may limit the total number of Users or the number of Users of various Types that you are permitted to designate. If a User’s activities are not in compliance with this Agreement, Motto may, immediately and without prior notice, suspend the User’s access to MottoSwag. Except as set forth in this Section 2, Motto will provide, modify, or terminate a User’s access or change a User’s Type solely at your direction.

3. **User Access.** Before a User can access MottoSwag, the User must complete an online registration process that Motto has established and may modify from time to time. During the registration process, the User will provide information that Motto requires to establish an account for the User. Completing the registration process is voluntary, but access to MottoSwag will not be available to a User before the User completes the process. Only one User may access MottoSwag using the account established by the User. You will be liable for the actions of Users you designate to have access to MottoSwag and for any actions under those User accounts, as well as for any damages or liabilities arising from access through those User accounts. **You are required to maintain and ensure that your Users maintain the confidentiality of any login credentials, including user IDs and passwords, used to access MottoSwag.** If there is a breach of security through a failure by any of your Users to maintain such confidentiality, then you will be liable for any unauthorized access to MottoSwag attributable to unauthorized use of the affected credentials.

Motto may limit the total number of Users or the number of Users of various Types that you are permitted to designate. If a User’s activities are not in compliance with this Agreement, Motto may,

immediately and without prior notice, suspend the User's access to MottoSwag. In addition, Motto may link a User's access to MottoSwag to the User's access to other components of the Motto Online Services. If Motto modifies, terminates, or disables a User's access to another Motto Online Service, the User may lose access to MottoSwag as well. Motto will not be liable for any suspension or termination of access.

Except as set forth in this Section 3, Motto will provide, modify, or terminate a User's access or change a User's Type solely at your direction.

4. **Agreement.** This Agreement shall have no force or effect until it is accepted in the State of Colorado by Motto. Your continued use of MottoSwag will be deemed acceptance of this Agreement, and you agree that this Agreement supersedes and replaces all prior agreements between you and Motto regarding your access to or use of MottoSwag. If there are any conflicts between the terms and conditions of this Agreement and any prior versions, the terms and conditions of this Agreement shall control.

5. **Termination.** This Agreement, and access by you and your Users under the Agreement, will terminate immediately and automatically if at any time your franchise agreement with Motto terminates. In addition, Motto may suspend or terminate the Agreement, without notice to you, if (a) you are in breach of any term or condition of the Agreement; (b) your agreement regarding another of the Motto Online Services terminates; or (c) you or one of your Users engages in any Prohibited Use of MottoSwag (as defined in Section 13 below). Motto is not responsible for any costs or expenses that you incur as a result of losing access to MottoSwag because of a suspension or termination of the Agreement or your access to MottoSwag.

6. **Approved Suppliers.** Motto from time to time enters into contractual arrangements with suppliers of certain products and services (the "Approved Suppliers") under which Motto or Approved Suppliers may provide you or your Users with information about these products and services, including special offers and product or service updates. Motto may, in its sole discretion, (a) post information about and provide Users access to Approved Suppliers on MottoSwag, (b) communicate with you or your Users directly about such Approved Suppliers, and/or (c) provide your Users' email addresses to such Approved Suppliers so that they may communicate with the Users directly.

7. **Resources Accessed Through MottoSwag.** MottoSwag may include links to other services, websites, or resources, provided by Motto or by third parties. Services which you can access through a link available on MottoSwag are not part of MottoSwag, and this Agreement does not license you to use those additional services.

8. **Connectivity.** You are responsible for all equipment, telephone connectivity, software, and other services necessary to access MottoSwag. Motto may from time to time require the use of specific equipment or software to access MottoSwag. Motto will not be responsible for any costs or expenses that you incur to obtain such equipment or software or for any damages you incur as a result of lacking equipment, connectivity, software, or other services necessary to access or use MottoSwag.

9. **Content.** Motto provides MottoSwag for the purposes of making advertising materials available for your use and facilitating your development, modification, and delivery of advertising (collectively the "Purposes"). Motto may make content of various types, such as documents, images, or videos, available for viewing through MottoSwag or download via MottoSwag. Except to the extent that Motto indicates otherwise by specifically marking particular content, including by marking content as "Confidential" pursuant to Section 10 below, you may use content provided by Motto through MottoSwag, subject to the terms of this Agreement. Motto reserves the right, in its sole discretion, to modify, supplement, delete, discontinue or remove any file, publication, information, communication or other content appearing on, uploaded to or transmitted through MottoSwag. Motto will bear no liability for damages resulting from any such change.

10. **Advertising Materials.** Motto may provide on MottoSwag audio and visual advertising materials, such as brochures, posters, or digital media templates (“**Advertising Materials**”). To the extent you have received a license to use trademarks or service marks related to the Motto Mortgage brand (“**Motto Marks**”), you may also use the Advertising Materials, subject to the terms of your license to the Motto Marks and to this Agreement. You hereby acknowledge and agree that you will observe any limits on the use of the Advertising Materials that are required by Motto, by law, or by anyone with an interest in the Advertising Materials. The use of any Advertising Materials may be discontinued at any time at Motto’s sole option, and you agree to take any action required to discontinue such use when required. You further agree to (a) use the Advertising Materials in the form in which they have been created, without modifications other than those permitted by the Motto Brand Identity Trademark And Graphic Standards manual; (b) comply with any expiration date(s) for such Advertising Materials, whether such dates are posted on slates preceding televisions commercials, posted on MottoSwag, or communicated in any other manner; (d) upon an expiration date that applies to particular Advertising Materials, immediately delete, destroy, and otherwise stop any and all usage of, any products or materials, even ones that you have created or purchased, that incorporate or use any portion of such expired Advertising Materials; (e) upon any notification from Motto requiring that you do so, which may consist solely of posting the notification on MottoSwag, immediately delete, destroy, and otherwise stop any and all usage of, any products or materials, even ones that you have created or purchased, that incorporate or use any portion of the Advertising Material that is the subject of such notification; and (f) regularly check MottoSwag and any other communication from Motto for such notifications and expirations.

Motto may also place confidential materials on MottoSwag, which it may designate as such by labeling it “Confidential.” If a document, including a video or image, has been labeled “Confidential,” you agree to preserve the confidentiality of the document in accordance with the confidentiality obligations in your franchise agreement.

You agree that if you modify the Advertising Materials in any manner, including but not limited to adding on your business contact information, you do so at your own risk and you assume any and all liability for (i) any claims that such usage is improper, including without limitation copyright infringement or a violation of federal or state law applicable to advertising and (ii) any and all costs incurred by Motto arising from any claims relating to your usage of the Advertising Materials, including court costs and attorney fees. **You agree to ensure that any advertising you disseminate based on the Advertising Materials is compliant with applicable law, including Regulations N and Z and prohibitions on unfair, deceptive, or abusive practices. You acknowledge that Motto generally does not review advertising by franchisees and cannot advise on regulatory risks presented by franchisee-developed content.**

11. **Purchases through MottoSwag.** MottoSwag may allow you to purchase additional advertising products or services, such as printing and delivery of print advertising, digital advertising services and Lead Generation Services (defined below), and media purchasing. Such products and services are provided by a third-party vendor that provides services related to MottoSwag and may be provided by other third parties under contract to that vendor. Any purchase you make through MottoSwag will be pursuant to an agreement between you and one or more third parties. Motto makes no representation or warranty whatsoever about products or services you purchase through MottoSwag, and it is not party to any agreement you make to purchase such products or services. You agree to indemnify, defend, and hold harmless Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of any purchase of products or services through MottoSwag by you or any of your Users of any term or condition of this Agreement. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.



12. **Use of MottoSwag.** You agree that any and all information you or your Users place on MottoSwag shall at all times be:

- a. True and accurate in all respects to the posting User's knowledge and belief;
- b. Corrected promptly by the posting User;
- c. Lawfully placed on MottoSwag; and
- d. Accessed, used, and distributed strictly in accordance with all terms of this Agreement.

13. **Prohibited Use of MottoSwag.** You agree to abide by all applicable local, state, national, and foreign laws, treaties, and rules and regulations in connection with MottoSwag and agrees that your Users must not use MottoSwag or any feature, aspect, or data in, a part of, or from MottoSwag to:

- a. Post or send any unsolicited or unauthorized advertising, promotional materials, junk mail, spam, chain letters, pyramid schemes, or any other form of duplicative or unsolicited messages, whether commercial or otherwise; harvest, collect, gather, or assemble information or data regarding other franchisees or their Users, including, but not limited to, email addresses and payment information without their consent;
- b. Transmit, upload, post or publish on MottoSwag any unlawful, harassing, libelous, abusive, tortious, defamatory, threatening, harmful, invasive to another's privacy, vulgar, obscene, sexually oriented, pornographic, or otherwise objectionable material of any kind or nature;  
Transmit any material that the posting User knows or should know contains a software virus or viruses, or other harmful or objectionable computer code, files, program or routine such as Trojan horses, worms, time bombs, cancel bots, or popups;
- c. Attempt to gain unauthorized access to MottoSwag, or to other accounts, computer systems, networks, or other Users connected to or using MottoSwag, through password mining or any other means;
- d. Interfere with or disrupt servers, networks, hardware, software, or Users connected to or using MottoSwag, or violate the licenses, policies, procedures, or regulations of such;
- e. Harass or interfere with another User's use or enjoyment of MottoSwag or other User's information or data on MottoSwag;
- f. Engage in "scamming", "spoofing", "spamming" or any other objectionable or illegal email activities;
- g. Transmit, upload, post or publish any material which may infringe upon any intellectual property or other rights of any person including without limitation trademark rights, copyrights, or rights of publication in any form or format without the express written authorization of the owner of the copyrighted or proprietary material. When copyrighted or proprietary material is uploaded, posted or otherwise published by a User on MottoSwag, the User must include with such material all notices of copyright or claims of proprietary rights that are required by law;
- h. Copy any portion of MottoSwag for any purpose, including, but not limited to, copy any portion of MottoSwag for transmission or use, directly or indirectly, on any computerized electronic exchange other than MottoSwag, excepting only that portion of the information or data on MottoSwag that a User uploaded to MottoSwag through the User's Account;
- i. Grant access to the User's Account to any other person;

- j. Transfer, rent, lease, grant a security interest in, or otherwise encumber in any way any portion of MottoSwag or any of your rights to access or use MottoSwag, whether through this Agreement or otherwise;
- k. Delete any author attributions, legal notices, or proprietary designations or labels in any file that is uploaded;
- l. Falsify the origin or source of software or other material contained in a file that is uploaded;
- m. Download any file that the User knows, or reasonably should know, cannot be legally distributed in such manner.

Motto reserves the right to refrain from processing and/or to delete from MottoSwag any software, file, information, communication or other material or content that, in the judgment and sole discretion of Motto, is inconsistent with or contrary to the Purposes of MottoSwag or the prohibitions specified in this Section 13.

**14. User Responsibilities.** You undertake the following responsibilities with respect to your Users:

- a. No other individual or entity, including other Users, shall access MottoSwag through a given User's Account. You shall be responsible for any and all charges, claims, liabilities, losses, damages, costs and expenses (including reasonable attorney fees) that arise from any unauthorized access to MottoSwag through one of your User's Accounts. A User will comply with all applicable laws with respect to use of MottoSwag and with all rules and regulations adopted by Motto governing use of MottoSwag. A User is responsible for reading and complying with all rules, regulations, warnings, notices and instructions posted by Motto on MottoSwag.
- b. You are responsible for any and all information and data that your Users place on MottoSwag. You shall indemnify and hold Motto and its shareholders, affiliates, parent companies, directors, officers, employees, and agents harmless from and against any and all claims that any information or data that one of your Users places directly or indirectly on MottoSwag is inaccurate, incomplete or unauthorized in any respect.
- c. You are responsible for any and all activities that occur under your Users' Accounts. A User must log off and exit from his or her Account at the end of each session of use. You shall send Motto notice immediately upon being aware or suspicious of any unauthorized use of MottoSwag by any person.
- d. You are solely responsible for protecting your computer systems from viruses, malware, spyware, malicious code, communication disruptions, and attacks by hackers and other unauthorized parties. You will take reasonable steps to maintain the security of your computer systems and will comply with applicable laws relating to privacy and data security.
- e. You grant Motto full access to any information regarding your Users, your Users' accounts, any information your Users place on MottoSwag, and all cookies and any other information gathered in connection with use of MottoSwag. You hereby consent to the use and disclosure of any and all such information and data, including as may be required by law or by governmental authority, or as Motto may from time to time deem appropriate in accordance with the franchise agreement between you and Motto. This access specifically excludes any account data (as defined in the Data Security Standards, version 3.2, issued in April 2016 by the Payment Card Industry Security Standards Council) associated with a payment card that a User has used on MottoSwag

(“**Card Data**”). Such data are transmitted to the authorized payment gateway and third party transaction processing system directly without being accessed or stored by Motto.

f. You hereby grant Motto and its assigns a non-exclusive, unrestricted, perpetual royalty-free license to display, publish, and otherwise use any and all information or data that your Users place on MottoSwag.

g. You represent and warrant that with respect to information that your Users place on MottoSwag, you have all rights necessary for its Users to provide the information and for you to grant the licenses and authorizations in Subsections 14(d) and 14(e).

14.1 In addition, you acknowledge and will alert your Users that any information a User places on MottoSwag (other than Card Data) is accessible by Motto at all times and may be revised by Motto to conform to any MottoSwag requirement, although Motto is under no obligation to reformat any data and shall not be liable to a User, to you, or to any other person for any information or data or revisions thereto. Motto reserves the right for any reason to remove, without notice, any information received from any User. However, you acknowledge that no information, pictures, analysis, postings, conferences, and other communications by other Users is endorsed by Motto. Such communications shall not be considered reviewed, screened, or approved by Motto.

14.2. Motto may place cookies and other files on a User’s computer hard drive or other storage medium to assist MottoSwag in limiting access to only authorized Users and recording authentication information for the duration, activities, and content of each session of a User on MottoSwag.

14.3. If a User has received a mottomortgage.com email address, Motto may use that mottomortgage.com email address as the User’s primary email address in the User’s profile in MottoSwag.

15. **No Unlawful or Prohibited Use.** You warrant that your Users will not access or use MottoSwag for any purpose that is unlawful or prohibited by this Agreement.

16. **Consumer Privacy.** This Section modifies Motto’s access to or use of certain information pursuant to Section 14 and Subsections 14.1 and 14.2. MottoSwag may include information submission forms through which internet users can provide information to you and request information from you, and database services through which you or your users can manage records of those information requests (together, “Lead Generation Services”). You acknowledge and agree that Motto may access and use information obtained through the Lead Generation Services, to the extent permitted under applicable law. You grant to Motto a non-exclusive, perpetual, irrevocable, worldwide, royalty-free license to reproduce, modify, adapt, translate, publish, perform, and distribute data gathered through the Website Services to the extent allowed by law in light of consumer choices regarding disclosure of personal information.

a. You agree to provide consumers using the Lead Generation Services a privacy notice that is compliant with applicable law regarding privacy and disclosure of nonpublic personal information. Motto may specify the content and form of this notice, in part or in whole, and you agree to provide notices substantially similar to what Motto specifies unless you receive written permission from Motto to provide a different notice.

b. Neither you nor Motto will share personal information collected through the Lead Generation Services regarding a consumer for the purpose of serving as a factor in establishing the consumer’s eligibility for credit or insurance to be used primarily for personal, family, or household purposes; for employment purposes; or for other purposes for which consumer reports are authorized under the Fair Credit Reporting Act or comparable state law.

c. If a consumer opts out from the sharing of nonpublic personal information about that consumer, Motto will access or disclose nonpublic personal information about that consumer only in order to provide support services related to your use of the Lead Generation Services or to perform functions you may specify or direct on your behalf. When Motto accesses or uses nonpublic personal information pursuant to this Subsection 16(c), it will not disclose or use the information for any purpose other than to carry out the purposes for which it is authorized to access the information.

17. **Availability of MottoSwag.** Motto will use commercially reasonable efforts to provide access to MottoSwag during business hours. You agree that from time to time MottoSwag may become inaccessible or inoperable for various reasons, including (a) equipment malfunctions, (b) periodic maintenance procedures or repairs, or (c) causes beyond Motto's reasonable control or not reasonably foreseeable by Motto, including interruption or failure of telecommunication or digital transmission links, hostile network attacks or network congestion or other failures. Motto makes no representations or warranties regarding availability of MottoSwag.

18. **Support.** Motto shall only provide on-line technical support for difficulties Member may have accessing MottoSwag or any of its features. Technical support shall not include any aspect of Member's computer hardware, software, configurations, means of gaining access to the Internet, ability to browse the Internet, or ability to access any facet or portion of MottoSwag.

19. **Copyrights and Licenses.**

a. Motto hereby claims and reserves all rights in copyrights and other rights in and to MottoSwag, including MottoSwag name, front page, graphics and all material and content originating with or provided by Motto, including any audio or visual advertising materials or other documents accessible through MottoSwag.

b. Except to the extent, if any, permitted by the "fair use" doctrine of copyright law, or as permitted in Section 10 above, you agree that wherever a copyright notice or claim is included (i) with or on any content or material or (ii) on any screen display on MottoSwag, that you will not download, duplicate, forward, distribute, display, perform or otherwise use such content, material or screen display without the express written authorization from the owner of such copyright.

c. You acknowledge and agree that only the owner of copyrighted or proprietary material, and those authorized in writing by the owner of such material to do so, may upload copyrighted or proprietary material to MottoSwag. You warrant that your Users will not upload copyrighted material to MottoSwag for the purpose of making such copyrighted material available to other Users without the express written authorization to do so from the owner of such copyright. For copyrighted material that you or one of your Users is authorized to upload to MottoSwag, you agree that the copyrighted nature of such material and the scope of its permitted use shall be designated. You acknowledge and agree that in posting or uploading any copyrighted material, changes to or deletion of author attribution or copyright notice is expressly prohibited.

d. You agree that software or tools downloaded or otherwise available through access to MottoSwag may not be reverse engineered or otherwise tampered with unless specifically authorized in writing by the owner of the rights in such software or tools.

20. **Disclaimer of Warranties and Limitation of Liability.**

20.1. MOTTO MAKES NO WARRANTIES OR GUARANTIES AS TO THE AVAILABILITY OR RELIABILITY OF MOTTOSWAG OR THE INFORMATION MEMBERS PLACE ON MOTTOSWAG. MOTTO MAKES NO REPRESENTATIONS ABOUT THE SUITABILITY OF THE INFORMATION,

SOFTWARE, PRODUCTS, AND SERVICES CONTAINED ON MOTTOSWAG FOR ANY PURPOSE. ALL SUCH INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES ARE PROVIDED “AS IS, AS AVAILABLE” WITHOUT WARRANTY OF ANY KIND. Motto HEREBY DISCLAIMS ALL WARRANTIES AND CONDITIONS WITH REGARD TO ALL INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES REGARDING MOTTOSWAG, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NONINFRINGEMENT. IN NO EVENT SHALL Motto OR ITS EMPLOYEES, AFFILIATES, PARENT COMPANIES, DIRECTORS/MANAGERS, SHAREHOLDERS/MEMBERS, OFFICERS OR AGENTS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THE USE OF MOTTOSWAG OR ANY INFORMATION THEREON, OR WITH THE DELAY OR INABILITY TO USE MOTTOSWAG, OR FOR ANY INFORMATION, SOFTWARE, PRODUCTS, AND SERVICES THROUGH MOTTOSWAG, OR OTHERWISE ARISING OUT OF THE USE OF MOTTOSWAG, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORMATION, LOSS OF ANALYSIS, OR OTHER LOSS) ARISING OUT OF THE USE OF OR INABILITY TO USE MOTTOSWAG OR THE FAILURE TO PROVIDE SUPPORT FOR OR RESOLVE ANY SUPPORT ISSUES REGARDING MOTTOSWAG, EVEN IF MOTTO HAS BEEN ADVISED OF THE POSSIBILITY OF DAMAGES. IN ANY CASE, MOTTO’S ENTIRE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE HIGHEST AMOUNT OF ROYALTIES THAT HAS COME DUE AND HAS BEEN PAID BY YOU IN ANY SINGLE MONTH UNDER YOUR FRANCHISE AGREEMENT.

20.2. Motto does not endorse or guarantee the accuracy, completeness, truthfulness or reliability of any service, opinion, advice, communication, information or other material or content included on or made available on, over or through MottoSwag. You hereby waive all claims against Motto regarding such material or content, including any claims that arise as a result of your or your Users’ use of or reliance upon the accuracy, completeness, truthfulness, security or reliability of any service, opinion, advice, communication, information or other material or content included on or made available on, over or through MottoSwag. You expressly acknowledge that the provisions of this Subsection 20.2 relating to disclaimer of warranties and exclusion of liability shall also apply to any claims relating to access to services, information and other content provided by parties other than Motto, and any other content available through MottoSwag. You agree you will not hold Motto responsible for any selection or retention of, or the acts or omissions of, third parties in connection with MottoSwag.

21. **Indemnity.** You agree to indemnify, defend, and hold harmless Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of any breach or violation by you or any of your Users of any term or condition of this Agreement. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.

22. **Privacy.** Motto collects personally identifiable information from Users when they register to use MottoSwag and during the course of their sessions using MottoSwag. The license to you for a User to access and use MottoSwag is conditional upon the User’s acceptance of Motto’s privacy policy regarding MottoSwag, as posted on MottoSwag. Motto may amend the privacy policy from time to time. A User’s continued use of MottoSwag after a change will constitute consent to the amended policy.

23. **Modification of Agreement.** This Agreement may be modified by Motto at any time, without limitation, by posting notice on MottoSwag of any modifications to the terms or conditions of this Agreement. Unless otherwise specified in the notice, any modifications to the Agreement shall be effective when posted on MottoSwag.



24. **Governing Law.** This Agreement shall be governed by the laws of the state of Colorado without regard to its conflict of laws principles. The courts of Colorado shall have exclusive jurisdiction over all disputes relating to this Agreement. You agree that venue and jurisdiction for judicial proceedings is proper and shall exist exclusively in Denver, Colorado.

25. **Entire Agreement.** This Agreement includes the entire understanding between Motto and you regarding the subject hereof and supersedes all previous agreements between them.

26. **Assignment.** This Agreement and the rights and obligations created hereunder shall be binding upon and inure solely to the benefit of Motto and you and our respective successors and assigns, and no other person or legal entity shall acquire or have any rights under or by virtue of this Agreement. This Agreement may be assigned by Motto to a corporate affiliate, subsidiary or successor in interest, in Motto's sole discretion. This Agreement may not be assigned or otherwise transferred by you without the prior written consent of Motto.

27. **Severability Clause.** If any term or condition of this Agreement or application of any such term or condition is held unlawful or invalid, the remainder of this Agreement and the application of such term or condition other than to the extent it is held unlawful or invalid, will not be held unlawful, invalidated, or affected thereby, and shall remain in full force and effect.

28. **No Waiver.** A failure by Motto or you to enforce at any time any term or condition of this Agreement shall not be considered a waiver of that party's right thereafter to enforce that same term or condition or any other term or condition of this Agreement.

29. **Headings.** The headings contained in this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

30. **No Joint Venture.** Motto and you agree that this Agreement does not create a joint venture, partnership, employment, or agency relationship as a result of this Agreement or your use of MottoSwag. Motto and you expressly understand and agree that each party is acting as an independent contractor unrelated to the other party or its subsidiaries or affiliates.

31. **Third Parties' Networks.** MottoSwag may contain hyperlinks to websites operated by parties other than Motto or Knock-Out Specialties, Inc. Motto does not control such websites and is not responsible for their content or the availability, security or integrity of any information submitted to such websites. Motto's inclusion of hyperlinks to such websites does not imply any endorsement of the material, products or services on such websites or any association with their operators. MottoSwag contains functionalities and services that allow sending, delivering or receiving information between franchisees, Motto and third parties, which may be relayed or carried through Motto, public, third parties' or other networks, systems, servers, websites, applications, or Software as a Service ("*SaaS*") (e.g., telephone and cellular networks, email servers) ("*Third Parties' Networks*"). The Third Parties' Networks are not controlled by Motto in any way and Motto shall not be held responsible for the performance, security, integrity, availability, functionality, quality or reliability of any of the Third Parties' Networks or the information sent, delivered, relayed, carried or received through the Third Parties' Networks. Notwithstanding anything herein, Motto does not warrant or guarantee that the information sent, relayed, carried or delivered through these Third Parties' Networks will reach its destination or its correct address or recipient, that the details of the recipient or sender are correct or accurate, or that the integrity or confidentiality of the information will be maintained in transit.

32. **Force Majeure.** Motto shall not be liable for, and shall be excused from, any failure to deliver or perform, or for any delay in delivery or performance, due to causes beyond its reasonable control, after

exercising its best commercially reasonable efforts to remedy any such failure or delay, including without limitation any government actions, fire, work stoppages, civil disturbances, interruptions of power or communications to Motto or any facilities used by or for Motto, failure of the Internet, hosting, telecommunications, or other services to Motto or facilities used by or for Motto, natural disasters, acts of God, or acts of terrorism or war.

33. **Notice.** Whenever you are required by the terms of this Agreement to provide notice to Motto or obtain written permission from Motto, it shall be sent via email to [webmaster@mottomortgage.com](mailto:webmaster@mottomortgage.com).

Motto and you have executed this Agreement as executed below.

Dated: \_\_\_\_\_

**Motto Franchising, LLC:**

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

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

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

**Franchisee:**

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

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

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



## **EXHIBIT A-8**

### **MOTTO SPARK USER AGREEMENT**

## MOTTO SPARK USER AGREEMENT

This agreement (“Agreement”) is entered into by and between Motto Franchising, LLC (“Motto”), a Delaware Limited Liability Company whose address is 5075 S. Syracuse Street, Denver, CO 80237, and you, a franchisee of Motto (“Franchisee,” “you,” “your”). The Agreement governs access to and use of Motto Spark services made available by Motto for use by you and by individual users associated with you. For you and your users to be permitted access to these Motto Spark services, you must accept this Agreement. If you do not agree to all the terms and conditions in the Agreement, you will not be permitted to use the Motto Spark services covered by this Agreement.

1. **Motto Spark Services.** Subject to the terms and conditions of this Agreement and during the term of this Agreement, Motto will provide you access to CRM software and services and use of the Motto Spark Software Platform powered by Total Expert, Inc (“Total Expert”), which Motto will procure for your use under the terms of a Master Subscription Agreement with Total Expert (collectively the “Motto Spark Services”). You may designate one or more individuals employed by your Motto mortgage brokerage office as users of the Motto Spark Services under this Agreement (“Users,” “your Users”), and Motto will provide a limited, non-sublicensable, non-exclusive, non-transferable, subscription to access and use the Software platform for each User. Motto may limit the total number of Users that you are permitted to designate. The Motto Spark Services will be hosted and managed by Total Expert as Motto’s third-party provider on one or more internet-accessible servers controlled and managed by Motto or Total Expert, at premises selected by Motto or by Total Expert.

2. **Other Services.** Motto provides a suite of computer systems and services that a user accesses through a single logon feature (collectively “Motto Online Services”). The Website Services are among the Motto Online Services. Motto may from time to time, in its sole discretion, add services to or remove services from the collection of Motto Online Services. Your license to use the Website Services is conditional upon your agreeing to the applicable terms governing access to each and every one of the Motto Online Services.

3. **User Access.** Before a User can access the Motto Spark Services, the User must complete an online registration process that Motto has established and may modify from time to time. During the registration process, the User will provide information that Motto requires to establish a subscription for the User to access and use the Motto Spark Software platform. Completing the registration process is voluntary, but access to the Motto Spark Services will not be available to a User before the User completes the process. Only one User may access the Motto Spark Services using the subscription login established by the User. You will be liable for the actions of Users you designate to have access to the Motto Spark Services and for any actions under those User subscription accounts, as well as for any damages or liabilities arising from access through those User accounts. **You are required to maintain and ensure that your Users maintain the confidentiality of any login credentials, including user IDs and passwords, used to access the Motto Spark Services.** If there is a breach of security through a failure by any of your Users to maintain such confidentiality, then you will be liable for any unauthorized access to the Motto Spark Services attributable to unauthorized use of the affected credentials.

If a User’s activities are not in compliance with this Agreement, Motto may, immediately and without notice, suspend or terminate the User’s and/or your/your office’s access to the Motto Spark Services. In addition, Motto may link a User’s access to the Motto Spark Services to the User’s access to other components of the Motto Online Services. If Motto modifies, terminates, or disables a User’s access to another Motto Online Service, the User may lose access to the Motto Spark Services as well. Motto will not be liable for any suspension or termination of access.

Except as set forth in this Section 3, Motto will provide, modify, or terminate a User’s access or change a User’s Type solely at your direction.

4. **Agreement.** This Agreement shall have no force or effect until it is accepted in the State of Colorado by Motto. Your continued use of the Motto Spark Services will be deemed acceptance of this Agreement, and you agree that this Agreement supersedes and replaces all prior agreements between you and Motto regarding your access to or use of the Motto Spark Services. If there are any conflicts between the terms and conditions of this Agreement and any prior versions, the terms and conditions of this Agreement shall control.

5. **Termination.** This Agreement, and access by you and your Users under the Agreement, will terminate immediately and automatically if at any time your franchise agreement with Motto terminates. In addition, Motto may suspend or terminate the Agreement, without notice to you, if (a) you are in breach of any term or condition of the Agreement; (b) your agreement regarding another of the Motto Online Services terminates; (c) you or one of your Users engages in any Prohibited Use of the Motto Spark Services (as defined in Section 8 below); or (d) the Master Subscription Agreement between Motto and Total Expert terminates. Motto is not responsible for any costs or expenses that you incur as a result of losing access to the Motto Spark Services because of a suspension or termination of the Agreement or your access to the Motto Spark Services.

6. **Disclaimer of Warranties and Limitation of Liability.**

6.1. MOTTO MAKES NO WARRANTIES OR GUARANTIES AS TO THE AVAILABILITY OR RELIABILITY OF THE MOTTO SPARK SERVICES. MOTTO MAKES NO REPRESENTATIONS ABOUT THE SUITABILITY OF THE MOTTO SPARK SERVICES FOR ANY PURPOSE OR ABOUT THE ACCURACY OF ANY INFORMATION TRANSMITTED THROUGH THE MOTTO SPARK SERVICES OR ANY THIRD-PARTY RESOURCES THAT MAY BE ACCESSIBLE THROUGH THE MOTTO SPARK SOFTWARE PLATFORM. MOTTO HEREBY DISCLAIMS ALL WARRANTIES AND CONDITIONS WITH REGARD TO THE MOTTO SPARK SERVICES, INCLUDING ALL IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NONINFRINGEMENT. IN NO EVENT SHALL MOTTO OR ITS EMPLOYEES, AFFILIATES, PARENT COMPANIES, DIRECTORS/MANAGERS, SHAREHOLDERS/MEMBERS, OFFICERS OR AGENTS BE LIABLE FOR ANY DIRECT, INDIRECT, PUNITIVE, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, YOUR USE OF THE MOTTO SPARK SERVICES. IN ANY CASE, MOTTO'S ENTIRE LIABILITY UNDER ANY PROVISION OF THIS AGREEMENT SHALL BE LIMITED TO THE HIGHEST AMOUNT OF ROYALTIES THAT HAS COME DUE AND HAS BEEN PAID BY YOU IN ANY SINGLE MONTH UNDER YOUR FRANCHISE AGREEMENT. MOTTO MAKES NO REPRESENTATION THAT ITS MOTTO SPARK SERVICES ARE MONITORING STATE, LOCAL, OR NATIONAL DO NOT CALL LISTS. YOU ARE OBLIGATED TO ENSURE THAT THE MARKETING EFFORTS OF YOU AND YOUR USERS COMPLY WITH ANY DO NOT CALL REQUIREMENTS. MOREOVER, IT IS YOUR RESPONSIBILITY TO ENSURE YOUR OWN, AND YOUR USER'S, COMPLIANCE WITH MARKETING LAWS THAT PERTAIN TO YOU.

6.2. Motto does not endorse or guarantee the accuracy, completeness, truthfulness or reliability of any service, opinion, advice, communication, information or other material or content transmitted or accessed through the Motto Spark Services. You hereby waive all claims against Motto regarding such material or content, including any claims that arise as a result of your or your Users' use of or reliance upon the accuracy, completeness, truthfulness, security or reliability of any service, opinion, advice, communication, information or other material or content transmitted or accessed through the Motto Spark Services.

7. **Connectivity.** You are responsible for all equipment, telephone and internet connectivity, software, and other services necessary to access the Motto Spark Services. Motto may from time to time require the use of specific equipment or software to access the Motto Spark Services. Motto will not be responsible for any costs or expenses that you incur to obtain such equipment or software or for any

damages you incur as a result of lacking equipment, connectivity, software, or other services necessary to access or use the Motto Spark Services.

8. **Prohibited Uses.** As a condition of your use (and the use by your Users) of the Motto Spark Services, you warrant that the Motto Spark Services will only be used in the conduct of your own internal business and operations and shall not directly or indirectly be used to process work of any third party that is not owned/operated by you. The Motto Spark Services are not to be used for any purpose that is unlawful or prohibited by this Agreement. You agree that you have been informed of and shall abide by, and you have informed your Users of and shall ensure your Users abide by, local, state, and federal rules pertaining to marketing and cell phone communications (including the United States' Telephone Consumer Protection Act) in any calls/texts/emails you or your Users send using the Motto Spark Services. You are responsible for your own compliance and the compliance of your Users with local, state, and national laws pertaining to marketing and communications to consumers, as well as laws that restrict marketing calls, emails and texts. You agree to and warrant that your Users will abide by all applicable local, state, national, and foreign laws, treaties, and rules and regulations in connection with use of the Motto Spark Services. You agree not to and warrant that your Users will not:

- a. Post or send any unsolicited or unauthorized advertising, promotional materials, junk mail, spam, chain letters, pyramid schemes, or any other form of duplicative or unsolicited messages, whether commercial or otherwise;
- b. Violate any applicable local, state, national, or international law or regulation pertaining to marketing communication;
- c. Transmit any unlawful, harassing, libelous, abusive, tortious, defamatory, threatening, harmful, invasive to another's privacy, vulgar, obscene, sexually oriented, pornographic, or otherwise objectionable material of any kind or nature;
- d. Transmit any material that the sender knows or should know contains a software virus or viruses, or other harmful or objectionable computer code, files, program or routine such as Trojan horses, worms, time bombs, cancel bots, or popups;
- e. Engage in "scamming", "spoofing", "spamming" or any other objectionable or illegal email activities;
- f. Transmit any material which infringes upon any intellectual property or other rights of any person including without limitation trademark rights, copyrights, or rights of publication in any form or format without the express written authorization of the owner of the copyrighted or proprietary material;
- g. Attempt to gain unauthorized access to the Motto Spark Services, or to other accounts, computer systems, networks, or other Users connected to or using the Motto Spark Services, through password mining or any other means;
- h. Copy or otherwise reproduce or permit the copying or other reproduction of all or any part of the Motto Spark Software or Services except as otherwise permitted herein;
- i. Reverse engineer, decompile, disassemble or create derived works based on the Motto Spark Software or Services;
- j. Modify, adapt, translate into other programming forms or languages or extend the Motto Spark Software or Services to operate in other environments or on other platforms;

k. Allow access to the Motto Spark Software or Services by other software products for any purpose without prior approval of Motto and its third-party provider.

l. Interfere with or disrupt servers, networks, hardware, software, or Users connected to or using the Motto Spark Services, or violate the licenses, policies, procedures, or regulations of such.

m. Harass or interfere with another User's use or enjoyment of the Motto Spark Services.

n. Grant access to the User's Account to any other person.

9. You are responsible for any communications you or your Users transmit, trigger, or schedule using the Motto Spark Services. You indemnify and hold harmless Motto and its shareholders, affiliates, parent companies, directors, officers, officers, employees, and agents for any claims or liabilities arising from your use of the Motto Spark Services.

10. You are responsible for any and all activities that occur under your Users' accounts. A User must log off and exit from his or her subscription account at the end of each session of use. You agree to send Motto notice immediately upon being aware or suspicious of any unauthorized use of the Motto Spark Services by any person. You are solely responsible for protecting your computer systems from viruses, malware, spyware, malicious code, communication disruptions, and attacks by hackers and other unauthorized parties. You will take reasonable steps to maintain the security of your computer systems and will comply with applicable laws relating to privacy and data security.

11. The Motto Spark Software and Services may make available to you and/or your Users third party resources such as but not limited to property websites, landing pages, and other third-party site over which neither Motto nor its third-party provider has control. Neither Motto nor its third-party provider is responsible for the accuracy, completeness, functionality, usability or merchantability of any content provided third-party resources, and the use of such third-party resources by you or your Users is strictly at your own risk.

12. You authorize Motto to send you and your Users email messages and electronic communications, including periodic company news updates, billing information, information concerning educational courses, special announcements, industry news of special interest and regional information, using the email addresses assigned for use with the Motto Spark Services. You further authorize Motto and third parties to which Motto may confer such authorization to send commercial electronic mail messages (as defined by the CAN-SPAM Act of 2003, and acts amendatory thereto) to those email addresses. You acknowledge and agree that Motto may provide your Motto Spark Services email address to such third parties to facilitate their sending your commercial electronic mail messages.

13. Motto will only provide on-line technical support for difficulties you may have accessing the Motto Spark Services. Technical support shall not include any aspect of your computer hardware, software, configurations, means of gaining access to the Internet, or ability to browse the Internet. You acknowledge and agree that if Motto implements spam or virus filters in the Motto Spark Services, those services may not be effective to prevent the transmission to you of spam or viruses. You acknowledge that Motto, in its sole discretion, may limit the size of file attachments that you send using the Motto Spark Services.

14. You agree to indemnify, defend, and hold harmless Motto and its shareholders/members, affiliates, parent companies, directors/managers, officers, employees, and agents from and against any and all claims, suits, proceedings, liabilities, losses, damages, costs and expenses whatsoever, including reasonable outside attorney fees and disbursements, court costs or arbitration costs, arising out of your use (or the use of your Users) of the Motto Spark Services and/or any breach or violation by you or your Users of any term or condition of this Agreement. Your obligations to indemnify Motto shall survive expiration or termination of this Agreement.

**15. Availability of the Motto Spark Services.** Motto will use commercially reasonable efforts to provide access to the Motto Spark Services during its normal business hours. You agree that from time to time the Motto Spark Services may become inaccessible or inoperable for various reasons, including (a) equipment malfunctions, (b) periodic maintenance procedures or repairs, or (c) causes beyond Motto's reasonable control or not reasonably foreseeable by Motto, including interruption or failure of telecommunication or digital transmission links, hostile network attacks or network congestion or other failures. Motto makes no representations or warranties regarding availability of the Motto Spark Services.

**16. Privacy.** Motto may collect personally identifiable information from Users when they register to use the Motto Spark Services and during the course of their sessions using the Motto Spark Services. Information collected includes the content of emails transmitted through the Motto Spark Services, both to and from a User, as well as attachments to those emails and metadata related to the emails and personal identifiable information of consumer contact records that Users create using the Motto Spark Services.

You agree to provide to each of your mortgage customers, at the initiation of the customer relationship, a notice regarding privacy that is compliant with applicable federal and state law regarding privacy and disclosure of nonpublic personal information, including the Gramm-Leach-Bliley Act and Regulation P. This notice must disclose that personal information may be shared with Motto and other companies that provide administrative and support services to help operate the Motto Spark Services, specifically for the purpose of providing those administrative and support services.

To the extent allowed by law—and conditional upon your having provided adequate notice and opportunity to opt out, and a consumer's not having opted out—Motto may access, use, or share nonpublic personal information about a consumer for purposes consistent with notice provided to the consumer and the consumer's choices to opt in or opt out of such uses and you grant to Motto a non-exclusive, perpetual, irrevocable, worldwide, royalty-free license to reproduce, modify, adapt, translate, publish, perform, and distribute such applicable nonpublic personal information you transmit through or store using the Motto Spark Services.

You may also authorize Motto to access nonpublic personal information to perform additional functions on your behalf. If Motto accesses or uses nonpublic personal information pursuant to your direction, Motto will not disclose or use the information other than to carry out the purposes for which you authorize Motto to access the information.

Except as required by law or as otherwise authorized by you, Motto will use or disclose the contents of consumer contact records, emails or email attachments as well as any personally identifiable information contained therein only for the purpose of and in the course of providing the Motto Spark Services. Motto may collect certain aggregate information related to use of the Motto Spark Services. Aggregate information is non-personally identifiable or anonymous information about Users, including the date and time of particular occasions on which a User accesses the Motto Spark Services, as well as information about the User's computer such as the IP address, data about the computer browser, and the domain and host used to access the internet. You agree that Motto may use or disclose such aggregate information as Motto determines in its sole discretion.

**17. Modification of Agreement.** This Agreement may be modified by Motto at any time, without limitation, by posting notice on the Portal of any modifications to the terms or conditions of this Agreement. Unless otherwise specified in the notice, any modifications to the Agreement shall be effective when posted on the Portal.

**18. Governing Law.** This Agreement shall be governed by the laws of the state of Colorado without regard to its conflict of laws principles. The courts of Colorado shall have exclusive jurisdiction over all disputes relating to this Agreement. Member agrees that venue and jurisdiction for judicial proceedings is proper and shall exist exclusively in Denver, Colorado.



19. **Entire Agreement.** Unless modified as provided in Section 17, this Agreement includes the entire understanding between Motto and you regarding the subject hereof and supersedes all previous agreements between them.

20. **Assignment.** This Agreement and the rights and obligations created hereunder shall be binding upon and inure solely to the benefit of Motto and you and our respective successors and assigns, and no other person or legal entity shall acquire or have any rights under or by virtue of this Agreement. This Agreement may be assigned by Motto, with or without notice, to a corporate affiliate, subsidiary or successor in interest, in Motto's sole discretion. This Agreement may not be assigned or otherwise transferred by you without the prior written consent of Motto.

21. **Severability.** If any term or condition of this Agreement or application of any such term or condition is held unlawful or invalid, the remainder of this Agreement and the application of such term or condition other than to the extent it is held unlawful or invalid, will not be held unlawful, invalidated, or affected thereby, and shall remain in full force and effect.

22. **No Waiver.** A failure by Motto or you to enforce at any time any term or condition of this Agreement shall not be considered a waiver of that party's right thereafter to enforce that same term or condition or any other term or condition of this Agreement.

23. **Headings.** The headings contained in this Agreement are for convenience only and shall not affect the construction of any provision of this Agreement.

24. **No Joint Venture.** Motto and you agree that this Agreement does not create a joint venture, partnership, employment, or agency relationship as a result of this Agreement or your use of the Motto Spark Services. Motto and you expressly understand and agree that each party is acting as an independent contractor unrelated to the other party or its subsidiaries or affiliates.

25. **Notice.** Whenever you are required by the terms of this Agreement to provide notice to Motto or obtain written permission from Motto, it shall be sent via email to [webmaster@mottomortgage.com](mailto:webmaster@mottomortgage.com).

Motto and you have executed this Agreement as of the respective dates indicated below.

Motto Franchising, LLC

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

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

Franchisee

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

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

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

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



**EXHIBIT A-9**

**MOTTO BRANCH OFFICE AMENDMENT**

## BRANCH OFFICE AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT ("**Amendment**") is entered into effective \_\_\_\_\_, 20\_\_\_\_, as an amendment to the Franchise Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, (the "**Agreement**" or "**Franchise Agreement**") by and between Motto Franchising, LLC, (referred to as "**we**," "**us**," "**Motto**" or "**Motto Franchising, LLC**") and \_\_\_\_\_ (referred to as "**you**," "**Franchise Owner**," or "**Franchisee**").

### RECITALS:

WHEREAS, the Franchise Agreement granted to Franchisee the right to operate a single Motto mortgage services office to be operated only at the following location:  
\_\_\_\_\_.

WHEREAS, the Franchise Agreement granted to Franchisee a Limited License to engage in the Limited Use of the MOTTO Marks in connection with the Services provided out of the Office located at the address specified in the Franchise Agreement;

WHEREAS, an office that complies with the specifications set forth in this Amendment (a "**Branch Office**") may be either (A) a virtual office ("**Virtual Branch Office**") in an additional state (one in which franchisee does not currently operate); or (B) a physical office ("**Physical Branch Office**") in a state in which Franchisee currently operates or in an additional state (one in which franchisee does not currently operate); and

WHEREAS, Franchisee has requested that Motto, in its sole discretion, allow Franchisee to open, and MOTTO FRANCHISING, LLC has agreed to permit the establishment of, a Branch Office of the type and at the location or state specified below, consistent with and subject to the terms and conditions set forth below;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties do hereby agree as follows:

1. Franchisee is hereby granted the right to establish a single [Virtual] [Physical] Branch Office only using the name of the Office and only at the following location or state: \_\_\_\_\_. No additional virtual or physical Branch Office locations are authorized pursuant to this Amendment.

A Physical Branch Office is an "address-only" location and therefore has no protected area or territorial exclusivity whatsoever. Any proposed new location for a Physical Branch Office must be approved in writing by Motto at least 30 days prior to opening at the new location.

Franchisee shall not operate or establish any other branch or extension except as permitted by the Franchise Agreement and this Amendment.

2. Franchisee shall pay to MOTTO FRANCHISING, LLC, upon execution of this Amendment, a non-refundable Branch Office Initial Fee of \$2,500. If this Amendment is being executed in connection with the renewal of an existing Branch Office, Franchisee will be required to pay a Branch Office Renewal Fee of \$1,000.

3. All loan originators operating out of, or assigned in the Nationwide Mortgage Licensing System to, a Branch Office (a "**Branch Office Loan Originator**" or "**Branch LO**") shall be subject to all of the same limitations and requirements specified for loan originators under the Franchise Agreement and must comply with all applicable state law requirements.

4. In addition to all other fees set forth in the Franchise Agreement, Franchisee agrees to pay fees as follows:

**A. Branch Office Royalty and Loan Originator Fee:**

You must pay Branch Office Royalty and Branch Office Loan Originator Fees as follows:

(a) \$1,550 monthly Branch Office Royalty Fee; and

(b) \$250 monthly Loan Originator Fees for each Branch Office Loan Originator; provided that a Loan Originator associated with both the Office and the Branch shall be required to pay only one monthly Loan Originator fee.

**B. Branch Office Advertising Fund Fees:**

In addition to the Branch Office Royalty and Branch Office Loan Originator Fees stated above, you must pay a \$350 monthly Branch Office Advertising Fund Fee.

Beginning 12 months from the date that you open, upon notice to you, we may increase (i) the Branch Office Royalty Fees by up to 10% each year and (ii) the Branch Office Advertising Fund Fee by up to 20% each year.

The monthly ongoing Branch Royalty Fee, Loan Originator Fees and Branch Office Advertising Fund Fees will be due and will be considered late if not received by MOTTO FRANCHISING, LLC by (A) 90 days from the effective date of this Amendment; and (B) the 10<sup>th</sup> day of each month throughout the remainder of the term of this Amendment and any renewals of this Amendment.

5. The Branch Office shall be an independently licensed or registered location and must comply with all applicable law and be staffed and equipped as required by Subsection 3.A. of the Franchise Agreement. The Branch Office's location must be approved by Motto in advance. If the Branch Office is co-located in a real estate office that is not affiliated with Franchise Owner or owned by the spouse, partner or family member of the Franchise Owner, such real estate office must have an annual real estate closed volume of no more than \$50,000,000 ("**Volume Cap**"), based on the most recently published MLS data, as of (i) the date of execution of this Amendment; (ii) the end of each calendar year during the term; and (iii) at renewal of the Branch Office. You must convert the Branch Office to a full franchise if the Volume Cap has been exceeded at the end of any calendar year or at renewal (a "**full franchise**" is a franchised Office that is not a branch, satellite office, kiosk, or other extension of the Office).

6. Conversion of a Branch office to a full franchise requires executing the then current Motto Franchise Agreement ("**new franchise agreement**"). No additional Initial Franchise Fee shall be due at the time of conversion, but the converted office will operate pursuant to the new franchise agreement as of the date such agreement is executed and fees as set forth in the new franchise agreement will apply with the Contract Month for purposes of the Royalty Schedule being the month this Branch Office Amendment was signed. The term of the new franchise agreement shall be for the remaining term of the Branch Office Amendment and at renewal the renewal fee shall be for renewal of a franchise as set forth in the new franchise agreement.

7. The Branch Office shall operate as a part of the Office described in the Franchise Agreement (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office) and, except as modified by this Amendment, shall comply with and be subject to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office, including without limitation, the Limited License governing the authorized Limited Use of the Motto Marks as well as the same outside business and activities prohibitions specified in Section 4 and, the payment of all fees required by Section 6. The Branch Office

shall also comply with and operate strictly in accordance with all applicable mortgage licensing rules and regulations. The Branch Office may have its own telephone number if permitted by applicable law, but all business cards, forms, stationery, advertisements and other promotional or marketing materials used by the Branch Office must clearly identify the name of the Office (i.e., the Motto name authorized under the Franchise Agreement). In addition, Motto may require that all materials state that the Branch Office is a “branch office” of the Office. Each Branch Office must have an interior office name plaque displayed in accordance with the Trademark Manual. If located in commercial space, the Branch Office must also have an exterior office sign that comports with the office signage requirements set forth in the Trademark Manual. If located in residential space, the Branch Office may have an exterior office sign that comports with the office signage requirements set forth in the Trademark Manual and the Branch Office and any signage must comply with local law regarding signage and zoning. All branch offices must also comply in all respects with all applicable provisions of the Trademark Manual, including any supplements or special addenda to the Trademark Manual that may be issued from time to time that cover branch offices or their operation. Other than space, staff and equipment shared with a co-located business in compliance with RESPA, no other businesses of any kind may operate from or utilize the same office space, staff or equipment as that of the Branch Office.

Franchisee understands and acknowledges that MOTTO FRANCHISING, LLC is not under any obligation to separately provide the Branch Office any of the services and benefits made available to the Office although MOTTO FRANCHISING, LLC may, in its sole and absolute discretion, provide some services and benefits to the Branch Office. Specifically, Franchisee understands and acknowledges that:

- A. Motto will not provide Branch Offices (i) any credit toward purchase of marketing materials; (ii) an opening kit, branded promotional items, standard interior office plaque or standard/recommended opening items or (iii) any amount toward expenses of a licensing consultant; and
- B. The Branch Office concept may be modified, amended or discontinued at any time; if the program is discontinued no renewals will be granted for any branch office.

8. Franchisee agrees to separately identify and report to Motto all information applicable to the Branch Office as part of its monthly reporting obligations set forth in Franchise Agreement Section 10; provided, Motto shall have no obligation to any party to aggregate or separate any data that relates to the Office and/or Branch Office or to provide such data in any format other than the format selected by Motto in its sole discretion.

9. The term of this Amendment shall begin on the effective date of this Amendment. This Amendment and all rights granted hereunder to operate the Branch Office shall terminate upon the transfer, termination, Abandonment or expiration of the Franchise Agreement or the Office.

In addition, MOTTO FRANCHISING, LLC has the right to terminate this Amendment if:

- A. Franchisee fails to pay any monies when due and fails to cure such breach within 10 days of receipt of written notice; or
- B. Franchisee breaches any non-monetary provision set forth herein and fails to cure such default within 30 days of receipt of written notice.

This notice will advise Franchisee, and Franchisee hereby understands and agrees, that if the default is not cured within the specified time period, the Amendment will automatically terminate without further notice from us. In the event of termination of the Branch Office for any reason Franchisee will be required to comply with all applicable de-identification requirements set forth in Section 14 of the Franchise Agreement.

In the event this Amendment is terminated prior to the full term of this Amendment, all fees, including all or any portion of the Branch Office Initial Fee or Branch Office Renewal Fee shall be considered to have been fully earned and no portion shall be refunded. In addition, Subsection 6.G. (or, for Franchise Agreements entered into prior to April 2018, Subsection 6.I.) of the Franchise Agreement, Surviving Financial Obligations, shall apply and you shall immediately become obligated to pay us for Lost Future Revenue applicable to the Branch Office (which Lost Future Revenue shall be in addition to any Lost Future Revenue which may be due as a result of termination of the Franchise Agreement).

10. MOTTO FRANCHISING, LLC may, in its sole and absolute discretion, permit Franchisee to renew and continue operation of the Branch Office provided, at least 90 days prior to the expiration of the term of this Amendment, Franchisee pays a Branch Office renewal fee of \$1,000 and executes the form of amendment MOTTO FRANCHISING, LLC is then using for the grant of rights to a Branch Office which amendment shall supersede this Amendment and may have terms materially different than this Amendment. If Franchisee continues to operate the Branch Office as a Motto mortgage Branch Office after the end of the term of the Branch Office without proper renewal, then, in addition to all other fees Franchisee must pay, a \$400 per month holdover fee for each Branch Office will be required, as provided in the Franchise Agreement.

11. The rights granted by this Amendment may be transferred only in connection with a transfer of the Office and pursuant to all requirements in the Franchise Agreement for transfer, including paying all fees required and signing the then current franchise agreement and applicable addenda or amendments (including the Branch Office Amendment), all of which may have different terms that may be materially different and less favorable.

12. Capitalized terms used herein shall have the meaning ascribed to them in the Franchise Agreement unless otherwise defined herein.

13. As consideration for Motto entering into this Amendment Franchisee agrees to release and forever discharge Motto and each of its affiliated entities, shareholders, directors, officers, partners, managers, employees, lawyers, agents, affiliates and assignees from all claims, disputes, damages or liabilities, and causes of action of any kind or nature, arising out of or in connection with the Franchise Agreement and the franchise.

14. This Amendment contains terms and conditions in addition to those contained in the Franchise Agreement to which it pertains. This Amendment is intended to be, and is hereby, incorporated in its entirety as a part of the Franchise Agreement and to be read as a material part thereof. It is expressly understood that to the extent, if any, the terms and conditions of this Amendment are different from, or conflict with, those set forth in the Franchise Agreement, this Amendment shall control. This Amendment may not be amended, changed, revised or altered, except by instrument in writing signed by the parties.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]**

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year above written.

**MOTTO FRANCHISING, LLC**

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

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

**FRANCHISEE** (If a corporation, partnership, limited liability company, or other legal entity recognized under applicable law)

Entity name: \_\_\_\_\_

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

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

**FRANCHISEE** (If an individual)

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

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

**EXHIBIT A-10**

**WEMLO PROCESSING AGREEMENT**



## wemlo Processing Agreement

This Processing Services Agreement (“**Agreement**”) is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_ (“**Broker**”) and Wemlo, LLC (“**wemlo**”).

### RECITALS

Broker is in the business of originating and brokering real estate secured mortgage loans (“**Loans**”).

Wemlo provides Loan processing services as set forth below and Broker desires to engage wemlo to perform such services.

**NOW, THEREFORE**, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt, and sufficiency of which are hereby acknowledged, the parties agree as follows.

1. **DUTIES AND RESPONSIBILITIES OF BROKER.** Broker shall submit Loan files to wemlo for processing. Broker’s duties and responsibilities under this Agreement are as follows:
  - (a) Broker shall submit only Qualified Files to wemlo for processing. A “**Qualified File**” is a Loan file which Broker has submitted to the automated underwriting system applicable to the particular file and received an “approve/eligible” status.
  - (b) Broker shall submit Qualified Files only for those state(s) in which Broker is authorized to conduct business.
  - (c) Broker shall make no misrepresentation or omission of information to wemlo.
  - (d) Broker shall communicate with borrowers as needed, to support wemlo in its efforts to obtain and transmit required documentation.
  - (e) Broker shall ensure that all information regarding Broker’s business, including its licensing information as set forth in the wemlo platform, is correct and up-to-date at all times.
  - (f) Broker shall ensure wemlo’s fee for the Services (defined below) is disclosed to the lender and borrower as required by federal and state law.
  - (g) Broker shall grant authority to wemlo and its designated employees as necessary to enable wemlo to perform the Services, including the authority to create log-in or other credentials so that wemlo may access Broker’s lender portals or other systems. For this purpose, Broker hereby authorizes wemlo and its designated employees to act on behalf of Broker to perform the Services on Qualified Files.
  - (h) Broker represents and warrants that it is duly authorized and licensed as required by applicable law to act as a mortgage broker in all states where it conducts business. Broker further represents and warrants that its mortgage loan originator employees or independent contractors are duly authorized and licensed as required by applicable law to act as a mortgage loan originator in all states where Broker conducts business.
  - (i) Broker represents and warrants that it will comply with all applicable federal and state laws and regulations when conducting its business including, but not limited to, restrictions regarding borrower-paid fees.

2. **SERVICES TO BE PROVIDED BY WEMLO.** Wemlo may accept a Qualified File for processing in its sole discretion. wemlo shall review and process the Qualified File, which includes performing the following services (collectively “*Services*”), as applicable and appropriate for the Loan type:

- (a) Communicate with Broker regarding any issues which arise during Loan processing.
- (b) Review and verify documents evidencing income, assets, source of funds and reserves.
- (c) Consult with Broker to obtain sales contract(s) and other information necessary to order appraisal.
- (d) Order and perform all necessary verifications, including but not limited to, verifications of mortgage payments, employment, address, rent, deposit, and taxes.
- (e) Obtain proof of required insurance policy(ies).
- (f) Inform Broker of any conditional items needed to obtain “clear to close” status for closing from lender.
- (g) Submit loan through the automated underwriting system of the agency for the particular loan program (Fannie Mae DU, Freddie Mac LP, USDA GUS, FHA TOTAL Scorecard, or VA through Fannie Mae or Freddie Mac AUS system).
- (h) Review conditions required by automated underwriting system(s) after receiving completed conditions from Broker.
- (i) Evaluate real property ownership information, including title insurance commitment insuring lender’s valid lien position.
- (j) Verify loan-to-value and debt-to-income ratios.
- (k) Obtain documentation for closing, hazard insurance premium, taxes, and preliminary title and order required closing documents.
- (l) Obtain and resubmit any conditions to lender for “clear to close” status.
- (m) Coordinate Loan closing with Broker, borrower and other required parties.
- (n) Assemble post-closing package for Broker.
- (o) Communicate with the borrower(s) to the extent necessary to fulfill obligations under subsections (a) through (n) of this Section.

3. **FEES FOR SERVICES.** Broker shall pay to wemlo the fees as set forth in Exhibit A to this Agreement which is attached hereto and incorporated herein by reference. Broker shall also pay all third party expenses incurred by wemlo in providing the Services, including, but not limited to, amounts due for credit reports, title reports, surveys, subordination agreements, verifications and delivery fees.

The parties agree that wemlo may change its fees upon thirty (30) days advance written notice to Broker. All fees and other amounts due must be paid and disclosed in compliance with applicable law.

For any closed Loan for which wemlo provided Services, the fees and other amounts due shall be paid to wemlo from the Loan proceeds. In the event all fees and other amounts due to wemlo are not paid from the Loan proceeds at closing, wemlo shall invoice the Broker for all fees and other amounts due. Broker shall pay all fees and other amounts due to wemlo under this Agreement within fifteen (15) days of its receipt of an invoice. This Section 3 shall survive termination of the Agreement.

4. **CONFIDENTIAL INFORMATION PROTECTION.** Broker and wemlo acknowledge that each will have access to confidential information of the other which may include, but is not limited to, trade secrets, business practices, products, customer lists and other proprietary information and confidential borrower information (“***Confidential Information***”). For themselves, their agents, employees and other representatives, Broker and wemlo agree to safeguard the Confidential Information as required by applicable law and not disclose any of the Confidential Information, directly or indirectly to a third party, unless such disclosure is to its attorney or pursuant to court order, other legal mandate or the written authorization of the other party to this Agreement or the authorization of the borrower with regard to the borrower’s Confidential Information. Each shall notify the other immediately in writing by notice to the above address if either is asked to provide Confidential Information to any person. Each also acknowledges that the other will be irreparably injured if either breaches any of its obligations under this Section 4 of the Agreement. Accordingly, each is entitled to an injunction and specific enforcement of this Section 4 of the Agreement in addition to any other remedy available at law or in equity. This Section 4 shall survive termination of the Agreement.

5. **TERMINATION AND NOTICE.** Either party may terminate this Agreement upon written notice to the other. The termination shall be effective immediately on the date of the notice. Upon termination, wemlo shall be entitled to payment in accordance with this Agreement for all Qualified Files for which wemlo has performed Services as of the effective date of termination. Wemlo agrees to promptly deliver to Broker all Qualified Files currently being processed and all Qualified Files which closed, in exchange for payment for all Services performed by wemlo and its expenses in accordance with this Agreement.

Written notifications shall be delivered to the address below. Either party may change the address for such notice by providing notice to the other party in accordance with this Section 5. Written notification may be satisfied by certified mail (return receipt requested), overnight mail, personal delivery, or electronic mail to the designated address(es) below.

If to Broker:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Attn: \_\_\_\_\_

Email address: \_\_\_\_\_

If to wemlo:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Attn: \_\_\_\_\_

Email address: \_\_\_\_\_

6. **RELATIONSHIP OF PARTIES.** Broker acknowledges and agrees that neither wemlo nor any of its employees are an employee of Broker, and wemlo is acting as an independent contractor for Broker. The parties are separate entities, neither may bind the other, and they do not intend to create a partnership or joint venture by virtue of this Agreement.

7. **ASSIGNMENT OR TRANSFER.** Broker may not assign or transfer the Agreement. Wemlo may assign or transfer the Agreement in its sole discretion upon written notice to Broker.

8. **GOVERNING LAW.** This Agreement shall be governed by, and construed and enforced in accordance with applicable federal law and the laws of the state of Florida without regard to its principles of conflict of laws.
9. **INDEMNIFICATION.** Broker agrees to indemnify, defend, and hold wemlo and any entity that directly or indirectly is controlled by or under common control with wemlo and its and their respective present and former officers, directors, employees, agents, representatives, and affiliates harmless from and against any and all third-party claims, suits, proceedings, demands, liabilities, losses, damages, causes of action, and expenses, including reasonable attorney's fees, relating or arising out of or in connection with Broker's breach of its representations and warranties herein or other term or provision of this Agreement. This Section 9 shall survive termination of the Agreement.
10. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL WEMLO'S AGGREGATE LIABILITY TO BROKER UNDER THIS AGREEMENT EXCEED THE FEE EARNED BY WEMLO FOR THE TRANSACTION FROM WHICH A CLAIM ARISES.
11. **ATTORNEY'S FEES.** If either party shall commence a proceeding against the other to enforce and/or recover damages for breach of this Agreement, the prevailing party in such proceeding shall be entitled to recover from the other party all reasonable costs and expenses of enforcement and collection of any and all remedies and damages, or all reasonable costs and expenses of defense, as the case may be. The foregoing costs and expenses shall include reasonable attorneys' fees. For purposes of this provision, the "*prevailing party*" shall be the party whom the judge determines on balance received the greater benefit from the decision based on the representative demands of both sides. In awarding such fees, the judge can consider the level of success achieved by both parties and/or the level of success achieved by one party considering its objectives.
12. **MODIFYING THE AGREEMENT.** This Agreement may be modified only in writing by an authorized representative of Broker and wemlo.

**IN WITNESS WHEREOF**, this Agreement has been executed by the duly authorized representatives of the parties effective as of the date first above written.

Broker

wemlo

[Broker Name]

wemlo, LLC

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

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

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## EXHIBIT A

### wemlo Fee Schedule

Wemlo’s fees for the Services are set forth below and shall be paid in accordance with the Agreement for each Qualified File for which wemlo provides Services, except as follows:

In the event Broker withdraws from wemlo a Qualified File for which a Conditional Approval has been issued, but before a Clear to Close status has been assigned, the fee for such Qualified File shall be equal to one-half of the applicable amount in the schedule below.

For purposes of this Exhibit A, as to any Qualified File “***Clear to Close***” status means the proposed lender for the Loan has determined that all conditions are satisfied and the Loan may be closed. “***Conditional Approval***” means the proposed lender for the Loan has issued an approval which may be subject to conditions.

| Loan Product/Type                                                             | Fee*  |
|-------------------------------------------------------------------------------|-------|
| FHA                                                                           | \$825 |
| Conventional                                                                  | \$825 |
| USDA                                                                          | \$825 |
| VA                                                                            | \$825 |
| Jumbo                                                                         | \$825 |
| VA IRRRL/FHA Streamline                                                       | \$695 |
| Second Mortgages (Stand Alone)                                                | \$695 |
| Renovation Loan (203K/VA)                                                     | \$825 |
| New Construction: <90 Days                                                    | \$825 |
| Mobile Home/Manufactured Home                                                 | \$825 |
| New Construction: >90 Days                                                    | \$825 |
| NON-QM: Debt Service Coverage Ratio (DSCR)                                    | \$825 |
| NON-QM: Bank Statement w/ Lender Income Approval                              | \$825 |
| ITIN                                                                          | \$825 |
| First and Second Loan Closing Simultaneously w/ Down Payment Assistance (DPA) | \$825 |
| Resubmission                                                                  | \$100 |

\*These fee amounts are applicable in all states except New Jersey, where the fee per each loan product/type, as described in the table above, is \$500.

## **EXHIBIT A-11**

### **WEMLO<sup>®</sup> LBS<sup>SM</sup> AGREEMENT**

**LBS AGREEMENT  
FOR MOTTO MORTGAGE OFFICE ONLY**

**BETWEEN:**

- (1) Wemlo, LLC, a Delaware limited liability corporation with its principal place of business located at 4800 T-Rex Ave. Suite 305, Boca Raton, FL 33431 (“*wemlo*”), and
- (2) [ENTITY NAME], doing business as Motto Mortgage [\_\_\_\_], with its office located at [\_\_\_\_]; (“*Customer*” or “*you*”) (collectively, the “*Parties*”).

**DATED:**

As of the date signed by the last party below (the “*Effective Date*”):

**NUMBER OF AUTHORIZED USERS:** [\_\_\_\_] at an initial subscription fee of [\$0] per Authorized User per month.

**THE PARTIES AGREE:**

**1 Term**

This LBS Agreement begins on the Effective Date and continues until terminated.

**2 License Granted and Services Provided**

**2.1 Terms of Use.** This LBS Agreement by and between Customer and wemlo, governs the use by Customer of wemlo’s mortgage loan origination system, a digital platform known as the Loan Brokering System, (collectively, the “*LBS*”), and the services provided by wemlo in connection with the LBS (the “*LBS Services*”) and is subject to the wemlo terms of use found at <https://www.wemlo.io/termsandconditions>, as may be updated from time-to-time (the “*Terms of Use*”). The Terms of Use are incorporated into this LBS Agreement. The LBS Agreement constitutes the complete and exclusive terms of the agreement between the Parties regarding Customer’s access and use of the LBS and LBS Services, and supersedes all other prior and contemporaneous agreements or communications with respect to the subject matter hereof, including any agreement which governs the terms of loan processing as executed between the Parties, (the “*Processing Agreement*”).

**2.2 License.** Wemlo grants to Customer a limited, non-exclusive, terminable, non-transferable license to access and use the LBS Services through the LBS, or by any other means as the Parties may mutually agree. Wemlo shall grant to Customer a license for the number of users as set forth above, which wemlo designates for Customer, and/or any other individual which Customer authorizes as a user of the LBS and LBS Services (“*Authorized Users*”). The LBS Services may be accessed and used only by the number of Authorized Users specified in this LBS Agreement, for the fees corresponding to that number of Authorized Users. For each Authorized User, Customer will be provided a username and password, which enables the number of Customer’s Authorized Users to access the LBS and use the LBS Services.

**2.3 Services Provided.** Wemlo agrees to provide the LBS Services and access to the LBS as described herein, as further described in the Description of Services located in Exhibit A to this LBS Agreement. The LBS and LBS Services, including any updates, enhancements, new features, and/or the addition of any new Web



properties, are subject to the Terms of Use. All rights not expressly granted to Customer and Authorized Users pursuant to the LBS Agreement are reserved to wemlo, and all uses of the LBS and LBS Services not expressly permitted hereunder are prohibited.

- 2.4 **Upgrades and Modifications.** Wemlo reserves the right to upgrade, modify, replace or reconfigure the LBS and the LBS Services at any time, provided that Customer will be provided at least thirty (30) days' advance notice for changes that materially and adversely affect any use of the LBS Services. Wemlo may also change the fee schedule, support terms, and service level agreements for the LBS Services subject to at least thirty (30) days' advance notice. Any such notice may be given and shall be effective if communicated by wemlo on its website ([www.wemlo.io](http://www.wemlo.io)), or if provided in an email, sent to Customer or Customer's account representative, or if included in any amendment, addendum, extension or new version of this LBS Agreement.

### 3 Intellectual Property Rights

- 3.1 **Ownership.** Wemlo owns all rights, title, and interest (including but not limited to all intellectual property rights) in the LBS, LBS Services, the software, any material or information provided pursuant to the LBS Services, the LBS and wemlo name, logo, and all other wemlo trademarks and service marks (along with all derivative works, updates, modifications, improvements, and or enhancements to the foregoing) and any associated applications, tools or data, and all additions, modifications and improvements made or specified by wemlo, its agents or contractors, are the property of wemlo, and may be protected by United States and international copyright, trademark and patent laws, as applicable. The grant of licenses set forth here to access the LBS and to use the LBS Services provides neither title nor intellectual property rights to Customer or to the patents, trademarks, trade secrets, copyrights, or other intellectual property embodied or used in connection with the LBS or LBS Services except for the rights expressly granted in this LBS Agreement. By using the LBS Services, neither Customer nor its Authorized Users gain any ownership interest in such items. Wemlo does not claim ownership of the usage information Customer or its Authorized Users provide for the use and operation of the LBS Services. Wemlo and its vendors and contractors may use such information to operate and administer the LBS Services. In addition, wemlo may retain, analyze, use and share such information in anonymous, filtered, or aggregate form for general business purposes.

- 3.2 **Copyright Restrictions on Software.** Any software that is made available to download from the LBS ("**Software**") is the copyrighted work of wemlo and/or its suppliers. Use of the Software is governed by the terms of the end user license agreement, if any, which accompanies or is included with the Software ("**License Agreement**"). In some cases, Customer or an Authorized User may be unable to install any Software that is accompanied by or includes a License Agreement, unless you first agree to the License Agreement terms. The Software so provided is made available for download solely for use according to the License Agreement. Any reproduction or redistribution of the Software not in accordance with the License Agreement is expressly prohibited by law and may result in civil and criminal penalties.

WITHOUT LIMITING THE FOREGOING, COPYING OR REPRODUCTION OF THE SOFTWARE TO ANY OTHER SERVER OR LOCATION FOR FURTHER REPRODUCTION OR REDISTRIBUTION IS EXPRESSLY PROHIBITED, UNLESS SUCH REPRODUCTION OR REDISTRIBUTION IS EXPRESSLY PERMITTED BY THE LICENSE AGREEMENT ACCOMPANYING SUCH SOFTWARE.

- 3.2.1 **U.S. Government Restricted Rights.** The Software is provided with RESTRICTED RIGHTS. If Software is being acquired by or on behalf of the U.S. Government or by a U.S. Government prime contractor, then the Government's rights in Software and accompanying documentation will be only as set

forth in this LBS Agreement, and in accordance with 48 CFR 227.7201 through 227.7202-4 (for Department of Defense acquisitions) and with 48 CFR 2.101 and 12.212 (for non-Department of Defense Acquisitions).

- 3.3 **Customer's Duty to Report Infringement.** By accessing and/or using the LBS and the LBS Services, Customer and/or its Authorized Users agree to report to wemlo all claims or suspected claims of copyright or other infringement of wemlo's intellectual property or other proprietary rights. If Customer believes that any information on LBS infringes on Customer's copyrights or any other intellectual property rights, you should notify wemlo of your claim in accordance with the following procedures.

Wemlo will process notices of alleged infringement in accordance with the Digital Millennium Copyright Act ("**DMCA**") and other applicable copyright laws. Notification of claimed infringement must be in writing and provided to wemlo's legal department. To be effective, the notice of infringement must contain the following information: (1) A physical or electronic signature of a person authorized to act on behalf of the owner of an exclusive right that is allegedly infringed; (2) Identification of the copyrighted work claimed to have been infringed, or, if multiple copyrighted works at a single online site are covered by a single notification, a representative list of such works at that site; (3) Identification of the material that is claimed to be infringing or to be the subject of infringing activity and that is to be removed or access to which is to be disabled, and information reasonably sufficient to permit wemlo to locate the material; (4) Information reasonably sufficient to permit wemlo to contact the complaining party, such as an address, telephone number, and, if available, an electronic mail address at which the complaining party may be contacted; (5) A statement that the complaining party has a good faith belief that use of the material in the manner complained of is not authorized by the copyright owner, its agent, or the law; and (6) A statement that the information in the notification is accurate, and under penalty of perjury, that the complaining party is authorized to act on behalf of the owner of an exclusive right that is allegedly infringed.

## 4 Communications

- 4.1 **From wemlo.** Wemlo may periodically contact Customer or Authorized Users for customer service purposes. By accessing the LBS Services, Customer and each of its Authorized Users consent to receive such communications. Customer agrees that wemlo may reference its business relationship with Customer in its marketing or sales materials.

## 5 Assignment, Default, and Termination

- 5.1 **Assignment.** Customer may not assign this LBS Agreement or Customer's rights or obligations thereunder, by operation of law or otherwise, without the prior written consent of wemlo, which consent shall not be unreasonably withheld. Any attempted assignment in violation of the foregoing shall be null and void. This LBS Agreement is for the sole benefit of the Parties hereto and the respective successors and permitted assigns. No provision of this LBS Agreement is intended to confer any rights or benefits on any third party and no such third party may bring any action under this LBS Agreement.
- 5.2 **Termination by wemlo.** Wemlo may terminate the LBS Agreement for any reason upon 90 days' notice to Customer.
- 5.3 **Termination due to Customer's Breach.** In the event that Customer breaches the terms and conditions of the LBS Agreement, including the Terms of Use, or a petition for bankruptcy is filed by or against Customer (and,

in the case of petitions filed against Customer, not dismissed within 60 days), and such breach is not cured within 10 days after receipt of written notice from wemlo, then, to the extent permitted by applicable law, wemlo shall have the right terminate the LBS Agreement, immediately upon written notice to Customer. All remedies of wemlo hereunder are cumulative and may, to the extent permitted by law, be exercised concurrently or consecutively and jointly or severally, and the exercise of any one remedy shall not be deemed to be an election of such remedy to preclude the exercise of any other remedy and wemlo's remedies shall survive termination or expiration of this LBS Agreement. No failure on the part of wemlo to exercise, and no delay in exercising any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise by wemlo of any right or remedy hereunder preclude any other or further exercise of any partially exercised right or remedy.

**5.4 Expiration of Rights Upon Termination.** Upon expiration or termination of the LBS Agreement, all rights granted herein shall revert to wemlo. All Customer's access to and use of the LBS Services by Customer and its Authorized Users must then cease, and all materials, applications and tools downloaded from the LBS Services must be erased, deleted, or destroyed.

**5.5 Suspension of Services.** In the event of a breach (as described in Subparagraph 5.3) of this LBS Agreement, by Customer or its Authorized Users in their use of the LBS or LBS Services, which in wemlo's reasonable discretion, poses a risk of disruption or interference with the LBS, LBS Services, or any other user's use of any of wemlo's services, wemlo reserves the right to restrict or suspend Customer and/or its Authorized Users' access to the LBS and LBS Services.

## **6 Miscellaneous**

**6.1 Authority to Contract.** Customer represents and warrants that (i) Customer has the full power and authority to enter into this LBS Agreement, and to agree to all the terms and conditions contained therein and in the Terms of Use; (ii) only Customer and its Authorized Users shall per permitted to access the LBS and LBS Services and any related tools, applications, information and materials provided in connection with the LBS and LBS Services; and (iii) Customer shall obtain and maintain in effect all permits, licenses and authorizations necessary for the intended use of the LBS and the LBS Services.

**6.2 Customer's Duty to Maintain Minimum Standards.** Customer agrees that in order to maintain functionality of the LBS and LBS Services, Customer will use the most current version of software, including anti-virus and security software, required to support the performance of LBS Services, and stay current with all required computer system related upgrades, updates, patches, or other upgrades which are required to support the performance of LBS Services.

**6.3 Force Majeure.** A failure or delay in performance, other than any payment obligations, by reason of any law, acts of God, natural disaster, labor controversy, encumbered intellectual property right, war, riot, act of terrorism, epidemic, pandemic, emergency declaration or any similar event beyond a Party's reasonable control shall not be a breach hereof. Wemlo shall not be liable for any loss or damage of any kind or for any consequences thereof resulting from delay or inability to deliver caused by strikes, lockouts, fire, theft, shortage, inability to obtain materials or shipping space, breakdowns, delays or carriers, manufacturers, or suppliers, acts of God, governmental statutes, proclamations or regulations, riot, civil commotion, war, malicious mischief, or by any cause beyond its reasonable control.

6.4 **Injunctive Relief.** Customer acknowledges and agree that the LBS Services and the tools, applications, information and materials provided in connection with the LBS Services possess a special, unique and extraordinary character that makes difficult the assessment of the monetary damages that would be sustained as a result of unauthorized use, and that unauthorized use may cause immediate and irreparable damage to wemlo or other users for which wemlo or such other users would not have an adequate remedy at law. Therefore, Customer agrees that, in the event of such unauthorized use, in addition to such other legal and equitable rights and remedies as may be available to wemlo, Wemlo shall be entitled to injunctive and other equitable relief without the necessity of proving damages or furnishing a bond or other security.

6.5 **Amendment, Modification, and Waiver.** No amendment to or modification of this LBS Agreement is effective unless it is in writing signed by an authorized representative of each Party. All terms and conditions set forth in this LBS Agreement are automatically incorporated in, and deemed part of, each such amendment. No waiver of any breach in the LBS Agreement shall be deemed a waiver of any other breach of the LBS Agreement.

6.6 **Severability.** If any provision of this LBS Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this LBS Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

6.7 **Governing Law and Jurisdiction.** This Agreement is governed by and construed in accordance with the laws of the State of Florida without giving effect to any choice or conflicts of law provision or rule thereof. Any legal suit, action or proceeding arising out of or related to this LBS Agreement or the licenses granted hereunder will be instituted exclusively in the federal or state courts located in Boca Raton, Florida, and Customer and wemlo each irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding and irrevocably waives any argument that such courts constitute an inconvenient forum.

6.8 **Entire Agreement.** This LBS Agreement and the Terms of Use, constitutes the entire and complete agreement between the Parties regarding the LBS and LBS Services covered herein and supersedes any other prior oral or written understandings and agreements of the Parties regarding the LBS and LBS Services covered by this LBS Agreement

THE PROVISIONS SET FORTH IN THIS LBS AGREEMENT HEREIN SHALL NOT BE BINDING UNTIL FULLY EXECUTED BY AN AUTHORIZED SIGNATORY FOR BOTH CUSTOMER AND WEMLO (OR ITS APPLICABLE AFFILIATE).

CUSTOMER: [\_\_\_\_\_] d/b/a  
Motto Mortgage *[Office name]*

WEMLO, LLC

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

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

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

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

Printed name: \_\_\_\_\_

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

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

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

## EXHIBIT A

### Description of LBS Services

The LBS Services which are provided to Customer are as follows:

- **Mortgage Broker Software:** Software which allows for the facilitation of mortgage transactions, from processing loan applications to mortgage closing.
- **Mortgage Document Point of Sale (“POS”) System.** Allows users to upload and share data and documentation for residential mortgage transactions, exchange communications, and track loan statuses.
- **Integrated Communication System.** Integrates communications within the LBS via email, and messaging, as well as a notification and alert system.

**Educational Tools & Services.** Educational courses and resources, designed to assist users with the operation of the LBS and LBS Services, are available to users within the LBS at no additional cost.

- **Hosting Services.** Cloud based hosting service, making the LBS accessible via web browser.
- **Third Party Integrations.** Third party products and services are centralized and accessible through the LBS, such as credit reporting, title, and mortgage underwriting services. You may need to create your own account with third party providers to access their products and services on the LBS.
- **Technical Support Services.** Wemlo shall also include as part of the LBS Services, remote technical service and support available during wemlo’s normal business hours. All requests for support must be made via communication to [help@mottomortgage.com](mailto:help@mottomortgage.com). Wemlo will use commercially reasonable efforts to keep the LBS available on a 24 hour a day, 7 day a week basis, via web site access utilizing the Minimum Configuration (as defined below), subject to occasional scheduled downtime (during non-working hours, for short periods of time, typically on non-business days and communicated in advance wherever possible) for maintenance purposes, unforeseen maintenance and systems outages, or routine testing of the LBS Services. As used herein, “*Minimum Configuration*” means the minimum configuration of client hardware and software required to access the LBS Services, which, shall be that users have an internet connection and a modern internet browser updated to its most recent version. Wemlo recommends a broadband internet speed of at least 10Mbps and the Chrome or Safari browser.

**EXHIBIT B**

**PROMISSORY NOTE**

## PROMISSORY NOTE

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

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

FOR VALUE RECEIVED, the undersigned maker of this Promissory Note (“**Maker**”), promises to pay to the order of Motto Franchising, LLC, at 5075 S. Syracuse Street, Denver, Colorado 80237, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), in the currency of the United States of America.

1. On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and on the \_\_\_\_\_ day of each and every month thereafter, the sum of \$ \_\_\_\_\_ shall be due and payable in full.
2. On the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, the entire outstanding balance, if not sooner paid, shall be due and payable in full.
3. Any payment is late if not received by Motto Franchising, LLC within 10 days after it is due. If payment is late, Motto Franchising, LLC may, in its sole discretion elect to:
  - (a) Declare the entire unpaid balance immediately due and payable; or
  - (b) Accept the late payment along with a late charge in the amount of 10% of the amount of the late payment. Such late charge shall be for the purpose of compensating Motto Franchising, LLC for additional expenses which it is recognized Motto Franchising, LLC will incur because of the late payment.
4. If a payment is late and Motto Franchising, LLC elects to declare the entire unpaid balance due and payable, Motto Franchising, LLC shall first provide Maker(s) with written notice of its election, demanding payment in full within 10 days. In the event a default exists after the 10-day notice period has expired, and this Promissory Note is referred to an attorney for collection, Maker(s) promises and agrees:
  - (a) That the entire outstanding balance, in addition to any late charges, shall bear interest from the original due date of the delinquent payment at the rate of 20% per year or, if such rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted; and
  - (b) To pay Motto Franchising, LLC's reasonable attorneys' fees and costs incurred as a result of the default.
5. All payments, as of the date of receipt, shall first be credited to any late charges due; the balance, if any, shall next be credited to the outstanding balance due.
6. This Promissory Note constitutes part performance of the Franchise Agreement between Maker(s) and Motto Franchising, LLC dated \_\_\_\_\_ (the “**Franchise Agreement**”), and as such, shall be read and interpreted in a manner consistent with the terms of the Franchise Agreement which provides that a default under the terms of this Promissory Note shall be grounds for termination of the Franchise Agreement. Accordingly, Motto Franchising, LLC may, in addition to the collection provisions of paragraphs 3 and 4 above, terminate the Franchise Agreement under the provisions of Section 13 of the Franchise Agreement. Neither the reference to the Franchise Agreement nor any provision thereof shall affect or impair the absolute



and unconditional obligation of Maker to pay the principal of and interest on this Promissory Note as provided herein.

7. The Maker(s) and endorser(s) of this Promissory Note waive and excuse presentment for acceptance and payment, notice of dishonor, and protest of dishonor, and agree to any extension of time of payment and partial payments before, at, or after maturity.
8. In the event of any sale, transfer, assignment, encumbrance or other conveyance of the rights, duties or obligations of Maker(s) under the terms of the Franchise Agreement, the entire unpaid balance of this Promissory Note as of the date of such sale, transfer, assignment, encumbrance or other conveyance shall immediately become due and payable in full without any further notice or demand.
9. If the Franchise Agreement is terminated pursuant to Section 13 therein, then this Promissory Note shall immediately become due and payable, without notice, together with reasonable attorneys' fees if the collection is placed in the hands of an attorney to obtain or enforce payment.
10. This Promissory Note shall be construed and enforced in accordance with the laws of the State of Colorado.
11. The Maker acknowledges and agrees that this Promissory Note is made and issued as a "***transferable record***" under the United States Electronic Signatures in Global and National Commerce and/or the Uniform Electronic Transactions Act or any other equivalent, applicable law.
12. Maker(s) may prepay the amount outstanding under this Promissory Note, in whole or in part, at any time without penalty.
13. This Promissory Note is not assignable by Maker without the prior written consent of Motto Franchising, LLC.
14. Maker agrees to reimburse Motto Franchising, LLC for all expenditures it incurs in attempting to collect any amounts due under this Promissory Note. If Motto Franchising, LLC takes legal action to enforce or collect this Promissory Note, it will be entitled to reasonable attorneys' fees, court costs and any other costs it incurs, as well as any additional relief which it may be entitled.
15. Capitalized terms used but not otherwise defined herein shall have the meanings provided in the Franchise Agreement.

MAKER ACKNOWLEDGES THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS PROMISSORY NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY.

MAKER: \_\_\_\_\_

MAKER: \_\_\_\_\_

**EXHIBIT C**

**FINANCIAL STATEMENTS**

# **Motto Franchising, LLC**

**(A Wholly Owned Subsidiary of RE/MAX, LLC)**

**Consolidated Financial Statements**

**December 31, 2024 and 2023**

**(With Independent Auditors' Report Thereon)**

## **Report of Independent Auditors**

The Member  
Motto Franchising, LLC

### **Opinion**

We have audited the consolidated financial statements of Motto Franchising, LLC (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of loss, member's equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

*Ernst & Young LLP*

April 4, 2025



KPMG LLP  
Suite 800  
1225 17th Street  
Denver, CO 80202-5598

## **Independent Auditors' Report**

The Member  
Motto Franchising, LLC:

### *Opinion*

We have audited the consolidated financial statements of Motto Franchising, LLC (a Delaware limited liability company and wholly owned subsidiary of RE/MAX, LLC) and its subsidiary (the Company), which comprise the consolidated statements of income (loss), comprehensive income (loss), member's equity, and cash flows for the year ended December 31, 2022, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2022 in accordance with U.S. generally accepted accounting principles.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 U.S. generally accepted accounting principles, 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 that the consolidated financial statements are 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 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 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.

*KPMG LLP*

Denver, Colorado  
April 4, 2023



**Motto Franchising, LLC**  
(A Wholly Owned Subsidiary of RE/MAX, LLC)  
Consolidated Balance Sheets  
(In thousands)

|                                                     | <b>As of December 31,</b> |                  |
|-----------------------------------------------------|---------------------------|------------------|
|                                                     | <b>2024</b>               | <b>2023</b>      |
| <b>Assets</b>                                       |                           |                  |
| Current assets:                                     |                           |                  |
| Cash and cash equivalents                           | \$ 34,066                 | \$ 23,741        |
| Accounts and notes receivable, current portion, net | 326                       | 564              |
| Other current assets                                | 1,652                     | 1,612            |
| Total current assets                                | 36,044                    | 25,917           |
| Property and equipment, net                         | 147                       | 126              |
| Other intangible assets, net                        | 592                       | 546              |
| Other assets                                        | 1,472                     | 1,580            |
| <b>Total assets</b>                                 | <b>\$ 38,255</b>          | <b>\$ 28,169</b> |
| <b>Liabilities and member's equity</b>              |                           |                  |
| Current liabilities:                                |                           |                  |
| Accounts payable                                    | \$ 20                     | \$ 175           |
| Accounts payable to affiliates                      | 202                       | 1,789            |
| Accrued liabilities                                 | 193                       | 226              |
| Deferred revenue                                    | 827                       | 915              |
| Other current liabilities                           | 1,470                     | 710              |
| Total current liabilities                           | 2,712                     | 3,815            |
| Deferred revenue, net of current portion            | 2,074                     | 2,552            |
| Other liabilities, net of current portion           | 705                       | 1,460            |
| Total liabilities                                   | 5,491                     | 7,827            |
| Member's equity:                                    |                           |                  |
| Member's equity                                     | 32,764                    | 20,342           |
| Total member's equity                               | 32,764                    | 20,342           |
| <b>Total liabilities and member's equity</b>        | <b>\$ 38,255</b>          | <b>\$ 28,169</b> |

*See accompanying notes to consolidated financial statements.*

**Motto Franchising, LLC**  
(A Wholly Owned Subsidiary of RE/MAX, LLC)  
Consolidated Statements of Loss  
(In thousands)

|                                                | Year Ended December 31, |             |            |
|------------------------------------------------|-------------------------|-------------|------------|
|                                                | 2024                    | 2023        | 2022       |
| Revenue:                                       |                         |             |            |
| Continuing franchise fees                      | \$ 10,751               | \$ 10,912   | \$ 10,117  |
| Marketing Fund fees                            | 896                     | 856         | 713        |
| Franchise sales and other revenue              | 2,139                   | 1,609       | 1,210      |
| Total revenue                                  | 13,786                  | 13,377      | 12,040     |
| Operating expenses:                            |                         |             |            |
| Selling, operating and administrative expenses | 15,634                  | 16,304      | 14,781     |
| Marketing Fund expenses                        | 896                     | 856         | 713        |
| Depreciation and amortization                  | 376                     | 253         | 226        |
| Impairment charge                              | —                       | 11,800      | —          |
| Total operating expenses                       | 16,906                  | 29,213      | 15,720     |
| Operating loss                                 | (3,120)                 | (15,836)    | (3,680)    |
| Other income:                                  |                         |             |            |
| Interest income                                | 1,091                   | 457         | 49         |
| Total other income                             | 1,091                   | 457         | 49         |
| Net loss                                       | \$ (2,029)              | \$ (15,379) | \$ (3,631) |

*See accompanying notes to consolidated financial statements.*

**Motto Franchising, LLC**  
(A Wholly Owned Subsidiary of RE/MAX, LLC)  
Consolidated Statements of Member's Equity  
(In thousands)

|                                                                                          | <b>Member's equity</b> |
|------------------------------------------------------------------------------------------|------------------------|
| <b>Balances, January 1, 2022</b>                                                         | \$ 16,499              |
| Net loss                                                                                 | (3,631)                |
| Member contribution of equity-based compensation                                         | 1,331                  |
| Payroll taxes related to net settled restricted stock units                              | (285)                  |
| Contribution from Member                                                                 | 6,234                  |
| <b>Balances, December 31, 2022</b>                                                       | \$ 20,148              |
| Net loss                                                                                 | (15,379)               |
| Member contribution of equity-based compensation                                         | 2,002                  |
| Member distribution of dividend equivalents paid to Holdings Class A common stockholders | (62)                   |
| Payroll taxes related to net settled restricted stock units                              | (281)                  |
| Contribution from Member                                                                 | 13,914                 |
| <b>Balances, December 31, 2023</b>                                                       | \$ 20,342              |
| Net loss                                                                                 | (2,029)                |
| Member contribution of equity-based compensation                                         | 1,640                  |
| Member distribution of dividend equivalents paid to Holdings Class A common stockholders | (65)                   |
| Payroll taxes related to net settled restricted stock units                              | (264)                  |
| Contribution from Member                                                                 | 13,140                 |
| <b>Balances, December 31, 2024</b>                                                       | \$ 32,764              |

*See accompanying notes to consolidated financial statements.*

**Motto Franchising, LLC**  
(A Wholly Owned Subsidiary of RE/MAX, LLC)  
Consolidated Statements of Cash Flows  
(In thousands)

|                                                                             | Year Ended December 31, |             |            |
|-----------------------------------------------------------------------------|-------------------------|-------------|------------|
|                                                                             | 2024                    | 2023        | 2022       |
| Cash flows from operating activities:                                       |                         |             |            |
| Net loss                                                                    | \$ (2,029)              | \$ (15,379) | \$ (3,631) |
| Adjustments to reconcile net loss to net cash used in operating activities: |                         |             |            |
| Depreciation and amortization                                               | 376                     | 253         | 226        |
| Bad debt expense                                                            | 246                     | 1,019       | 592        |
| Equity-based compensation expense                                           | 1,793                   | 2,087       | 1,176      |
| Fair value adjustments to contingent consideration                          | 5                       | (786)       | (60)       |
| Impairment charge                                                           | —                       | 11,800      | —          |
| Changes in operating assets and liabilities                                 |                         |             |            |
| Accounts and notes receivable, current portion                              | (8)                     | (907)       | (413)      |
| Other current and noncurrent assets                                         | 68                      | 50          | (39)       |
| Other current and noncurrent liabilities                                    | (1,926)                 | 908         | 704        |
| Deferred revenue, current and noncurrent                                    | (566)                   | (543)       | (17)       |
| Net cash used in operating activities                                       | (2,041)                 | (1,498)     | (1,462)    |
| Cash flows from investing activities:                                       |                         |             |            |
| Purchases of property, equipment and capitalization of software             | (445)                   | (453)       | (322)      |
| Net cash used in investing activities                                       | (445)                   | (453)       | (322)      |
| Cash flows from financing activities:                                       |                         |             |            |
| Payments related to tax withholding for share-based compensation            | (264)                   | (281)       | (285)      |
| Dividend equivalents paid to Holdings Class A common stockholders           | (65)                    | (62)        | —          |
| Payment of contingent consideration                                         | —                       | (754)       | (760)      |
| Contribution from Member                                                    | 13,140                  | 13,914      | 6,234      |
| Net cash provided by financing activities                                   | 12,811                  | 12,817      | 5,189      |
| Net increase in cash, cash equivalents and restricted cash                  | 10,325                  | 10,866      | 3,405      |
| Cash, cash equivalents and restricted cash, beginning of period             | 23,741                  | 12,875      | 9,470      |
| Cash, cash equivalents and restricted cash, end of period                   | \$ 34,066               | \$ 23,741   | \$ 12,875  |

*See accompanying notes to consolidated financial statements.*

Motto Franchising, LLC  
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Notes to Consolidated Financial Statements  
December 31, 2024 and 2023

**1. Business and Organization**

Motto Franchising, LLC ("Motto Franchising" or the "Company") is a Delaware limited liability company and a wholly owned subsidiary of RE/MAX, LLC ("RE/MAX, LLC" or "Member"). RE/MAX, LLC is a franchisor in the real estate industry, franchising real estate brokerages globally under the RE/MAX brand and mortgage brokerages within the United States ("U.S.") under the Motto Mortgage brand ("Motto"). RE/MAX, LLC is owned by RE/MAX Holdings, Inc. ("Holdings"), which is a public company. Motto Franchising was formed as a Delaware corporation on August 25, 2016. On September 12, 2016, Motto Franchising acquired certain assets of Full House Mortgage Connection, Inc. ("Full House"). On August 25, 2020, RE/MAX, LLC acquired wemlo, a fintech company that has developed its cloud service for mortgage brokers, combining third-party loan processing services with an all-in-one digital platform. Wemlo will offer services primarily to the Company's franchisees but also offer its third-party loan processing services to independent mortgage brokerage operators. Because of the Company's relationship as a wholly owned subsidiary of RE/MAX, LLC, the accompanying consolidated financial statements do not purport to reflect the results of operations and financial position which might have been obtained if the Company were autonomous.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The accompanying consolidated financial statements and notes thereto have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The accompanying consolidated financial statements include the accounts of Motto and its consolidated subsidiary, Motto Marketing Fund, LLC. All significant intercompany accounts and transactions have been eliminated. In the opinion of management, the accompanying consolidated financial statements reflect all normal and recurring adjustments necessary to present fairly the Company's financial position as of December 31, 2024 and 2023, the results of its operations, changes in its member's equity and its cash flows for the years ended December 31, 2024, 2023 and 2022.

The Company receives shared services from RE/MAX, LLC for a variety of administrative functions, such as accounting, legal and human resources. The Company does not have its own administrative support functions and relies on RE/MAX, LLC for these services. There is no expense recognized for any support services provided by RE/MAX, LLC in the years ended December 31, 2024, 2023 and 2022.

***Use of Estimates***

The preparation of the accompanying consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Subsequent Events***

Management evaluated the activity of the Company through April 4, 2025, which is the date the consolidated financial statements were issued and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

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## Revenue Recognition

The Company generates its revenue from contracts with customers. The Company's franchise agreements offer the following benefits to the franchisee: common use and promotion of Motto trademarks; distinctive sales and promotional materials; access to technology; marketing tools and education; standardized supplies and other materials used in Motto offices; and recommended procedures for operation of Motto offices. The Company concluded that these benefits are highly related and all part of one performance obligation for each franchise agreement, a license of symbolic intellectual property that is billed through a variety of fees including continuing franchise fees, marketing fund fees and franchise sales. The method used to measure progress is over the passage of time for most streams of revenue. The following is a description of principal activities from which the Company generates its revenue.

### Continuing Franchise Fees

Continuing franchise fees are fixed contractual fees paid monthly by franchisees based on the number of open offices. Motto offices reach the full monthly billing once the Motto office has been open for 12 months. This revenue is recognized in the month for which the fee is billed. This revenue is a usage-based royalty as it is dependent on the number of Motto open offices.

### Marketing Fund Fees

Marketing Fund fees are fixed contractual fees paid monthly by franchisees based on the number of Motto offices. These revenues are obligated to be used for marketing campaigns to build brand awareness and to support marketing technology. Amounts received into the Marketing Fund is recognized as revenue in the month for which the fee is billed. This revenue is a usage-based royalty as it is dependent on the number of Motto offices.

All assets of the Marketing Fund are contractually restricted for the benefit of franchisees, and the Company recognizes an equal and offsetting liability on the Company's balance sheet for all amounts received. Additionally, this results in recording an equal and offsetting amount of expenses against all revenues such that there is no impact to overall profitability of the Company from these revenues. In addition, advertising costs are expensed as incurred.

### Franchise Sales

Franchise sales comprises revenue from the sale or renewal of franchises. A fee is charged upon a franchise sale or renewal. Those fees are deemed to be a part of the license of symbolic intellectual property and are recognized as revenue over the contractual term of the franchise agreement, which is typically 7 years for Motto franchise agreements.

### Other Revenue

Other revenue is primarily comprised of penalty income which are fees assessed on early terminations. Revenue recognized for penalty income for the years ended December 31, 2024, and 2023, was \$826,000 and \$354,000, respectively. Penalty income for the year ended December 31, 2022, was immaterial.

### Deferred Revenue and Commission Related to Franchise Sales

Deferred revenue is primarily driven by Franchise sales, as discussed above, and is included in "Deferred revenue" and "Deferred revenue, net of current portion" on the Consolidated Balance Sheets. Other deferred revenue is primarily related to event-based revenue. The activity consists of the following (in thousands):

|                 | Balance at<br>January 1, 2024 | New billings  | Revenue<br>recognized <sup>(a)</sup> | Balance at<br>December 31, 2024 |
|-----------------|-------------------------------|---------------|--------------------------------------|---------------------------------|
| Franchise Sales | \$ 3,444                      | \$ 656        | \$ (1,213)                           | \$ 2,887                        |
| Other           | 23                            | 91            | (100)                                | 14                              |
|                 | <u>\$ 3,467</u>               | <u>\$ 747</u> | <u>\$ (1,313)</u>                    | <u>\$ 2,901</u>                 |

- (a) Revenue recognized related to the beginning balance for Franchise Sales was \$1,163,000 for the year ended December 31, 2024.

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**Commissions Related to Franchise Sales**

Commissions paid on franchise sales are recognized as an asset and amortized over the contract life of the franchise agreement. The activity in the Company's capitalized contract costs for commissions (which are included in "Other current assets" and "Other assets, net of current portion" on the Consolidated Balance Sheets) consist of the following (in thousands):

|                                            | Balance at<br>January 1, 2024 | Additions to<br>contract cost<br>for new activity | Expense<br>recognized | Balance at<br>December 31, 2024 |
|--------------------------------------------|-------------------------------|---------------------------------------------------|-----------------------|---------------------------------|
| Capitalized contract costs for commissions | \$ 1,902                      | \$ 415                                            | \$ (804)              | \$ 1,513                        |

**Transaction Price Allocated to the Remaining Performance Obligations**

The following table includes estimated revenue by year, excluding certain other immaterial items, expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as of December 31, 2023 (in thousands):

|                 | 2025   | 2026   | 2027   | 2028   | 2029   | Thereafter | Total    |
|-----------------|--------|--------|--------|--------|--------|------------|----------|
| Franchise sales | \$ 814 | \$ 695 | \$ 585 | \$ 408 | \$ 229 | \$ 156     | \$ 2,887 |

**Selling, Operating and Administrative Expenses**

Selling, operating and administrative expenses primarily consist of personnel costs, including salaries, benefits, payroll taxes and other compensation expenses, professional fees, as well as expenses for outsourced technology services, and expenses for marketing to customers to expand the Company's franchises.

**Fair Value of Financial Instruments**

The carrying amounts of financial instruments, net of any allowances, including cash equivalents, accounts and notes receivable, accounts payable and accrued expenses approximate fair value due to their short-term nature.

**Accounts and Notes Receivable**

Accounts receivable arising from monthly billings do not bear interest. The Company provides limited financing of certain franchise sales through the issuance of notes receivable with the associated interest recorded in "Interest income" in the accompanying Consolidated Statements of Loss. Amounts collected on notes receivable are included in "Net cash provided by operating activities" in the accompanying Consolidated Statements of Cash Flows.

The Company records estimates of expected credit losses against its accounts and notes receivable based on historical loss experience and reasonable and supportable forecasts. The general economic conditions affecting the Company's customers are expected to impact customers in a consistent manner. The allowance for doubtful accounts and notes is based on reasonable and supportable forecasts, historical experience, general economic conditions, and the credit quality of specific accounts. Increases and decreases in the allowance for doubtful accounts are established based upon changes in the credit quality of receivables and are included as a component of "Selling, operating and administrative expenses" in the accompanying Consolidated Statements of Loss.



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The activity in the Company's allowances against accounts and notes receivable consists of the following (in thousands):

|                              | Balance at<br>beginning of<br>period | Charges/(benefits)<br>to expense for<br>changes in<br>Allowance for<br>doubtful accounts<br>(a) | Write-offs | Balance at<br>end of period |
|------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------|------------|-----------------------------|
| Year Ended December 31, 2024 | \$ 1,340                             | \$ 246                                                                                          | \$ (58)    | \$ 1,528                    |
| Year Ended December 31, 2023 | \$ 773                               | \$ 1,019                                                                                        | \$ (452)   | \$ 1,340                    |
| Year Ended December 31, 2022 | \$ 294                               | \$ 592                                                                                          | \$ (113)   | \$ 773                      |

(a) Includes approximately \$155,000 and \$248,000 of expense attributable to the Marketing Funds for the years ended December 31, 2024, and 2023, respectively. There was no expense attributable to the Marketing Funds for the year ended December 31, 2022.

### **Property and Equipment**

Property and equipment are initially recorded at cost. Depreciation is provided for on a straight-line method over the estimated useful lives of each asset class and commences when the property is placed in service.

### **Other Intangible Assets**

Other intangible assets arising from business combinations are initially recorded at fair value. The Company purchases and develops software for internal use. Software development costs and upgrade and enhancement costs incurred during the application development stage that result in additional functionality are capitalized. Costs incurred during the preliminary project and post-implementation-operation stages are expensed as incurred. Capitalized software costs are generally amortized over a term of two to five years. Purchased software licenses are amortized over their estimated useful lives.

The Company reviews its other intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is assessed by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated from such asset. If not recoverable, the excess of the carrying amount of an asset over its estimated discounted cash flows would be charged to operations as an impairment loss. For each of the years ended December 31, 2024, 2023 and 2022, there were no impairments indicated for such assets.

### **Goodwill**

Goodwill is an asset representing the future economic benefits arising from the other assets acquired in a business combination that are not individually identified and separately recognized. The Company assesses goodwill for impairment at least annually at the reporting unit level or whenever an event occurs that would indicate impairment may have occurred. Reporting units are driven by the level at which management reviews operating results. The Company performs its required impairment testing annually on October 1.

The Company's impairment assessment begins with a qualitative assessment to determine if it is more likely than not that a reporting unit's fair value is less than the carrying amount. The initial qualitative assessment includes comparing the overall financial performance of the reporting units against the planned results as well as other factors which might indicate that the reporting unit's value has declined since the last assessment date. If it is determined in the qualitative assessment that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the standard two-step quantitative impairment test is performed. The impairment test consists of comparing the estimated fair value of each reporting unit with its carrying amount, including goodwill. The fair value of a reporting unit is determined by forecasting results, such as franchise sales for Motto, and applying an assumed discount rate to determine fair value as of the test date. If the estimated fair value of a reporting unit exceeds its carrying value, then it is not considered impaired and no further analysis is required. Goodwill impairment exists when the estimated implied fair value of a reporting unit's goodwill is less than its carrying value.

During the fourth quarter of 2023, the Company tested and identified impairment indicators, primarily due to a decline in projected net cash flows resulting from continued macroeconomic pressures and revised franchise sales forecasts.

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Therefore, the Company fully impaired its goodwill and recorded a non-cash impairment charge of \$11.8 million in "Impairment charge" in the Consolidated Statements of Loss.

The Company did not record any goodwill impairments during the years ended December 31, 2024 and 2022.

### **Income Taxes**

The Company is a "flow-through" entity for tax purposes. As such, U.S. federal and state income taxes on net domestic taxable earnings are the obligation of the Company's parent. Accordingly, no provision for U.S. income taxes has been made in the consolidated financial statements.

### **Equity-Based Compensation**

The Company recognizes compensation expense associated with equity-based compensation as a component of "Selling, operating and administrative expenses" in the accompanying Consolidated Statements of Loss. All equity-based compensation is required to be measured at fair value on the grant date, is expensed over the requisite service, generally over a three-year period, and forfeitures are accounted for as they occur. The Company recognizes compensation expense on awards on a straight-line basis over the requisite service period for the entire award. Refer to Note 7, *Equity-Based Compensation*, for additional discussion regarding details of the Company's equity-based compensation plans.

### **Recently Adopted Accounting Pronouncements**

None.

### **3. Property and Equipment**

Property and equipment consist of the following (in thousands):

|                                          | <b>Depreciable Life</b> | <b>As of December 31,</b> |               |
|------------------------------------------|-------------------------|---------------------------|---------------|
|                                          |                         | <b>2024</b>               | <b>2023</b>   |
| Office furniture, fixtures and equipment | 3 - 7 years             | 206                       | 217           |
| Less accumulated depreciation            |                         | (59)                      | (91)          |
| <b>Total property and equipment, net</b> |                         | <b>\$ 147</b>             | <b>\$ 126</b> |

Depreciation expense was approximately \$24,000, \$5,000 and \$3,000 for the years ended December 2024, 2023 and 2022, respectively.

### **4. Other Intangible Assets**

The following table provides the components of the Company's other intangible assets as of December 31 (in thousands, except weighted average amortization period in years):

|                                      | <b>Weighted<br/>Average<br/>Amortization<br/>Period</b> | <b>As of December 31, 2024</b> |                                     |                        | <b>As of December 31, 2023</b> |                                     |                        |
|--------------------------------------|---------------------------------------------------------|--------------------------------|-------------------------------------|------------------------|--------------------------------|-------------------------------------|------------------------|
|                                      |                                                         | <b>Initial<br/>Cost</b>        | <b>Accumulated<br/>Amortization</b> | <b>Net<br/>Balance</b> | <b>Initial<br/>Cost</b>        | <b>Accumulated<br/>Amortization</b> | <b>Net<br/>Balance</b> |
| Software <sup>(a)</sup>              | 3.0                                                     | \$ 1,705                       | \$ (1,119)                          | \$ 586                 | \$ 1,309                       | \$ (768)                            | \$ 541                 |
| Trademarks                           | 10.0                                                    | 19                             | (13)                                | 6                      | 17                             | (12)                                | 5                      |
| <b>Total other intangible assets</b> | <b>3.1</b>                                              | <b>\$ 1,724</b>                | <b>\$ (1,132)</b>                   | <b>\$ 592</b>          | <b>\$ 1,326</b>                | <b>\$ (780)</b>                     | <b>\$ 546</b>          |

(a) There were no material capitalized software development costs for the years ended December 31, 2024 and 2022.

Amortization expense was approximately \$352,000, \$248,000 and \$223,000 for the years ended December 31, 2024, 2023 and 2022, respectively.

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As of December 31, 2024, the estimated future amortization expense related to other intangible assets is as follows (in thousands):

|            |               |
|------------|---------------|
| 2025       | \$ 295        |
| 2026       | 222           |
| 2027       | 73            |
| 2028       | 1             |
| Thereafter | 1             |
|            | <u>\$ 592</u> |

## 5. Accrued Liabilities

Accrued liabilities consist of the following (in thousands):

|                           | As of December 31, |               |
|---------------------------|--------------------|---------------|
|                           | 2024               | 2023          |
| Accrued professional fees | 37                 | 106           |
| Other                     | 156                | 120           |
|                           | <u>\$ 193</u>      | <u>\$ 226</u> |

## 6. Fair Value Measurements

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, the Company follows a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices for identical instruments in active markets.
- Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations, in which all significant inputs are observable in active markets.
- Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions. Level 3 liabilities that are measured at fair value on a recurring basis consist of the Company's contingent consideration related to the acquisition of Motto.

A summary of the Company's liabilities measured at fair value on a recurring basis is as follows (in thousands):

|                                               | As of December 31, 2024 |             |             |                 | As of December 31, 2023 |             |             |                 |
|-----------------------------------------------|-------------------------|-------------|-------------|-----------------|-------------------------|-------------|-------------|-----------------|
|                                               | Fair Value              | Level 1     | Level 2     | Level 3         | Fair Value              | Level 1     | Level 2     | Level 3         |
| <b>Liabilities - Contingent consideration</b> | <u>\$ 2,175</u>         | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 2,175</u> | <u>\$ 2,170</u>         | <u>\$ —</u> | <u>\$ —</u> | <u>\$ 2,170</u> |

The Company is required to pay additional purchase consideration totaling 8% of gross receipts collected by Motto each year (the "Revenue Share Year") through September 30, 2026, with no limitation as to the maximum payout. The annual payment is required to be made within 120 days of the end of each Revenue Share Year. The fair value of the contingent purchase consideration, recorded in "Other current liabilities" and "Other liabilities, net of current portion" in the Consolidated Balance Sheets, represents the forecasted discounted cash payments that the Company expects to pay. Increases or decreases in the fair value of the contingent purchase consideration can result from changes in discount rates as well as the timing and amount of forecasted revenues. The forecasted revenue growth assumption that is most sensitive is the assumed franchise sales count for which the forecast assumes between 20-90 franchises sold annually. This assumption is based on historical sales and an assumption of growth over time. A 10% reduction in the number of franchise sales would decrease the liability by \$20,000. A 1% change to the discount rate applied to the forecast changes the liability by approximately \$10,000. The Company measures this liability each reporting period and recognizes changes in fair value, if any, in "Selling, operating and administrative expenses" in the accompanying Consolidated Statements of Loss.

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The table below presents a reconciliation of the contingent consideration (in thousands):

|                                       | <b>Total</b>    |
|---------------------------------------|-----------------|
| <b>Balance at January 1, 2023</b>     | <b>\$ 3,710</b> |
| Fair value adjustments <sup>(a)</sup> | (786)           |
| Cash payments                         | (754)           |
| <b>Balance at December 31, 2023</b>   | <b>2,170</b>    |
| Fair value adjustments <sup>(a)</sup> | 5               |
| Cash payments <sup>(b)</sup>          | —               |
| <b>Balance at December 31, 2024</b>   | <b>\$ 2,175</b> |

- (a) Fair value adjustments relate to realignment of future franchise sales assumptions to more closely reflect historical sales trends from inception to date.
- (b) The annual contingent consideration payment for the Revenue Share Year ending in 2024, was approximately \$791,000 and was paid in early January 2025.

The Company assesses categorization of assets and liabilities by level at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no transfers between Levels I, II and III during the year ended December 31, 2024.

## 7. Equity-Based Compensation

The RE/MAX Holdings, Inc. 2023 Omnibus Incentive Plan (the “Incentive Plan”) includes restricted stock units of Holdings which may have time-based or performance-based vesting criteria. The Company recognizes equity-based compensation arising from the Incentive Plan issued to employees of Motto in “Selling, operating and administrative expenses” in the accompanying Consolidated Statements of Loss, with an offsetting member contribution. Equity-based compensation expense for Holdings, RE/MAX, LLC and their subsidiaries other than Motto are not reflected in the accompanying Consolidated Statements of Loss. Employee stock-based compensation expense under the Incentive Plan is as follows (in thousands):

|                                                                                  | <b>Year Ended December 31,</b> |                 |                 |
|----------------------------------------------------------------------------------|--------------------------------|-----------------|-----------------|
|                                                                                  | <b>2024</b>                    | <b>2023</b>     | <b>2022</b>     |
| Expense from time-based awards                                                   | \$ 929                         | \$ 1,164        | \$ 520          |
| Expense from performance-based awards <sup>(a)</sup>                             | 343                            | 558             | 369             |
| Expense from bonus to be settled in Holdings Class A common stock <sup>(b)</sup> | 521                            | 365             | 287             |
| Equity-based compensation expense                                                | <u>\$ 1,793</u>                | <u>\$ 2,087</u> | <u>\$ 1,176</u> |

- (a) Expense recognized for performance-based awards is re-assessed each quarter based on expectations of achievement against the performance conditions.
- (b) This is the portion of the annual corporate bonus earned that is to be settled in Holdings Class A common stock. These amounts are recognized as “Accounts payable to affiliates” in the accompanying Consolidated Balance Sheets and are not included in “Member’s equity” until the Holdings Class A common stock is issued.

## 8. Commitments and Contingencies

### Commitments

The Company has no material commitments as of December 31, 2024.

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**Contingencies**

The Company is subject to litigation claims arising in the ordinary course of business. The Company believes that it has adequately accrued for legal matters as appropriate. The Company records litigation accruals for legal matters which are both probable and estimable and for related legal costs as incurred. The Company will not reduce these liabilities for potential insurance or third-party recoveries and any insurance recoveries will be recorded in "Accounts and notes receivable, current portion" in the accompanying Consolidated Balance Sheets.

**9. Defined-Contribution Savings Plan**

RE/MAX, LLC sponsors an employee retirement plan (the "401(k) Plan") that provides certain eligible employees of the Company an opportunity to accumulate funds for retirement. The Company provides matching contributions on a discretionary basis. During the years ended December 31, 2024, 2023 and 2022, the Company recognized expense of approximately \$241,000, \$230,000 and \$246,000, respectively, for matching contributions to the 401(k) Plan.

**10. Related-Party Transactions**

The Company has transactions with affiliated entities. Such amounts primarily relate to operating expenses and property and software investments paid for by RE/MAX, LLC on behalf of the Company. For the years ended December 31, 2024, 2023 and 2022, the Company recorded \$13.1 million, \$13.9 million and \$6.2 million, respectively, of "Contribution from Member" in the Statements of Member's Equity and Statements of Cash Flows related to these transactions.

**EXHIBIT D**

**CURRENT LIST OF FRANCHISEES**

Open Offices as of December 31, 2025

| Contact Name           | Office Name                       | Office Phone Number | Office Address                                      | Office City/State        |
|------------------------|-----------------------------------|---------------------|-----------------------------------------------------|--------------------------|
| Lucas Adams            | Motto Mortgage Aurora             | 907-982-8002        | 892 East USA Circle, Suite 107                      | Wasilla, AK 99654        |
| Kevin Corcoran         | Motto Mortgage Gulf Coast         | 251-968-3601        | 1545 W 2nd St Suite 100                             | Gulf Shores, AL 36542    |
| Patrick Daily          | Motto Mortgage Local              | 251-923-3800        | 4790 Wharf Parkway, F 208, Offices G, H, I          | Orange Beach, AL 36561   |
| Jake Alu               | Motto Mortgage Catalpa House      | 205-224-0246        | 1 Perimeter Park South, Suite 100 North, Suite #118 | Birmingham, AL 35243     |
| Keith Pike             | Motto Mortgage Alliance           | 501-590-3842        | 11324 Arcade Drive, Suite 24                        | Little Rock, AR 72212    |
| Jose Colunga           | Motto Mortgage 1 Call             | 501-270-3100        | 2112 W Beebe Capps Expy                             | Searcy, AR 72143         |
| Donny Bradley          | Motto Mortgage Integrity Advisors | 501-393-0990        | 449 Reedy Road                                      | Conway, AR 72034         |
| Nate Martinez          | Motto Mortgage Pros               | 623-244-9463        | 20241 N 67th Ave Suite A100                         | Glendale, AZ 85308       |
| Stephanie Crain        | Motto Mortgage Limitless          | 928-364-2121        | 1425 East White Mountain Boulevard                  | Pinetop, AZ 85935        |
| Sigifredo Ponce        | Motto Mortgage Reserve            | 831-755-9888        | 1457 North Davis Rd                                 | Salinas, CA 93907        |
| Paul Hung              | Motto Mortgage Alpha              | 949-299-2088        | 7545 Irvine Center Drive, Suite 200                 | Irvine, CA 92618         |
| Michael Sipes          | Motto Mortgage Coastal            | 805-443-2390        | 5720 Ralston Street #100                            | Ventura, CA 93003        |
| Brandi Laffins         | Motto Mortgage Streamline         | 530-896-9331        | 1834 Mangrove Avenue                                | Chico, CA 95926          |
| Suneet Agarwal         | Motto Mortgage Essential          | 916-216-7375        | 550 Howe Avenue, Suite 200                          | Sacramento, CA 95825     |
| Navid Ali              | Motto Mortgage Future             | 925-400-8971        | 2355 San Ramon Valley Blvd, STE 100                 | San Ramon, CA 94583      |
| Rima Rafeh             | Motto Mortgage Ready              | 661-236-8899        | 18635 Soledad Canyon Rd, Ste 110 1/2                | Canyon Country, CA 91387 |
| Shadi Alkhudari        | Motto Mortgage Golden Standard    | 510-868-0000        | 781 W Tennyson Rd                                   | Hayward, CA 94544        |
| Jason Santos           | Motto Mortgage Nexus              | 310-437-0620        | 4009 Morrison Way                                   | Roseville, CA 95747      |
| Christiana Hill Hamlin | Motto Mortgage Mavens             | 720-773-6868        | 12211 W Alameda Pwy 200                             | Lakewood, CO 80228       |
| Amy Perrin             | Motto Mortgage Optimum            | 970-216-8523        | 103 1st Street                                      | Parachute, CO 81635      |
| Jacqueline Solares     | Motto Mortgage IMG                | 720-271-8938        | 4600 South Ulster St, Ste 200A                      | Denver, CO 80237         |
| June Lemmings          | Motto Mortgage Legacy Group       | 970-313-0615        | 5628 19th Street, Suite 1                           | Greeley, CO 80634        |
| Rey Soto               | Motto Mortgage Private Client     | 646-656-3359        | 999 Summer Street, Suite 300                        | Stamford, CT 6905        |
| Mariya Oldfather       | Motto Mortgage Prosperity         | 302-313-5145        | 16394 Samuel Paynter Blvd #102                      | Milton, DE 19968         |
| Christian Bennett      | Motto Mortgage Champions          | 727-807-9398        | 11541 Trinity Blvd                                  | Trinity, FL 34655        |
| Chris Clemente         | Motto Mortgage Specialists        | 904-268-3810        | 12646 San Jose Boulevard Suite 102                  | Jacksonville, FL 32223   |
| Terry Wayland          | Motto Mortgage Infinity           | 239-432-9030        | 4048 Evans Avenue, Suite 303                        | Fort Myers, FL 33901     |
| Terry Wayland          | Motto Mortgage Infinity           | 239-432-9030        | 300 Fifth Ave South Ste 227                         | Naples, FL 34102         |
| Paul Boone             | Motto Mortgage Signature Plus     | 386-222-3066        | 5889 South Williamson Boulevard, Suite 1428         | Port Orange, FL 32128    |
| Pam Capela             | Motto Mortgage Selections         | 386-246-1656        | 460 Palm Coast Parkway Southwest, Suite 1           | Palm Coast, FL 32137     |
| Al Carioti             | Motto Mortgage Premier Choice     | 407-408-2103        | 6801 Wallace Road                                   | Orlando, FL 32819        |
| Keegan Siegfried       | Motto Mortgage Paramount          | 813-991-1194        | 12653 Telecom Drive, Suite 250                      | Tampa, FL 33637          |
| John Bastidas          | Motto Mortgage Secure             | 407-708-3056        | 1000 Savage Court, Suite 206                        | Longwood, FL 32750       |
| Marcus Larrea          | Motto Mortgage Freedom            | 239-230-2484        | 6385 Presidential Court, Suite 202                  | Fort Myers, FL 33919     |
| Rose Faroni            | Motto Mortgage Prestige Advisors  | 561-766-7556        | 12789 Forest Hill Blvd, Suite 2B                    | Wellington, FL 33414     |
| Laura Martinelli       | Motto Mortgage Core               | 954-449-9342        | 5689 Coral Ridge Drive                              | Coral Springs, FL 33076  |
| Alireza Partovi        | Motto Mortgage VIP                | 386-295-5115        | 801 International Pkwy, 5th Floor, Suite 5065       | Lake Mary, FL 32746      |
| Daisy Cid              | Motto Mortgage Premier Solutions  | 407-569-3152        | 401 Pleasant Street                                 | Kissimmee, FL 34741      |
| John Holahan           | Motto Mortgage Resolutions        | 850-582-2893        | 1234 Airport Road, Suite 126                        | Destin, FL 32541         |

Open Offices as of December 31, 2025

| Contact Name         | Office Name                        | Office Phone Number | Office Address                        | Office City/State         |
|----------------------|------------------------------------|---------------------|---------------------------------------|---------------------------|
| Kim Dowling          | Motto Mortgage Trusted Partners    | 941-279-3668        | 5245 Office Park Blvd # 103           | Bradenton, FL 34203       |
| Lisa Fox             | Motto Mortgage Golden Fox Advisors | 727-412-2512        | 701 Enterprise Road East, Suite 203   | Safety Harbor, FL 34695   |
| Gordy Singh          | Motto Mortgage Legends             | 407-577-0019        | 200 Kersey Street                     | Davenport, FL 33897       |
| Jay Brockmeyer       | Motto Mortgage Inspire             | 321-418-6555        | 3742 Avalon Park East Boulevard       | Orlando, FL 32828         |
| Sigrid Amil          | Motto Mortgage Select Group        | 561-888-4773        | 7410 Boynton Beach Blvd Suite A-1     | Boynton Beach, FL 33437   |
| George El Abu        | Motto Mortgage Charge On           | 904-334-3678        | 145 Hilden Road, Unit 108             | Ponte Vedra, FL 32081     |
| Jason Coley          | Motto Mortgage Diamond Elite       | 772-925-8017        | 546 NW University Blvd Ste 103        | Port St. Lucie, FL 34986  |
| Damion Fray          | Motto Mortgage Royal               | 321-966-5811        | 111 North Orange Avenue               | Orlando, FL 32801         |
| Steve Silcock        | Motto Mortgage Homewise            | 863-236-3868        | 331 W Central Ave Suite 210           | Winter Haven, FL 33880    |
| Gene Whiddon III     | Motto Mortgage Excelsior           | 954-388-0870        | 777 S Federal Hwy #1                  | Fort Lauderdale, FL 33316 |
| Chepe Serrano-Molina | Motto Mortgage NMR                 | 305-677-2624        | 10950 N Kendall Drive, Suite 200M     | Miami, FL 33176           |
| Roberto Castillo     | Motto Mortgage Gold Connection     | 305-972-2541        | 10703 SW 104th St                     | Miami, FL 33176           |
| Iulia Hut            | Motto Mortgage Megastars           | 813-499-9669        | 100 S Ashley Drive Suite 600          | Tampa, FL 33602           |
| Jaren Woepfel        | Motto Mortgage Invictus            | 904-409-3046        | 9 Court Theophelia                    | Saint Augustine, FL 32084 |
| Jose Fleming         | Motto Mortgage United              | 407-758-5353        | 2121 South Hiawassee Road, Suite 100  | Orlando, FL 32835         |
| Frank Falbo          | Motto Mortgage Platinum Advantage  | 844-966-6886        | 1701 Northeast 42nd Avenue, Suite 302 | Ocala, FL 34470           |
| Tom Heyer            | Motto Mortgage South               | 770-354-6199        | 48 Polk Street                        | Marietta, GA 30064        |
| Bubba Hunt           | Motto Mortgage TurnKey             | 912-259-9898        | 1541 Northside Drive East             | Statesboro, GA 30458      |
| Michael Holle        | Motto Mortgage Southeast           | 706-302-9016        | 102 Main Street, Suite 229            | LaGrange, GA 30240        |
| Jeni Dufour          | Motto Mortgage Cooperation         | 470-575-4175        | 2993 Sandy Plains Road, #225-C        | Marietta, GA 30066        |
| Timothy Stout        | Motto Mortgage Syndicate           | 833-639-6264        | 32 Jackson Street                     | Newnan, GA 30263          |
| Valyn Lyons          | Motto Mortgage 321                 | 678-691-2685        | 294 South Main Street, Suite 400      | Alpharetta, GA 30009      |
| Chuck Simmons        | Motto Mortgage Midwest             | 515-346-8293        | 7101 Vista Drive Suite 9              | West Des Moines, IA 50266 |
| Chuck Simmons        | Motto Mortgage Midwest             | 515-346-8293        | 4555 Utica Ridge Road                 | Bettendorf, IA 52722      |
| Larry Warden Jr      | Motto Mortgage Equip               | 405-315-0798        | 910 West Main Street, Suite 336       | Boise, ID 83702           |
| Jacob Oliver         | Motto Mortgage In Motion           | 208-290-5233        | 1315 US-2 Hwy                         | Sandpoint, ID 83864       |
| Erica Martinez       | Motto Mortgage Achieves            | 208-906-4308        | 310 South Kimball Avenue              | Caldwell, ID 83605        |
| Joanna Theismann     | Motto Mortgage Focus               | 618-643-9040        | 1668 Windham Way, Suite 100           | O'Fallon, IL 62269        |
| Tim Binning          | Motto Mortgage Now                 | 630-365-1600        | 505 West Main Street, Suite B         | St Charles, IL 60174      |
| Jeff Kolbus          | Motto Mortgage Key Partners        | 309-208-7718        | 3622 N Knoxville Ave                  | Peoria, IL 61603          |
| Amy Kite             | Motto Mortgage Affiliated          | 224-252-5858        | 501 Peterson Road, Suite 200B         | Libertyville, IL 60048    |
| Seyitbek Usmanov     | Motto Mortgage Alga                | 571-249-3974        | 570 East Northwest Highway, Unit 10A  | Des Plaines, IL 60016     |
| Chevy Marchosky      | Motto Mortgage Specialty           | 630-366-6977        | 2250 Point Boulevard, Suite 335       | Elgin, IL 60123           |
| Steven Myers         | Motto Mortgage Charged             | 316-202-9820        | 910 1/2 East Douglas Avenue           | Wichita, KS 67202         |
| Willie Harden        | Motto Mortgage Flex                | 502-515-8749        | 830 South 2nd Street, Suite 2         | Louisville, KY 40203      |
| Tracy Holtsclaw      | Motto Mortgage Home Group          | 270-982-3003        | 100 Chase Way, Suite 4                | Elizabethtown, KY 42701   |
| Kevin Greenwell      | Motto Mortgage Elevate             | 502-827-4126        | 101 Manor Avenue, Suite 100           | Bardstown, KY 40004       |
| Albert DiVirgilio    | Motto Mortgage 360                 | 978-560-8600        | 471 Lynnfield Street, Suite 1         | Lynn, MA 1904             |



Open Offices as of December 31, 2025

| Contact Name      | Office Name                       | Office Phone Number | Office Address                               | Office City/State          |
|-------------------|-----------------------------------|---------------------|----------------------------------------------|----------------------------|
| Michael Tubin     | Motto Mortgage Residential        | 617-504-0013        | 6 Main Street Extension, Suite 603           | Plymouth, MA 2360          |
| Bill Wright       | Motto Mortgage Executives         | 508-520-3160        | 308 West Central Street Suite E-104          | Franklin, MA 2038          |
| Mark Davis        | Motto Mortgage Preferred          | 443-295-6500        | 132 Main Street                              | Prince Frederick, MD 20678 |
| Mark Davis        | Motto Mortgage Preferred          | 301-742-8969        | 10665 Stanhaven Place, Suite 300A (Ste 3102) | White Plains, MD 20695     |
| Chad Gilstad      | Motto Mortgage Energy             | 989-546-4333        | 4900 Eastman Ave                             | Midland, MI 48640          |
| Rhonda Overberg   | Motto Mortgage Tried and True     | 636-638-1074        | 1349 McNutt Street                           | Herculaneum, MO 63048      |
| Sandy Hancock     | Motto Mortgage Living             | 314-377-0200        | 8081 Manchester Road                         | Saint Louis, MO 63144      |
| J.D. Calvin       | Motto Mortgage Pathway            | 573-864-9529        | 803 East Walnut Street, Suite #403           | Columbia, MO 65201         |
| John Little       | Motto Mortgage Custom Advantage   | 417-543-9823        | 1342 East Battlefield                        | Springfield, MO 65804      |
| Chris Cole        | Motto Mortgage Home Advisors      | 573-574-5626        | 2511 Independence Street, Suite 400          | Cape Girardeau, MO 63703   |
| Nick Paulson      | Motto Mortgage Community Partners | 417-773-8059        | 4145 South McCann Court, Suite F             | Springfield, MO 65804      |
| David Saulters    | Motto Mortgage Sigma Group        | 601-579-8736        | 119 Mayfair Road                             | Hattiesburg, MS 39402      |
| Keith Henley      | Motto Mortgage Link               | 662-350-0277        | 218 North Gloster Street                     | Tupelo, MS 38804           |
| Dustin Hill       | Motto Mortgage Premier Experts    | 601-512-2275        | 607 22nd Ave                                 | Meridian, MS 39301         |
| Wesley Jackson    | Motto Mortgage Moves              | 910-406-2305        | 1010 Old US Highway 1                        | Southern Pines, NC 28387   |
| Jason Hill        | Motto Mortgage Quality            | 919-352-8938        | 218 E. Main Street, Suite 223                | Clayton, NC 27520          |
| Jeff Flieler      | Motto Mortgage Secure Choice      | 919-357-7319        | 319 N. Howe St.                              | Southport, NC 28461        |
| Kelli Salter      | Motto Mortgage Coastal Connection | 910-378-7023        | 1150 Piney Green Road                        | Jacksonville, NC 28546     |
| Walter Ciucevich  | Motto Mortgage Strategic          | 910-644-4801        | 201 Commercial Court                         | Sanford, NC 27330          |
| Jabin Norris      | Motto Mortgage Professionals      | 910-444-3868        | 3369 Holden Beach Road SW, Suite 3           | Supply, NC 28462           |
| Reva Sullivan     | Motto Mortgage Experience         | 910-238-4549        | 1106 Gum Branch Road, Suite 400              | Jacksonville, NC 28540     |
| Jared Blankenship | Motto Mortgage Premier Pros       | 701-532-3250        | 3250 47th St S                               | Fargo, ND 58104            |
| Adam Briley       | Motto Mortgage Top Tier           | 402-253-4289        | 331 Village Point Plaza                      | Omaha, NE 68118            |
| Joe Kubick        | Motto Mortgage Source             | 402-770-7559        | 8420 Amber Hill Road, Suite B                | Lincoln, NE 68526          |
| Shelly Schurr     | Motto Mortgage Elite              | 308-362-7026        | 102 North Dewey Street, Suite B              | North Platte, NE 69101     |
| David Duplessis   | Motto Mortgage Sail Home          | 603-234-2802        | 169 Daniel Webster Highway Suite 208         | Nashua, NH 3060            |
| Mark Scuderi      | Motto Mortgage Supreme            | 908-760-6674        | 533 Memorial Parkway                         | Phillipsburg, NJ 8865      |
| Allison Rizzo     | Motto Mortgage Success            | 732-662-1475        | 1199 Amboy Avenue, Suite 1A                  | Edison, NJ 8837            |
| Pamela McClellan  | Motto Mortgage Mentors            | 347-733-9254        | 380 Washington Road, Ste F                   | Sayreville, NJ 8872        |
| David Sadek       | Motto Mortgage Enterprise         | 201-227-4207        | 411 Hackensack Avenue, Suite 200             | Hackensack, NJ 7601        |
| Jimmy Nunez       | Motto Mortgage Elite Choice       | 848-444-2077        | 4400 Route 9 South Suite 1000 Office #7      | Freehold, NJ 7728          |
| Nancy Kennedy     | Motto Mortgage Premier Brokerage  | 505-900-1944        | 6410 Coors Blvd NW Ste B                     | Albuquerque, NM 87120      |
| Conner Sheets     | Motto Mortgage Client 1st         | 702-349-8920        | 500 N Rainbow Suite 300 #305                 | Las Vegas, NV 89107        |
| Mark Snyder       | Motto Mortgage Above & Beyond     | 440-892-5500        | 25021 Center Ridge Road Suite 200            | Westlake, OH 44145         |
| Dwight Milko      | Motto Mortgage NEO                | 216-468-8480        | 20515 Shaker Blvd                            | Shaker Heights, OH 44122   |
| Rollin Gosney     | Motto Mortgage Driven             | 330-921-4634        | 22 1/2 South Main                            | Columbiana, OH 44408       |
| Ric DeVore        | Motto Mortgage Advantage Plus     | 614-689-0981        | 8720 Orion Place, Suite 124 A                | Columbus, OH 43240         |
| Kyle Dynes        | Motto Mortgage 1                  | 614-725-7328        | 921 Eastwind Drive #102                      | Westerville, OH 43081      |
| David LaFleur     | Motto Mortgage Ascent             | 440-281-0668        | 17075 Pearl Road                             | Strongsville, OH 44136     |

Open Offices as of December 31, 2025

| Contact Name        | Office Name                        | Office Phone Number | Office Address                           | Office City/State            |
|---------------------|------------------------------------|---------------------|------------------------------------------|------------------------------|
| Brent Glass         | Motto Mortgage Preferred Partners  | 740-683-3378        | 1856 Dresden Road                        | Zanesville, OH 43701         |
| Avhinav Adhikari    | Motto Mortgage Angels              | 701-639-8868        | 9032 Union Centre Boulevard, Suite 103   | West Chester, OH 45069       |
| Pasqual Federico    | Motto Mortgage Services            | 440-221-4002        | 7547 Mentor Avenue, Suite 101            | Mentor, OH 44060             |
| Dan Sweeney         | Motto Mortgage Best Life           | 580-279-1292        | 923 Arlington Street                     | Ada, OK 74820                |
| Don Courtney III    | Motto Mortgage Lakecrest           | 503-819-2174        | 15220 Northwest Greenbrier Pkwy, Ste 230 | Beaverton, OR 97006          |
| Tom Skiffington     | Motto Mortgage Elite Services      | 215-453-7653        | 701 West Market Street Suite 1           | Perkasie, PA 18944           |
| Anna Foytack        | Motto Mortgage Happy Valley        | 814-235-9207        | 1375 Martin Street, Suite 101            | State College, PA 16803      |
| Mike Hanlon         | Motto Mortgage Keystone            | 412-531-6881        | 57 East Chestnut Street                  | Washington, PA 15301         |
| Brent Zollner       | Motto Mortgage Miracles            | 724-953-7398        | 3337 Rte 130, Ste 2                      | Harrison City, PA 15636      |
| Bob Kreider         | Motto Mortgage Synergy             | 717-286-9732        | 500 Delp Road                            | Lancaster, PA 17601          |
| Robert Rollings     | Motto Mortgage Simplified          | 706-780-3434        | 480 Fabian Drive Suite A                 | Aiken, SC 29803              |
| Thomas Shumpert     | Motto Mortgage Assurance           | 803-500-5082        | 2125 Schooner Cove,                      | Miramar Beach, FL 32550      |
| Jonathan Edmund     | Motto Mortgage Coastal Pros        | 843-957-3872        | 802 41st Avenue South, Suite 107         | North Myrtle Beach, SC 29582 |
| Jennifer Johnston   | Motto Mortgage Action              | 864-854-9494        | 500 C Montague Avenue                    | Greenwood, SC 29649          |
| Timothy Williams Jr | Motto Mortgage Beyond              | 803-238-7519        | 5599 Sunset Boulevard                    | Lexington, SC 29072          |
| Shatoya Cobb        | Motto Mortgage Community Solutions | 864-607-8746        | 360 Tanner Road, Suite H                 | Greenville, SC 29607         |
| Frances Vantrease   | Motto Mortgage Makers              | 423-648-4595        | 2242 Encompass Drive                     | Chattanooga, TN 37421        |
| Jeremy Cansler      | Motto Mortgage Preferred Brokers   | 423-453-8473        | 801 Decatur Pike, Suite 3                | Athens, TN 37303             |
| Randy Lawrence      | Motto Mortgage 24                  | 866-588-6624        | 2808 Palumbo Drive Suite 100A            | Lexington, KY 40509          |
| Justin Tucker       | Motto Mortgage Lakeside            | 615-906-2129        | 880 Green Lea Blvd, Ste A-106            | Gallatin, TN 37066           |
| Hanna Kim           | Motto Mortgage Clarity             | 646-262-5950        | 174 Saundersville Road, #404B            | Hendersonville, TN 37075     |
| Alma Logan          | Motto Mortgage Complete            | 281-974-4137        | 7410 Westview Drive, Suite A             | Houston, TX 77055            |
| Scott Schwandt      | Motto Mortgage First Choice        | 830-327-1229        | 142 W San Antonio St                     | New Braunfels, TX 78130      |
| Hector Alaniz       | Motto Mortgage Smart Choice        | 956-704-5512        | 6402 North Bartlett Ste. 10              | Laredo, TX 78041             |
| Melinda Truitt      | Motto Mortgage Signature           | 469-480-4699        | 4317 Queen Circle                        | The Colony, TX 75056         |
| Corey Casper        | Motto Mortgage Home Town           | 512-876-7566        | 305 Denali Pass, Suite D                 | Cedar Park, TX 78613         |
| Tim Gross           | Motto Mortgage Select              | 281-414-2631        | 840 Gessner Road, Suite 150              | Houston, TX 77024            |
| Fredrick Fluker     | Motto Mortgage Exclusive Group     | 254-449-4707        | 326 Morgan Street, Suite A               | Harker Heights, TX 76548     |
| David Clark         | Motto Mortgage Odyssey             | 281-748-4585        | 2940 Oak Street                          | Kingwood, TX 77339           |
| Molly Wahrheit      | Motto Mortgage Options             | 210-710-5456        | 17319 San Pedro, Suite 206               | San Antonio, TX 78232        |
| Mario Negron        | Motto Mortgage Extreme             | 281-671-7179        | 20333 TX-249 Chasewood Suite 229         | Houston, TX 77070            |
| Linh Kieu Lu        | Motto Mortgage Triumph             | 281-948-5021        | 14905 Southwest Fwy                      | Sugar Land, TX 77478         |
| Stephanie Engolio   | Motto Mortgage Gold                | 281-975-1475        | 5402 Fawn Trail Lane                     | Humble, TX 77346             |
| Frank Martin        | Motto Mortgage DreamNest           | 732-824-2136        | 14150 Huffmeister Road, Suite 127        | Cypress, TX 77429            |
| Omar Garcia         | Motto Mortgage Premier             | 956-827-3190        | 907 Lindberg Avenue, Suite 117           | McAllen, TX 78501            |
| Myan Burton         | Motto Mortgage Precision           | 801-450-2428        | 7135 South Highland Drive, Suite 102     | Cottonwood Heights, UT 84121 |
| Darian Cochran      | Motto Mortgage Premier Services    | 434-216-1981        | 900 Gardens Blvd, Suite 100              | Charlottesville, VA 22901    |
| Ruby Lawler         | Motto Mortgage Prestige            | 571-215-6773        | 2461 Eisenhower Avenue                   | Alexandria, VA 22314         |
| Payman Naseh        | Motto Mortgage Logic               | 888-773-7001        | 205 Van Buren Street, Suite 160, #49     | Herndon, VA 20170            |

Open Offices as of December 31, 2025

| Contact Name     | Office Name                  | Office Phone Number | Office Address                        | Office City/State      |
|------------------|------------------------------|---------------------|---------------------------------------|------------------------|
| Faith Caldwell   | Motto Mortgage Catapult      | 757-586-5357        | 11820 Fountain Way, Suite 406         | Newport News, VA 23606 |
| John Leland      | Motto Mortgage Partners      | 509-444-2823        | 3718 North Monroe Street              | Spokane, WA 99205      |
| Mike Runyan      | Motto Mortgage Pacific       | 253-341-4501        | 2102 N Pearl Street, Ste A-301        | Tacoma, WA 98406       |
| Todd Fahlman     | Motto Mortgage Orca          | 360-630-9000        | 9317 State Avenue, Suite A            | Marysville, WA 98270   |
| Jeff Thompson    | Motto Mortgage Partner Group | 509-223-2122        | 9527 Sandifur Pkwy Suite B            | Pasco, WA 99301        |
| Gaurang Sardesai | Motto Mortgage Altius        | 360-291-8797        | 915 Broadway Street, Suite #144       | Vancouver, WA 98660    |
| Liz Reinecke     | Motto Mortgage Collective    | 425-473-1712        | 1721 Hewitt Ave, Suite 302            | Everett, WA 98201      |
| Harry Dhaliwal   | Motto Mortgage Lean          | 206-889-7172        | 596 Industry Drive, Bldg 8, Suite 251 | Tukwila, WA 98188      |
| Robert Laplante  | Motto Mortgage Mobility      | 262-366-0096        | 3380 S 108th St Suite 209             | Greenfield, WI 53227   |
| Luke Wilkins     | Motto Mortgage Black Gold    | 307-363-4065        | 309 S Gillette Ave Suite B            | Gillette, WY 82716     |
| Ryan Andrews     | Motto Mortgage Horizon       | 307-358-3755        | 239 N 4th Street                      | Douglas, WY 82633      |

| Owner             | Office Name                     | Office Phone Number | Office Address                                      | Office City/State      |
|-------------------|---------------------------------|---------------------|-----------------------------------------------------|------------------------|
| Jake Alu          | Motto Mortgage Catalpa House    | 609-306-6366        | 1 Perimeter Park South, Suite 100 North, Suite #118 | Birmingham, AL 35243   |
| Keith Pike        | Motto Mortgage Alliance         | 479-640-3489        | 3103 Southeast Moberly Ln, Ste 218                  | Bentonville, AR 72712  |
| Jose Colunga      | Motto Mortgage TBD AR006        | 501-515-2658        | To Be Determined                                    | Heber Springs, AR      |
| Donny B Bradley   | Motto Mortgage TBD AR007        | 501-733-3000        | To Be Determined                                    | Conway, AR             |
| Erik Johnson      | Motto Mortgage Preferred Choice | 623-251-2765        | 28260 North Tatum Boulevard, Suite A4               | Cave Creek, AZ 85331   |
| Christian Bennett | Motto Mortgage FL063 TBD        | 727-807-9398        | To Be Determined                                    | TBD, FL                |
| Christian Bennett | Motto Mortgage FL064 TBD        | 727-807-9398        | To Be Determined                                    | TBD, FL                |
| Tim Vieweg        | Motto Mortgage Service First    | 217-454-4037        | 601 East William Street                             | Decatur, IL 62521      |
| Chevy Marchosky   | Motto Mortgage Specialty        | 630-347-9571        | 2250 Point Boulevard, Suite 335                     | Elgin, IL 60123        |
| John Little       | Motto Mortgage Custom Advantage | 417-834-9952        | 1342 East Battlefield                               | Springfield, MO 65804  |
| Brooke Marin      | Motto Mortgage Freshwater       | 704-997-0035        | 9820 Northcross Center Court Suite 184              | Huntersville, NC 28078 |
| Will Poteat       | Motto Mortgage Precise          | 828-234-4072        | 204 East Main Street, Suite D                       | Lincolnton, NC 28092   |
| Shelly R. Schurr  | Motto Mortgage Elite            | 308-362-7026        | 102 North Dewey Street                              | North Platte, NE 69101 |
| Avhinav Adhikari  | Motto Mortgage Angels           | 701-639-8868        | 9032 Union Centre Boulevard, Suite 100A             | West Chester, OH 45011 |
| Pasqual Federico  | Motto Mortgage Services         | 440-523-1935        | 7547 Mentor Avenue, Suite 101                       | Mentor, OH 44060       |
| Frank Martin      | Motto Mortgage DreamNest        | 281-939-2964        | 13711 Oak Harbor Manor                              | Cypress, TX 77429      |
| Golap Talukdar    | Motto Mortgage TBD TX057        | 469-500-5913        | To Be Determined                                    | Frisco, TX             |
| Rustan Burton     | Motto Mortgage Precision        | 907-957-9472        | To Be Determined                                    | Salt Lake City, UT     |
| Rex Olson         | Motto Mortgage Premier Advisors | 801-699-5476        | 1399 West 9000 South                                | West Jordan, UT 84088  |
| Payman Naseh      | Motto Mortgage Logic            | 443-882-2163        | 205 Van Buren Street, Suite 160, #49                | Herndon, VA 20170      |
| Faith Caldwell    | Motto Mortgage Catapult         | 757-926-9901        | 11820 Fountain Way, Suite 406                       | Newport News, VA 23606 |

**EXHIBIT E**

**FRANCHISEES NO LONGER  
WITH THE SYSTEM**

**EXHIBIT E**

**NOTE: SOME INDIVIDUALS WHOSE NAMES APPEAR ON THIS EXHIBIT OWN OTHER MOTTO MORTGAGE OFFICES AND REMAIN IN GOOD STANDING  
WITHIN THE MOTTO MORTGAGE SYSTEM.**

**FRANCHISES THAT HAVE BEEN TERMINATED, CANCELLED, NOT RENEWED, OR OTHERWISE CEASED TO DO BUSINESS  
Between January 1, 2025 and December 31, 2025  
OR THAT HAVE NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE APPLICATION DATE**

| Office Id | Name                    | City             | State | Phone        |
|-----------|-------------------------|------------------|-------|--------------|
| AR002     | Mark Watson             | Searcy           | AR    | 501-593-5444 |
| AR002     | Darrell Welch           | Searcy           | AR    | 903-253-4833 |
| AR004     | Jason Reed              | Jonesboro        | AR    | 870-312-7333 |
| AR004     | Chrisse Wright          | Jonesboro        | AR    | 870-933-0026 |
| AR004     | Ryan Wright             | Jonesboro        | AR    | 870-930-0800 |
| CA004     | Bob Cash                | Palm Desert      | CA    | 909-717-0638 |
| CA008     | Eric Lefkowitz          | San Diego        | CA    | 858-880-8002 |
| CA010     | Edward Chen             | Arcadia          | CA    | 626-560-5470 |
| CO004     | Samuel Pennell-Potestio | Colorado Springs | CO    | 720-839-9045 |
| CO006     | Ryan Leahy              | Fort Collins     | CO    | 714-651-4653 |
| CO006     | Andrew Schulz           | Fort Collins     | CO    | 636-288-5848 |
| CO006     | Tyler Shields           | Fort Collins     | CO    | 720-774-2883 |
| CO006     | Matt Stover             | Fort Collins     | CO    | 916-761-2841 |
| CO010     | Ryan Leahy              | Fort Collins     | CO    | 714-651-4653 |
| CO010     | Andrew Schulz           | Fort Collins     | CO    | 636-288-5848 |
| CO010     | Tyler Shields           | Fort Collins     | CO    | 720-774-2883 |
| CO010     | Matt Stover             | Fort Collins     | CO    | 916-761-2841 |
| DC001     | David Bediz             | Washington       | DC    | 202-352-8456 |
| FL011     | John King               | Sebastian        | FL    | 772-589-3054 |
| FL019     | Marilyn Dennis          | Tampa            | FL    | 813-727-1560 |
| FL028     | Premier Group           | Pace             | FL    | 850-816-1313 |
| FL040     | Joseph Kipping          | Wesley Chapel    | FL    | 813-862-5772 |
| FL046     | Andrew Azzarello        | Sarasota         | FL    | 315-506-0714 |
| FL048     | Max Diser               | St Augustine     | FL    | 305-942-3118 |
| FL051     | Matthew Carter          | Bonita Springs   | FL    | 239-220-4423 |
| FL051     | Scott Dixon             | Bonita Springs   | FL    | 239-564-7184 |
| FL056     | Derell Roberson         | Orlando          | FL    | 321-303-5651 |
| FL061     | Charles DeLangis        | Tampa            | FL    | 727-248-6488 |
| GA003     | Allen Lancaster         | Pooler           | GA    | 912-445-1983 |
| GA003     | Eddie Warren            | Pooler           | GA    | 912-572-6100 |
| GA009     | Tim Mercers             | Atlanta          | GA    | 855-400-2254 |
| GA014     | Khalil Suleima          | Alpharetta       | GA    | 470-377-5181 |
| GA017     | Tracy Goring-Hamilton   | Locust Grove     | GA    | 404-357-7587 |
| HI003     | Emily Blinkhorn         | Mesa             | AZ    | 808-699-6669 |
| HI005     | Chris Fidelibus         | Kapolei          | HI    | 808-393-8788 |
| IL005     | Ray Zabielski           | Naperville       | IL    | 630-929-5410 |
| IL008     | Tammy Owens             | Glen Carbon      | IL    | 618-977-1270 |
| IL008     | Rick Owens              | Glen Carbon      | IL    | 618-977-1270 |
| IL009     | Kelly Jackson           | Oakbrook Terrace | IL    | 630-402-6132 |

**EXHIBIT E**

**NOTE: SOME INDIVIDUALS WHOSE NAMES APPEAR ON THIS EXHIBIT OWN OTHER MOTTO MORTGAGE OFFICES AND REMAIN IN GOOD STANDING  
WITHIN THE MOTTO MORTGAGE SYSTEM.**

**FRANCHISES THAT HAVE BEEN TERMINATED, CANCELLED, NOT RENEWED, OR OTHERWISE CEASED TO DO BUSINESS  
Between January 1, 2025 and December 31, 2025  
OR THAT HAVE NOT COMMUNICATED WITH THE FRANCHISOR WITHIN 10 WEEKS OF THE APPLICATION DATE**

| Office Id | Name                   | City             | State | Phone         |
|-----------|------------------------|------------------|-------|---------------|
| IL009     | Davina Arceneaux       | Oakbrook Terrace | IL    | 630-635-0812  |
| IL010     | Dean Moustaf           | Schaumburg       | IL    | 847-668-2601  |
| IL014     | Mike Opyd              | Chicago          | IL    | 312-929-8910  |
| IL014     | Alex Trujillo          | Chicago          | IL    | 630-728-0843  |
| IL015     | Tim Vieweg             | Decatur          | IL    | 217-454-4037  |
| KY006     | Kyle Turpin            | Mount Washington | KY    | 502-693-3145  |
| KY006     | Josh Jarboe            | Mount Washington | KY    | 502-216-7590  |
| LA005     | Nolan Aikens           | Baton Rouge      | LA    | 225-229-0591  |
| LA006     | Jarroed Prather        | Eunice           | LA    | 337-305-2103  |
| MA002     | Scotty Jones Jr        | Bridgewater      | MA    | 781-844-5070  |
| MA002     | Scotty Jones Sr.       | Bridgewater      | MA    | 781-844-8004  |
| MD003     | Sandy Olson            | Frederick        | MD    | 301-639-0801  |
| MD003     | Nils Olson             | Frederick        | MD    | 301-606-8363  |
| MO003     | Deb Brasel             | Blue Springs     | MO    | 816-678-9283  |
| MS002     | Sammie Knight          | Germantown       | TN    | 662-832-4099  |
| MS002     | Randy Bain             | Germantown       | TN    | 731-431-7421  |
| MS002     | Shane Tapper           | Germantown       | TN    | Not Listed    |
| NC005     | Brooke Marin           | Huntersville     | NC    | Not Listed    |
| NC008     | John Titolo            | Harrisburg       | NC    | 866-484-8656  |
| NJ005     | Tina Clarke            | West Orange      | NJ    | 201-817-2220  |
| NM004     | Mario Contrucci        | Rio Rancho       | NM    | 505-417-1827  |
| NV002     | Dale Jones             | Las Vegas        | NV    | 702-727-3389  |
| NV002     | Phil Jones             | Las Vegas        | NV    | 702-203-9007  |
| NV002     | Kalib Jones            | Las Vegas        | NV    | 702-757-7483  |
| NV002     | Phillip Cory Jones Jr. | Las Vegas        | NV    | 702-720-5017  |
| NV006     | Rias Attar             | Las Vegas        | NV    | 702-971-5062  |
| NV007     | Cristina Arao          | Reno             | NV    | 775-233-3136  |
| OH007     | Bill Jones             | Tiffin           | OH    | 419-618-0517  |
| OH007     | Kelli Jones            | Tiffin           | OH    | 419-618-9206  |
| OH008     | Chris Harpster         | Columbus         | OH    | 614-989-6665  |
| OH008     | Larry Schottenstein    | Columbus         | OH    | 614-325-4284  |
| OH013     | Mike Hendricks         | Kent             | OH    | 330-474-1140  |
| OK004     | Shelly Hazle           | McAlester        | OK    | 918-615-8448  |
| OK004     | Jessica Fillmore       | McAlester        | OK    | 918-615-8448  |
| PA004     | Keith Malone           | Wyomissing       | PA    | 610 -607-3032 |
| PA004     | Harry K. Fry           | Wyomissing       | PA    | 610-662-5738  |
| PA004     | Harry K. Fry Jr.       | Wyomissing       | PA    | 484-431-3351  |
| PA004     | James Willimas         | Wyomissing       | PA    | Not Listed    |
| PA009     | Brandon Tingle         | McMurray         | PA    | 724-747-2065  |

**EXHIBIT E**

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| Office Id | Name              | City             | State | Phone        |
|-----------|-------------------|------------------|-------|--------------|
| PA009     | Rick Tingle       | McMurray         | PA    | 724-747-9172 |
| PA013     | Maria Quattrone   | Philadelphia     | PA    | 215-694-3903 |
| SC007     | Lee Linhart       | Travelers Rest   | SC    | 828-606-0775 |
| TN005     | Jason Wallace     | Arlington        | TN    | 901-690-1885 |
| TN010     | Ben Zoeller       | Nashville        | TN    | 502-649-0295 |
| TN010     | Patrick Higgins   | Nashville        | TN    | 678-612-8280 |
| TX009     | Richard Rupp      | San Antonio      | TX    | 210-422-9552 |
| TX009     | Tabor Morris      | San Antonio      | TX    | Not Listed   |
| TX016     | Steve Griffin     | Austin           | TX    | 713-822-5422 |
| TX016     | Mary Ann McMahon  | Austin           | TX    | 512-947-9684 |
| TX018     | Sarah Korczynski  | Victoria         | TX    | 361-920-9567 |
| TX018     | Veronica McCants  | Victoria         | TX    | 361-935-4663 |
| TX019     | Cutberto Salas    | Plano            | TX    | 214-550-6469 |
| TX019     | Rhonda Salas      | Plano            | TX    | 214-550-6469 |
| TX026     | Independence      | Houston          | TX    | 832-899-5626 |
| TX030     | Brian Byers       | Pasadena         | TX    | 832-447-7653 |
| TX030     | Kimberly Stephens | Pasadena         | TX    | 281-839-5584 |
| TX033     | Anthony Fontana   | Houston          | TX    | 979-255-9963 |
| TX033     | John Patout       | Houston          | TX    | 936-870-7118 |
| TX034     | Charlene Baice    | Houston          | TX    | 713-291-1247 |
| TX040     | Shamise Williams  | Allen            | TX    | 214-718-7507 |
| TX040     | Stephens Williams | Allen            | TX    | 214-718-5756 |
| TX042     | Rick Ott          | Copperazs Cove   | TX    | 254-338-8238 |
| TX042     | Terrie Smith      | Copperazs Cove   | TX    | 254-371-2745 |
| TX043     | Jaquale Clark     | Katy             | TX    | 832-593-5693 |
| TX049     | Derek Hehn        | Manvel           | TX    | 832-652-4790 |
| TX049     | Lorraine Hehn     | Manvel           | TX    | 713-254-7541 |
| TX050     | Angela Martin     | Houston          | TX    | 832-626-1518 |
| TX051     | Christian Albert  | Houston          | TX    | 832-219-8888 |
| TX051     | Kathy Do          | Houston          | TX    | 832-380-8888 |
| TX051     | Hoa Nguyen        | Houston          | TX    | 469-478-8285 |
| TX052     | Sachin Latawa     | Dripping Springs | TX    | 206-717-4850 |
| TX053     | Kay Cole          | Houston          | TX    | 409-344-0851 |
| TX057     | Choice Partners   | McKinney         | TX    | 469-500-5913 |
| VA007     | Yongjin Hou       | McLean           | VA    | 571-585-0138 |
| VA008     | Robert Small      | Midlothian       | VA    | 804-938-5175 |
| VA010     | Alisia Minott     | Norfolk          | VA    | 757-609-0363 |
| WA003     | Victor Lopez      | Everett          | WA    | 206-769-2908 |
| WA003     | Leonard Schiffman | Everett          | WA    | 206-714-9823 |



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| Office Id | Name         | City       | State | Phone        |
|-----------|--------------|------------|-------|--------------|
| WA009     | Karim Khoury | Mill Creek | WA    | 425-971-8614 |
| WI001     | Match        | Beloit     | WI    | 608-436-2459 |
| WI001     | Match        | Beloit     | WI    | 608-931-8641 |
| WI001     | Alex Barajas | Beloit     | WI    | 608-436-2459 |
| WI001     | Otis Johnson | Beloit     | WI    | 608-931-8647 |
| WV003     | Valor        | Wheeling   | WV    | 304-639-5201 |

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TRANSFERS OF CONTROLLING INTEREST

| Office Id | Name           | City         | State | Phone        |
|-----------|----------------|--------------|-------|--------------|
| FL047     | Susan Lo       | Orlando      | FL    | 407-577-0019 |
| NJ001     | Robert McNally | Phillipsburg | NJ    | 908-963-9424 |
| NJ001     | Kenny Dundorf  | Phillipsburg | NJ    | 908-227-6103 |
| NJ001     | Robert Webb    | Phillipsburg | NJ    | 908-406-2324 |

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LEFT THE SYSTEM/OTHER

| Office Id | Name | City | State | Phone | Reason |
|-----------|------|------|-------|-------|--------|
|-----------|------|------|-------|-------|--------|

# **EXHIBIT F**

## **OFFICE MATERIALS TABLE OF CONTENTS**

**OFFICE MATERIALS (MANUALS ONLY)**  
**TABLE OF CONTENTS**

**PAGES DEVOTED TO**  
**EACH SECTION**

|    |                                                                                                                                             |   |
|----|---------------------------------------------------------------------------------------------------------------------------------------------|---|
| A. | Motto Mortgage Brand Standards Manual (April 2025)                                                                                          |   |
|    | 1. BRAND IDENTITY                                                                                                                           |   |
|    | a. Brand Colors/Alternate & Accent Colors                                                                                                   | 1 |
|    | b. Typography                                                                                                                               | 1 |
|    | c. Logo Usage                                                                                                                               | 1 |
|    | d. Clear Space                                                                                                                              | 1 |
|    | e. Motto Logo                                                                                                                               | 1 |
|    | f. Motto Stacked Logo                                                                                                                       | 1 |
|    | g. Motto Mortgage Logo                                                                                                                      | 1 |
|    | h. Motto Mortgage Stacked Logo                                                                                                              | 1 |
|    | i. Icons                                                                                                                                    | 1 |
|    | j. Social Media Icons                                                                                                                       | 1 |
|    | k. Incorrect Logo Usage                                                                                                                     | 1 |
|    | l. Your Dream. Our Expertise. Tagline                                                                                                       | 1 |
|    | m. Your Home for Mortgage. Tagline                                                                                                          | 1 |
|    | n. Office Logo Requirements                                                                                                                 | 1 |
|    | o. Office Logo Examples                                                                                                                     | 2 |
|    | 2. PHOTOGRAPHY                                                                                                                              | 1 |
|    | 3. MARKETING TOOLS (MottoCenter, MottoSpark, MottoRep,<br>MottoLearn, MottoSwag, Motto Websites, Motto Supplier,<br>Network Communications) | 1 |
|    | 4. MARKETING REQUIREMENTS                                                                                                                   |   |
|    | a. Types of Marketing                                                                                                                       | 1 |
|    | b. Required Information                                                                                                                     | 1 |
|    | c. Restrictions on Calls & Texts                                                                                                            | 1 |
|    | d. Signage Requirements                                                                                                                     | 1 |
|    | e. Website Domain Requirements                                                                                                              | 1 |

PAGES DEVOTED TO  
EACH SECTION

|                                               |            |
|-----------------------------------------------|------------|
| f. Motto Mortgage Marks                       | 1          |
| g. Standards for Business Practices           | 1          |
| 5. GLOSSARY                                   | 1          |
| <b>TOTAL</b>                                  | <b>26</b>  |
|                                               |            |
| B. Motto Mortgage Compliance Manual 2024      |            |
| 1. Table of Contents and Introduction         | 3          |
| 2. Constructing Your Business                 | 4          |
| 3. Compliance Management                      | 7          |
| 4. Privacy and Information Security           | 14         |
| 5. The Real Estate Settlement Procedures Act  | 11         |
| 6. Employing Loan Originators                 | 10         |
| 7. Marketing and Advertising                  | 18         |
| 8. Customer Due Diligence                     | 10         |
| 9. The Life Cycle of a Loan Application       | 33         |
| 10. Reporting and Recordkeeping               | 7          |
| 11. Unfair, Deceptive, and Abusive Practices  | 6          |
| 12. Appendices                                | 88         |
| <b>TOTAL</b>                                  | <b>211</b> |
|                                               |            |
| C. Motto Mortgage Franchisee Onboarding Guide |            |
| 1. Table of Contents and Intro                | 2          |
| 2. Guiding Your Way to Opening Day            | 3          |
| 3. Phase 1: Getting Down to Business          | 1          |
| 4. Phase 2: What are Next Steps?              | 1          |
| 5. Phase 2: Staying on Track                  | 3          |
| 6. Phase 3: Post Licensing Application        | 1          |
| 7. Phase 4: Licensed to Operate               | 1          |
| 8. Phase 5: Opening Day!                      | 2          |

PAGES DEVOTED TO  
EACH SECTION

|     |                                       |           |
|-----|---------------------------------------|-----------|
| 9.  | Policies, Procedures and Plans        | 2         |
| 10. | On Your Behalf                        | 1         |
| 11. | Motto Franchising Contact Information | 1         |
|     | <b>TOTAL</b>                          | <b>18</b> |

|    |                                           |           |
|----|-------------------------------------------|-----------|
| D. | Motto Mortgage Marketing Playbook         |           |
| 1. | Intro and Table of Contents               | 2         |
| 2. | Marketing Your Motto                      | 2         |
| 3. | Meet Your Marketing Team                  | 2         |
| 4. | Getting Started                           | 6         |
| 5. | Onboarding: Prepping for Doing Business   | 4         |
| 6. | At Open                                   | 7         |
| 7. | Marketing Your Business                   | 10        |
| 8. | Motto Headquarters Marketing Contact Info | 1         |
|    | <b>TOTAL</b>                              | <b>34</b> |

|    |                                     |    |
|----|-------------------------------------|----|
| E. | Motto Mortgage Motto 101 Handbook   |    |
| 1. | Monday:                             |    |
|    | a. Welcome and Agenda               | 2  |
|    | b. Owner Resources                  | 2  |
|    | c. Motto Value Proposition          | 4  |
|    | d. Support and Onboarding           | 9  |
|    | e. Licensing                        | 17 |
|    | f. Office & LO Recognition & Events | 5  |
|    | g. Profitability                    | 16 |
| 2. | Tuesday:                            |    |
|    | a. Compliance Management            | 19 |

PAGES DEVOTED TO  
EACH SECTION

|    |                                                  |            |
|----|--------------------------------------------------|------------|
| b. | TRID and ECOA                                    | 27         |
| c. | Advertising and Marketing Do's and Don'ts        | 13         |
| d. | Educational Opportunities                        | 13         |
| e. | Data Privacy & Information Security              | 2          |
| f. | Branding & Marketing                             | 6          |
| g. | MottoSpark                                       | 11         |
| h. | Wholesaler Presentations                         | 2          |
| 3. | Wednesday:                                       |            |
| a. | Introduction to Wholesalers & Loan Products      | 9          |
| b. | Office Structure                                 | 4          |
| c. | Loan Originators                                 | 2          |
| d. | LO Compensation                                  | 5          |
| e. | LO Hiring and Inspiring                          | 10         |
| f. | Agent and LO Synergy                             | 3          |
| g. | Sales Leadership                                 | 3          |
| h. | Summary Activities                               | 4          |
| 4. | Online Courses:                                  |            |
| a. | Mortgage Knowledge                               | 21         |
| b. | Pipeline & Report Management                     | 2          |
| c. | Workflow Overview                                | 7          |
| d. | Personalities & MVVB                             | 9          |
|    | <b>TOTAL</b>                                     | <b>227</b> |
| F. | Motto Mortgage Social Media Best Practices Guide |            |
| 1. | Contents and Introduction                        | 2          |
| 2. | Growing Your Business                            | 1          |
| 4. | Profiles                                         | 1          |



PAGES DEVOTED TO  
EACH SECTION

|     |                                    |            |
|-----|------------------------------------|------------|
| 5.  | Personal vs. Professional Profiles | 1          |
| 6.  | Social Networking Rules            | 1          |
| 7.  | Social Media Best Practices        | 1          |
| 8.  | Managing Your Reputation           | 1          |
| 9.  | Recommended Social Media Channels  | 8          |
| 10. | Compliance 101                     | 7          |
| 11. | Social Media Crisis Management     | 1          |
| 12. | Social Media Glossary              | 4          |
| 13. | Contact Information                | 1          |
|     | <b>TOTAL</b>                       | <b>29</b>  |
|     | <b>GRAND TOTAL</b>                 | <b>545</b> |

## **EXHIBIT G**

### **FRANCHISEE DISCLOSURE QUESTIONNAIRE**

## FRANCHISEE DISCLOSURE QUESTIONNAIRE

**\*Do not sign this Questionnaire if you are a resident of California or the business is to be operated in California.**

**\*Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.**

**\*The following language applies only to transactions governed by the Washington Franchise Investment Protection Act:**

**Do not sign this questionnaire if you are a resident of Washington or the franchise is to be operated in Washington.**

As you know, Motto Franchising, LLC (“*we*,” “*us*” or “*Motto Franchising, LLC*”) and you are preparing to enter into a Franchise Agreement for the operation of a Motto Mortgage Office. The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. I have received, personally reviewed, and understand the Franchise Agreement and each exhibit, addendum, and rider attached to it.  
Yes \_\_\_\_\_ No \_\_\_\_\_
2. I have received, personally reviewed, and understand the information contained in the Franchise Disclosure Document.  
Yes \_\_\_\_\_ No \_\_\_\_\_
3. I acknowledge that I have had the opportunity--whether or not I may have chosen to do so--to discuss with my attorney, accountant, or other professional advisor the benefits and risks of operating a Motto Mortgage Office, and I understand those benefits and risks.  
Yes \_\_\_\_\_ No \_\_\_\_\_
4. I am relying upon information I received concerning Motto Franchising, LLC and not information concerning any parent company of Motto Franchising, LLC.  
Yes \_\_\_\_\_ No \_\_\_\_\_
5. Has any employee or other person speaking on behalf of Motto Franchising, LLC or any person made any representations, assurances, guarantees, or promises regarding the following in reference to operating a Motto Mortgage Office?  

|                        |           |          |
|------------------------|-----------|----------|
| Revenues?              | Yes _____ | No _____ |
| Profits?               | Yes _____ | No _____ |
| Likelihood of Success? | Yes _____ | No _____ |
6. Do you understand that the success of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?  
Yes \_\_\_\_\_ No \_\_\_\_\_
7. Do you understand that in all dealings with you, the officers, directors, employees and agents of Motto Franchising, LLC act only in a representative capacity and not in an individual capacity and such dealings are solely between you and Motto Franchising, LLC?  
Yes \_\_\_\_\_ No \_\_\_\_\_
8. Has any employee or other person speaking on behalf of Motto Franchising, LLC or any person made any representations, assurances, guarantees or promises that you will have or receive any type of territorial rights or protection or a right of first refusal, option or any other right to purchase, acquire, or open any Motto mortgage office other than that granted by the Franchise Agreement?  
Yes \_\_\_\_\_ No \_\_\_\_\_

9. Do you understand that we and our affiliates have the right to grant franchises or operate competing businesses at any location whatsoever, as we may determine, including a location near your Office?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. Has any employee or other person speaking on behalf of Motto Franchising, LLC or any person made any representations, assurances, guarantees or promises that are contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes \_\_\_\_\_ No \_\_\_\_\_

By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. You understand that your answers are important to us and that we will rely on them.

\_\_\_\_\_  
FRANCHISEE/APPLICANT

\_\_\_\_\_  
DATE

## **EXHIBIT H**

### **LIST OF STATE AGENCIES/ AGENTS FOR SERVICE OF PROCESS**

## Exhibit H

### LIST OF STATE FRANCHISE ADMINISTRATORS

| <u>State</u> | <u>Title of Administrator</u>                                                                                                   | <u>Telephone Number</u> |
|--------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Illinois     | Attorney General<br>500 South Second Street<br>Springfield, Illinois 62701                                                      | (217) 782-1090          |
| Indiana      | Securities Commissioner<br>302 W. Washington Street, Room E111<br>Indianapolis, Indiana 46204                                   | (317) 232-6681          |
| Maryland     | Office of the Attorney General<br>Securities Division<br>200 St. Paul Place<br>Baltimore, Maryland 21202                        | (410) 576-6300          |
| Michigan     | Attorney General<br>525 West Ottawa Street<br>Lansing, Michigan 48909                                                           | (517) 335-7622          |
| Minnesota    | Commissioner of Commerce<br>Main Office, Golden Rule Building<br>85 7th Place East, Suite 280<br>St. Paul, Minnesota 55101-2198 | (651) 539-1500          |
| New York     | Attorney General<br>New York State Department of Law<br>28 Liberty Street, 15 <sup>th</sup> Floor<br>New York, New York 10005   | (212) 416-8090          |
| North Dakota | Securities Commissioner<br>600 East Boulevard<br>State Capitol, 14th Floor<br>Bismarck, North Dakota 58505                      | (701) 328-2910          |
| Oregon       | Director, Department of Consumer and<br>Business Services<br>350 Winter Street NE, 2 <sup>nd</sup> Floor<br>Salem, Oregon 97301 | (503) 378-4100          |
| Rhode Island | Director of Business Regulation<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920                                          | (401) 462-9500          |
| South Dakota | Division of Insurance<br>Securities Regulation<br>124 S. Euclid Avenue, 2nd Floor<br>Pierre, South Dakota 57501                 | (605) 773-3563          |

| <u>State</u> | <u>Title of Administrator</u>                                                                                                      | <u>Telephone Number</u> |
|--------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| Virginia     | State Corporation Commission<br>Division of Securities and Retail Franchising<br>1300 East Main Street<br>Richmond, Virginia 23219 | (804) 371-9051          |
| Washington   | Director, Department of Financial Institutions<br>Division of Securities<br>150 Israel Road SW<br>Tumwater, Washington 98501       | (360) 902-8700          |
| Wisconsin    | Commissioner of Securities<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53701                                      | (608) 266-2139          |

**LIST OF AGENTS FOR SERVICE OF PROCESS**

| <u>State</u>   | <u>Name and Address of Agent</u>                                                                                                               |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| Colorado       | Susie Winders<br>5075 S. Syracuse Street<br>Denver, Colorado 80237                                                                             |
| Illinois       | Illinois Attorney General<br>500 South Second Street<br>Springfield, Illinois 62701                                                            |
| Indiana        | Indiana Secretary of State<br>302 W. Washington Street, Room E111<br>Indianapolis, Indiana 46204                                               |
| Louisiana      | Louisiana Secretary of State<br>Commercial Division<br>8585 Archives Avenue<br>Baton Rouge, Louisiana 70809                                    |
| Maryland       | Maryland Securities Commissioner<br>200 St. Paul Place<br>Baltimore, Maryland 21202                                                            |
| Michigan       | Michigan Department of Corporations, Securities<br>& Commercial Licensing Bureau<br>2407 N. Grand River Ave.<br>Lansing, Michigan 48906        |
| Minnesota      | Minnesota Commissioner of Commerce<br>85 Seventh Place East, Suite 280<br>St. Paul, Minnesota 55101                                            |
| New York       | Attention: New York Secretary of State<br>New York Department of State<br>One Commerce Plaza, 99 Washington Ave<br>Albany, New York 12231-0001 |
| North Carolina | Corporation Services Company<br>2626 Glenwood Ave., Ste. 550<br>Raleigh, NC 27608                                                              |
| North Dakota   | North Dakota Securities Commissioner<br>600 East Boulevard<br>State Capitol, 14th Floor<br>Bismarck, North Dakota 58505                        |
| Rhode Island   | Director of Business Regulation<br>1511 Pontiac Avenue<br>Cranston, Rhode Island 02920                                                         |



**LIST OF AGENTS FOR SERVICE OF PROCESS**

| <u>State</u>     | <u>Name and Address of Agent</u>                                                                                                                                                                                                                                                                     |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| South Dakota     | Division of Insurance<br>Securities Regulation<br>124 S. Euclid Avenue, 2nd Floor<br>Pierre, South Dakota 57501                                                                                                                                                                                      |
| Virginia         | Clerk of the State Corporation Commission<br>1300 East Main Street, 1 <sup>st</sup> Floor<br>Richmond, Virginia 23219                                                                                                                                                                                |
| Washington       | State of Washington<br>Department of Financial Institutions<br>Division of Securities<br>PO Box 41200<br>Olympia, Washington 98504-1200<br><br>General Administration Building<br>Department of Financial Institutions<br>Division of Securities<br>150 Israel Road SW<br>Tumwater, Washington 98501 |
| Wisconsin        | Division Administrator<br>4822 Madison Yards Way, North Tower<br>Madison, Wisconsin 53701                                                                                                                                                                                                            |
| All Other States | Send Service of Process to:<br>Susie Winders<br>5075 S. Syracuse Street<br>Denver, Colorado 80237<br>(Registered Agent in Colorado)                                                                                                                                                                  |

**EXHIBIT I**

**STATE ADDENDA**  
**AND FRANCHISE AGREEMENT RIDERS**

**Exhibit I**

**ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT**

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
FOR THE STATE OF ARIZONA**

**Item 11. Franchisor's Assistance, Advertising, Computer Systems, And Training**

Motto Franchising, LLC assistance during your operation of the Office includes:

As of the date of this disclosure document we provide a credit, up to a limit of \$500 per month, against Royalty Fees for months 7 to 24 of operation of your franchised business to help offset the cost of engagement of a responsible individual in the state of Arizona in the event you are unable to meet this requirement based on the experience of one of the owners/principals of the franchised business. This assistance is part of a temporary program specific to full franchise Offices with a physical office located in Arizona and may be modified or discontinued at any time. We will provide this assistance one time only and only with respect to one Office. You must provide us a written request for assistance indicating your eligibility.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF HAWAII**

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

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

Registered agent in the state authorized to receive service of process:

Commissioner of Securities  
335 Merchant Street  
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

A franchise registration is effective or an offering circular is on file in the following states:

A proposed registration or filing is or will be shortly on file in the following states: California, Hawaii, Maryland, Minnesota, Rhode Island, Virginia, Washington and Wisconsin (Exempt in Illinois and New York)

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

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

The proposed registration of these franchises has not been withdrawn in any state.

The provisions of this Addendum only apply if the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF ILLINOIS**

1. The conditions under which your Franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20.

2. Item 17. The following language is added to Items 17(v) and 17(w):

"Provided that the provisions of the Illinois Franchise Disclosure Act will govern franchises located in the State of Illinois."

3. Item 17(v). Illinois law provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void provided that a franchise agreement may provide for arbitration in a forum outside of Illinois.

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.

The provisions of this Addendum only apply if the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

## **ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC REQUIRED BY THE STATE OF MARYLAND**

THIS ADDENDUM is annexed to and forms part of the Franchise Disclosure Document for the state of Maryland. This Addendum is intended to modify and supplement the Franchise Disclosure Document with respect to Maryland as follows:

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.

Any provisions in the Franchise Agreement that constitute Acknowledgements, as defined in the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements adopted on September 18, 2022 and effective January 1, 2023 ("SOP"), shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland. Any questions or statements in the Franchisee Disclosure Questionnaire that are prohibited by the SOP shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

1. Item 11 – Item 11 of the Disclosure Document is amended by adding the following to the disclosure under the heading Advertising and Development Fund:

If you want to obtain an accounting of advertising expenditures you must send a written request to the attention of our President at our offices in Denver, Colorado that states you are requesting an accounting of advertising expenditures.

2. Item 17(c) – Requirements for Franchisee to Renew or Extend. The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17(m) – Conditions for Franchisor Approval of Transfer. The general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Item 17(h) – "Cause" Defined – Non-Curable Defaults. Provisions for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)

5. Item 17(v) – Choice of Forum. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The provisions of this Addendum only apply if the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF MINNESOTA**

Item 6. The amount charged for the Insufficient Funds Processing Fee in Minnesota is \$30.00.

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside 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 Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5 which require (except in certain specified cases) (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J) also, a court will determine if a bond is required.

Any limitations of claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement; or (ii) disclaiming reliance on 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.

Any provisions in the Franchise Agreement that constitute Acknowledgements, as defined in the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements adopted on September 18, 2022 and effective January 1, 2023 ("SOP"), shall not apply to prospective franchisees who are subject to the anti-waiver provision of the Minnesota Franchises Law.

The provisions of this Addendum only apply if the jurisdictional requirements of the Minnesota Franchises Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.



**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF NEW YORK**

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

1. Item 3. Item 3 of the Disclosure Document is amended by deleting the last paragraph of the disclosure and substituting the following:

“Neither we, our predecessor, nor a person identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. 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. In addition, there are no 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.

B. 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, antitrust or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunction 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 injunction 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.”

2. Item 4. Item 4 of the Disclosure Document is amended by deleting the disclosure and substituting the following:

“Neither we, our affiliate, our predecessor nor our officers during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the

officer or general partner of the franchisor held this position in the company or partnership.”

3. Item 17. The following is added to the Summary column opposite section d.:

“The franchisee may terminate on any grounds available by law.”

4. Item 17. The following is added to the Summary column opposite section w.:

“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.”

5. The Franchisor represents that the Disclosure Document does not knowingly omit any material fact or make an untrue statement regarding a material fact.

The provisions of this Addendum only apply if the jurisdictional requirements of the New York Franchises Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF NORTH DAKOTA**

1. Item 17(r). Covenants not to compete such as those mentioned in Item 17(r) are generally considered unenforceable in the State of North Dakota.
2. Item 17(w). If there is a conflict between Colorado law and North Dakota Law, then North Dakota Law will prevail.

The provisions of this Addendum only apply if the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF RHODE ISLAND**

1. Item 17(w). The following language is added to Item 17(w):

“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.’”

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.

This Addendum to the Disclosure Document shall be effective only to the extent, with respect to each provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum to the Disclosure Document.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

1. Item 17(h). The following is added to Item 17(h):

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

The provisions of this Addendum only apply if the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum and to the extent they are then-valid requirements of the Act.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF WASHINGTON**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document 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.

19. Motto Franchising, LLC will not pay a dividend or otherwise return RE/MAX, LLC’s initial capital contribution of \$6,000,000 to RE/MAX, LLC until the Washington Securities Administrator lifts the financial assurance condition or until Motto Franchising, LLC addresses the financial assurance condition by agreeing to escrow or defer the payment of initial fees by franchisees in the State of Washington. Motto Franchising, LLC may reimburse RE/MAX, LLC for services RE/MAX, LLC performs for Motto Franchising, LLC.

20. The cover page section of the Franchise Disclosure Document is amended to remove Risk Factor #3 in its entirety.

21. Item 1 of the Franchise Disclosure Document is amended to add:

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

Item 1 is further amended to delete the following:

In addition to market competition, you will face other business risks, including fluctuations in mortgage rates and availability of financing as well as changing economic conditions, both locally and nationally, which may include prolonged recessions that may significantly impact real estate markets. Because the demand for mortgage financing is impacted by the real estate markets, you should also be aware that real estate markets are cyclical and sensitive to changes in general economic conditions as well as housing inventory supply and demand. As a result, we cannot predict whether or when the industry will experience up or down cycles, whether the market will be stable, improve or decline or whether interest rates will be stable, increase or decline.

22. In Item 7 of the Franchise Disclosure Document, the following language is removed from the referenced notes below:

Note 5:

Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors and could be considerably higher in large metropolitan areas. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying.



Note 13:

Your costs will depend on such factors as: how much you follow our methods and procedures (including those about size of office); your management experience and business acumen, experience in the mortgage or a related industry; local economic conditions; the local market for mortgage services; loan originator compensation rates; competition; and the production volume, if any, reached during the initial period.

Note 14:

However, the range of total expenditures you incur may vary considerably from the amounts estimated above.

23. Item 11 of the Franchise Disclosure Document is amended to add the following:

You are permitted to register a state trade name that begins with “Motto Mortgage” or “Motto” with the appropriate state office; provided, you also register a state trade name for your Office name. You agree that all uses of the Marks in all advertising of your services in any medium whatsoever, including but not limited to print, electronic media, social media, and Internet websites, will be accompanied by your Office name.

24. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”: You may terminate the Franchise Agreement on any grounds permitted by Washington law.

25. The following language is added to the end of the “Summary” section of Item 17(e), titled “**Termination by franchisor without cause:**” Subject to state law.

26. The following language is added to the end of the “Summary” section of Item 17(q), titled “**Non-competition covenants during the term of the franchise:**” Non-competition provisions are subject to state law.

27. The following language is added to the end of the “Summary” section of Item 17(r), titled “**Non-competition covenants after the franchise is terminated or expires:**” Non-competition provisions are subject to state law.

The provisions of this Addendum only apply if the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**ADDENDUM TO THE FDD OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law.

The provisions of this Addendum only apply if the jurisdictional requirements of the Wisconsin Franchise Investment Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**Exhibit I**  
(Continued)

**ADDENDA AND RIDERS**  
**TO FRANCHISE AGREEMENT**

**RIDER TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
FOR USE IN HAWAII**

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, *et seq.*, the parties to the attached Franchise Agreement (the “**Agreement**”) agree as follows:

1. Section 12(D)(12), under the heading “TRANSFER AND ASSIGNMENT PROVISIONS,” is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

“(12) you and your Owners must execute a transfer or assignment agreement or similar document that we require, and a full general release (in a form satisfactory to us) of any and all claims against us and our Related Parties and each of our and their present and former officers, managers, directors, employees, agents, servants, and subsidiaries, excluding only such claims as you may have under the Hawaii Franchise Investment Law, and such other documents as we may require or deem important or desirable to the preservation and protection of our rights;”

2. Section 14, under the heading “RIGHTS AND OBLIGATIONS OF MOTTO FRANCHISING, LLC AND FRANCHISE OWNER UPON TERMINATION OR EXPIRATION OF THE FRANCHISE,” shall be amended by the addition of the following new paragraph “J”, which shall be considered an integral part of the Agreement:

**J. STATUTORY OBLIGATIONS OF MOTTO FRANCHISING, LLC**

Notwithstanding anything to the contrary in this Section 14, MOTTO FRANCHISING, LLC shall comply with Hawaii law which currently requires that MOTTO FRANCHISING, LLC compensate you upon termination or refusal to renew the Franchise for the fair market value, at the time of the termination or expiration of the Franchise, of any inventory, supplies, equipment and furnishings which were purchased from MOTTO FRANCHISING, LLC or a supplier designated by MOTTO FRANCHISING, LLC. Personalized materials which have no value to MOTTO FRANCHISING, LLC need not be compensated for. If MOTTO FRANCHISING, LLC refuses to renew the Franchise for the purpose of converting your business to one owned and operated by MOTTO FRANCHISING, LLC, MOTTO FRANCHISING, LLC, in addition, must compensate you for the loss of goodwill. MOTTO FRANCHISING, LLC may deduct reasonable costs incurred in removing, transporting and disposing of your inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due MOTTO FRANCHISING, LLC.”

3. This Rider shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, *et seq.*, are met independently without reference to this Rider, and to the extent the Rider contains then-valid requirements of the Hawaii Franchise Investment Law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Rider to the Franchise Agreement on the same date as the Franchise Agreement was executed.

**MOTTO FRANCHISING, LLC**

**FRANCHISEE**

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

\_\_\_\_\_  
Date

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

\_\_\_\_\_

**RIDER TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF ILLINOIS**

This Rider is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC (“**MOTTO FRANCHISING, LLC**,” “**we**,” or “**us**”), and \_\_\_\_\_ (“**you**” or “**Franchise Owner**”).

We and you are parties to that certain “**Franchise Agreement**” dated \_\_\_\_\_, 20\_\_\_\_, that has been entered into concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider modifies the Franchise Agreement as provided below:

1. Waiver of Punitive Damages and Jury Trial. You cannot waive any of your rights given to you by the Illinois Franchise Disclosure Act (Section 41). Accordingly, Subsection 15.I. of the Franchise Agreement is deleted.
2. Waiver of Class Action. You cannot waive any of your rights given to you by the Illinois Franchise Disclosure Act (Section 41). Accordingly, Subsection 15.J. of the Franchise Agreement is deleted.
3. Governing Law/Consent to Jurisdiction. The following language is added to the end of Subsection 15.K. of the Franchise Agreement:

ILLINOIS LAW GOVERNS THE AGREEMENT(S) BETWEEN THE PARTIES TO THE AGREEMENT. ANY PROVISION IN THIS AGREEMENT RESTRICTING JURISDICTION OR VENUE TO A FORUM OUTSIDE OF ILLINOIS OR REQUIRING THE APPLICATION OF THE LAWS OF ANOTHER STATE IS VOID WITH RESPECT TO ANY CAUSE OF ACTION WHICH OTHERWISE IS ENFORCEABLE UNDER THE ILLINOIS FRANCHISE DISCLOSURE ACT. HOWEVER, A FRANCHISE AGREEMENT MAY PROVIDE FOR ARBITRATION IN A VENUE OUTSIDE OF ILLINOIS. 815 ILCS 705/4 (West 2012)

4. Release of Prior Claims. Subsection 15.U. of the Franchise Agreement is deleted.
5. Actions Barred. Subsection 15.V. of the Franchise Agreement is revised to read as follows:

V. ACTIONS BARRED.

Except for claims by us for sums due, claims relating to our Marks, trade names, copyrights, trade secrets or Confidential Information, claims relating to the post termination obligations set forth in Section 14 of this Agreement or claims arising under the Illinois Franchise Disclosure Act, any and all claims and actions arising out of or relating to this Agreement (including, but not limited to, the offer and sale of the franchise covered by this Agreement), the relationship between us or your operation of the Franchise, brought by any party to this Agreement against the other, shall be commenced within one year from the occurrence of the acts or omissions giving rise to such claim or action, or such claim or action shall be barred.

6. Cancellation of Prior Understandings/Entire Agreement. Subsection 15.Y. of the Franchise Agreement is revised to read as follows:

Y. CANCELLATION OF PRIOR UNDERSTANDINGS/ENTIRE AGREEMENT.

This Agreement expresses fully the understanding by and between the parties and all prior and contemporaneous understandings, agreements, commitments, conditions, warranties and representations of any kind, oral or written, as to the Franchise (except as to information and representations submitted by you to us in application to purchase the Franchise, including, but not limited to, financial statements, references, etc. and those representations made in the MOTTO FRANCHISING Franchise Disclosure Document delivered to you by MOTTO FRANCHISING, LLC) are canceled and null, void and of no effect. Any previous matter, presently covered within this Agreement, is hereby superseded and canceled with no further liabilities or obligations of the parties with respect to such matter, except as to any monies due and unpaid between the parties to this Agreement at the time of execution of this Agreement.

7. No waiver of Illinois Franchise Disclosure Act. Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void. 815 ILCS 705/41 (West 2012)

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.

The provisions of this Rider only apply if the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Rider and to the extent they are then valid requirements of the statute.

**IN WITNESS WHEREOF**, we and you have executed this Rider as of the day and year first above written.

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**RIDER TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF MARYLAND**

**ADDENDUM TO THE FRANCHISE AGREEMENT:**

1. The following provision is hereby added to Section 12D (12) of the Franchise Agreement:

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

2. The following sentence is hereby added to Section 15K of the Franchise Agreement:

"Nothing in this paragraph shall prohibit a franchisee in Maryland from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law, provided that any claims arising under such law shall be brought within three (3) years after the grant of a franchise."

3. The following language is hereby added to Section 16 of the Franchise Agreement:

Franchisees who are residents of the state of Maryland, Subsections (2), (3), (4), (5), (6), (7), (8), (9), (10), (12), (14), and (15) of Section 16 do not apply to you and have no force and effect in a Franchise Agreement entered into between you and us. Moreover, any acknowledgments or representations by you contained in this Section 16 are not intended to nor shall they act as a release, estoppel or waiver of any liability arising under the Maryland Franchise Registration and Disclosure Law.

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.

Any provisions in the Franchise Agreement that constitute Acknowledgements, as defined in the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements adopted on September 18, 2022 and effective January 1, 2023 ("SOP"), including Franchise Agreement Section 16, Subsections (6) and (11), shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

Dated: \_\_\_\_\_  
MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF MINNESOTA**

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside 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 Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5 which require (except in certain specified cases) (i) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(G). The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400(J) also, a court will determine if a bond is required.

Any limitations of claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

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.

Any provisions in the Franchise Agreement that constitute Acknowledgements, as defined in the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements adopted on September 18, 2022 and effective January 1, 2023 ("SOP"), shall not apply to prospective franchisees who are subject to the anti-waiver provision of the Minnesota Franchises Law.



The provisions of this Addendum only apply if the jurisdictional requirements of the Minnesota Franchises Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

Dated: \_\_\_\_\_

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**RIDER TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF NEW YORK**

This Rider is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC ("**MOTTO FRANCHISING, LLC**," "***we***," or "***us***"), and \_\_\_\_\_ ("***you***" or "***Franchise Owner***").

We and you are parties to that certain "***Franchise Agreement***" dated \_\_\_\_\_, 20\_\_\_\_, that has been entered into concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider modifies the Franchise Agreement as provided below:

The following language is added to Section 15K of the Franchise Agreement:

"However, this choice of law should not be considered a waiver of any rights conferred by the provisions of Article 33 of the New York State General Business Law"

The provisions of this Addendum only apply if the jurisdictional requirements of the New York Franchises Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**IN WITNESS WHEREOF**, we and you have executed this Rider as of the day and year first above written.

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**RIDER TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF NORTH DAKOTA**

This Rider is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC ("**MOTTO FRANCHISING, LLC**," "**we**," or "**us**"), and \_\_\_\_\_ ("**you**" or "**Franchise Owner**").

We and you are parties to that certain "Franchise Agreement" dated \_\_\_\_\_, 20\_\_\_\_, that has been entered into concurrently with this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider modifies the Franchise Agreement as provided below:

1. Liquidated Damages. Liquidated damages provisions such as those mentioned in Section 2.E. of the Franchise Agreement are generally considered unenforceable in the State of North Dakota.
2. Covenants Not to Compete. Covenants not to compete such as those mentioned in Section 14G of the Franchise Agreement are generally considered unenforceable in the State of North Dakota.
3. Costs and Legal Fees. Subsection 15.H. of the Franchise Agreement is amended in its entirety to read as follows:

If either party brings an action or proceeding to enforce the terms of this Agreement, the non-prevailing party shall reimburse the prevailing party for all costs and expenses incurred by the prevailing party in connection with such action or proceeding including, without limitation, reasonable attorneys' fees, arbitrators' fees, expert witness' fees and court costs, whether incurred prior to, in preparation for, in contemplation of or in connection with the filing of such action or proceeding.

4. Waiver of Punitive Damages and Jury Trial. Subsection 15.I. of the Franchise Agreement is deleted.
5. Waiver of Class Action. Subsection 15.J. of the Franchise Agreement is deleted.
6. Governing Law/Consent to Jurisdiction. The following language is added to the end of Subsection 15.K. of the Franchise Agreement:

Provided, however, that in the event there is a conflict between Colorado law and North Dakota Law, then North Dakota Law will prevail.

7. Actions Barred. Subsection 15.V. of the Franchise Agreement is deleted.
8. To the extent this Rider shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement or Exhibits or Attachments thereto, the terms of this Rider shall govern.
9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement; or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

10. Any provisions in the Franchise Agreement that constitute Acknowledgements, as defined in the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements adopted on September 18, 2022 and effective January 1, 2023 (“SOP”), shall not apply to prospective franchisees who are North Dakota residents or who seek to purchase a franchise located in North Dakota.
11. The provisions of this Addendum only apply if the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**IN WITNESS WHEREOF**, we and you have executed this Rider as of the day and year first above written.

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Motto Franchising, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 15 of the Agreement, under the subsection "GOVERNING LAW/CONSENT TO JURISDICTION," shall be amended by the addition of the following language at the end of the subsection:

§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."

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.

This Addendum shall be effective only to the extent, with respect to each provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this Addendum.

Dated: \_\_\_\_\_

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF VIRGINIA**

This Rider is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC (“**MOTTO FRANCHISING, LLC**,” “**we**,” or “**us**”), and \_\_\_\_\_ (“**you**” or “**Franchise Owner**”).

We and you are parties to that certain Franchise Agreement that has been signed concurrently with the signing of this Rider (the “**Franchise Agreement**”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of Virginia and/or (b) the Office that you will operate under the Franchise Agreement will be located in Virginia.

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

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 any 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**, we and you have executed this Rider as of the day and year first above written.

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

## ADDENDUM TO FRANCHISE AGREEMENT AND RELATED AGREEMENTS FOR THE STATE OF WASHINGTON

This Addendum is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC (“**MOTTO FRANCHISING, LLC**,” “**we**,” or “**us**”), and \_\_\_\_\_ (“**you**” or “**Franchise Owner**”).

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail. The provisions of this Addendum form an integral part of, are incorporated into, and modify 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.

19. Motto Franchising, LLC will not pay a dividend or otherwise return RE/MAX, LLC’s initial capital contribution of \$6,000,000 to RE/MAX, LLC until the Washington Securities Administrator lifts the financial assurance condition or until Motto Franchising, LLC addresses the financial assurance condition by agreeing to escrow or defer the payment of initial fees by franchisees in the State of Washington. Motto Franchising, LLC may reimburse RE/MAX, LLC for services RE/MAX, LLC performs for Motto Franchising, LLC.

20. Subparagraph (1) of Subsection 4.A. of the Franchise Agreement is hereby replaced in its entirety and shall now read as follows:

(1) Use and Filing of the Term “Motto” and “Motto Mortgage” and Other Marks.

a. “Motto” Required in d/b/a but Prohibited in Entity Name.

You are required to use the term “Motto Mortgage” or “Motto” as the start of the trade identification of the Office, and you must obtain any trade, fictitious or assumed name registrations as may be required under applicable law for, and to operate the Office only under, such trade, fictitious or assumed name. You agree not to use any other Marks (or any variations or renditions similar to any of the Motto Marks) in, or as part of, your formal corporate or legal name. You also agree to not file or own any state or federal trademark applications or registrations that include or contain “Motto” or any of the other Marks or any confusingly similar marks. You may use, but are not required to use, the term “mortgage” in, or as part of, your formal corporate or legal name.

b. Filing of Trade Name and Uses of Marks in Advertising in the State of Washington.

In the state of Washington only, you are permitted to register a state trade name for “Motto Mortgage” or “Motto” with the appropriate state office; provided, however, you also register a state trade name for your Office name. Subsection 4.B.(1) will continue to apply and, accordingly, you agree that all uses of the Marks in all advertising of your services in any medium whatsoever, including but not limited to print, electronic media, social media, and Internet

websites, will be accompanied by your Office name. You acknowledge and agree that Subsection 4.A. (2) below shall apply to the trade name registration permitted under this Subsection 4.A. (1)(b), and to the extent that the trade name registration for “Motto Mortgage” or “Motto” serves to establish any goodwill, such goodwill will inure exclusively to the benefit of Motto Franchising, LLC, and that the same will automatically vest in and remain the exclusive property of Motto Franchising, LLC.

21. Subsection 15.D. of the Franchise Agreement is amended in its entirety to read as follows:

If in connection with this Agreement we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, we will not be deemed to have made any warranties or guarantees and will not assume any liability or obligation to you.

22. The following language is hereby added to Section 16 of the Franchise Agreement:

Franchisees who are residents of the state of Washington: Subsections (2), (3), (4), (5), (6), (7), (8), (9), (10), (12), (14), and (15) of this Section 16 do not apply to you and have no force or effect in a Franchise Agreement entered into between you and us.

Subsection 16 of the Franchise Agreement is further amended to add the following:

THESE ACKNOWLEDGEMENTS DO NOT WAIVE ANY LIABILITY THE FRANCHISOR MAY HAVE UNDER THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, RCW 19.100, AND THE RULES ADOPTED THEREUNDER.

Any provisions in the Franchise Agreement or any other document that constitute Acknowledgements, as defined in the NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgements adopted on September 18, 2022 and effective January 1, 2023 (“SOP”), shall not apply to a franchise purchased in Washington.

The provisions of this Addendum only apply if the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**IN WITNESS WHEREOF**, we and you have executed this Addendum as of the day and year first above written.

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**ADDENDUM TO THE FRANCHISE AGREEMENT OF MOTTO FRANCHISING, LLC  
REQUIRED BY THE STATE OF WISCONSIN**

This Rider is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between MOTTO FRANCHISING, LLC ("**MOTTO FRANCHISING, LLC**," "**we**," or "**us**"), and \_\_\_\_\_ ("**you**" or "**Franchise Owner**").

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law.

The provisions of this Addendum only apply if the jurisdictional requirements of the Wisconsin Franchise Investment Law are met independently without reference to this Addendum and to the extent they are then valid requirements of the statute.

**IN WITNESS WHEREOF**, we and you have executed this Rider as of the day and year first above written.

MOTTO FRANCHISING, LLC  
a Delaware limited liability company

FRANCHISEE:

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

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

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

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

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

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

**EXHIBIT J**

**RECURRING PAYMENT WITHDRAWAL  
AUTHORIZATION**

## Motto Franchising, LLC

### RECURRING PAYMENT WITHDRAWAL AUTHORIZATION

Please complete the following form and return to the Contract Administration Department. This form authorizes periodic withdrawals for CONTINUING SERVICE AND ROYALTY FEES, ADVERTISING AND DEVELOPMENT FUND FEES, and any other fees, charges and payments due pursuant to your Franchise Agreement, including any amendments or addenda to the Franchise Agreement, with Motto Franchising, LLC.

*If you are a new franchisee and have not yet established a business account for your franchised business please complete this form with the information for a bank account from which withdrawals can be made. Once you have established a business account, please send an updated form reflecting the new account information to the address below.*

**Need more information? Call:**

(866) 668-8649 Monday – Friday, 8:00 a.m. to 5:00 p.m. MT

**Return this form to:**

Billing@mottomortgage.com

#### Contact Information

Name of Franchisee: \_\_\_\_\_  
Name on Account: \_\_\_\_\_ (personal or company)  
Bank Name: \_\_\_\_\_  
Bank Address: \_\_\_\_\_  
Routing #: \_\_\_\_\_  
Bank Account #: \_\_\_\_\_

**Which payments should be pulled from this account?** ☐ Monthly Royalty ☐ Promissory Note

#### Please submit a voided check with this form.

Motto Franchising, LLC and its Related Parties (as defined in the Franchise Agreement) are hereby authorized to make periodic withdrawals of funds from my account identified above for the collection of fees, including CONTINUING SERVICE AND ROYALTY FEES, ADVERTISING AND DEVELOPMENT FUND FEES, and other charges and payments due pursuant to the Franchise Agreement, including any amendments or addenda to the Franchise Agreement, and, if necessary, to initiate credit entries and adjustments for any debit entry in error. This authorization shall not impose any legal obligation on Motto Franchising, LLC to make such withdrawals. I understand that I may not receive any notices of withdrawal from Motto Franchising, LLC. I agree that Motto Franchising, LLC will incur no liability if a withdrawal is dishonored by my bank, and that no fees or other payments will be considered paid until Motto Franchising, LLC actually receives the funds for such fee or payment. If any payment dates fall on a weekend or holiday, I understand that the payments may be withdrawn on the next business day. If an ACH Transaction is rejected for Nonsufficient Funds (NSF) I understand that Motto Franchising, LLC may, at its discretion, attempt to process the charge again within 30 days. I certify that I am an authorized user of this bank account and will not dispute these scheduled transactions with my bank so long as the transactions correspond to the terms indicated in this authorization form.

**To change/update bank accounts:** I understand that to update withdrawal information, I must notify Motto Franchising, LLC in writing at least 2 weeks prior to the first day of the month in which I wish to change the ACH withdrawal and provide the date on which the request is to be effective. If I stop withdrawals I agree to timely provide new bank account information to Motto Franchising, LLC.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

## **STATE EFFECTIVE DATES**

## STATE EFFECTIVE DATES

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

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

| State        | Effective Date                                                                       |
|--------------|--------------------------------------------------------------------------------------|
| California   | Exempt                                                                               |
| Hawaii       | <del>April 24, 2025 as amended September 3, 2025</del> <a href="#">[PENDING]</a>     |
| Illinois     | Exempt                                                                               |
| Indiana      | Exempt                                                                               |
| Maryland     | Exempt                                                                               |
| Michigan     | December 7, <del>2024</del> <a href="#">2025</a>                                     |
| Minnesota    | <del>May 5, 2025 as amended September 2, 2025</del> <a href="#">[PENDING]</a>        |
| New York     | Exempt                                                                               |
| North Dakota | Exempt                                                                               |
| Rhode Island | Exempt                                                                               |
| South Dakota | April 15, 2025 as amended <del>August 25, 2025</del> <a href="#">January 7, 2026</a> |
| Virginia     | Exempt                                                                               |
| Washington   | <del>June 11, 2025 as amended September 5, 2025</del> <a href="#">[PENDING]</a>      |
| Wisconsin    | April 15, 2025 as amended <del>August 25, 2025</del> <a href="#">January 7, 2026</a> |

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

**ITEM 23**

**RECEIPTS**



**ITEM 23**  
**RECEIPTS**

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 we offer you a franchise, it must provide this disclosure document to you 14-calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

**State laws in (a) Connecticut and Michigan require 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; (b) New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of a contract or the payment of any consideration; and (c) Iowa requires us to provide you this disclosure document at the earlier of the first personal meeting or 14 days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.**

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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agencies listed in Exhibit H.

The issuance date for this disclosure document is April 11, 2025 as amended ~~August 25~~January 7, 2025~~2026~~.

The franchisor is Motto Franchising, LLC, located at 5075 South Syracuse Street, Denver, Colorado 80237. Its telephone number is (866) 668-8649.

The franchise seller(s) for this offering are: ☐ Victor Lombardo ☐ Adam Sartin; ☐ Kurt Cramer; additional franchise seller(s), if applicable \_\_\_\_\_, 5075 South Syracuse Street, Denver, Colorado 80237; (866) 668-8649.

Motto Franchising, LLC authorizes the respective state agencies identified in Exhibit H to receive service of process for it in the particular state.

I received a disclosure document dated April 11, 2025 as amended ~~August 25~~January 7, 2025~~2026~~, that included the following Exhibits:

| <b>Exhibits</b>                          |                                                         |
|------------------------------------------|---------------------------------------------------------|
| A. Franchise Agreement                   | B. Promissory Note                                      |
| A-1. Renewal Addendum – Address Only     | C. Financial Statements                                 |
| A-2. Transfer Addendum                   | D. List of Current Franchisees                          |
| A-3. [RESERVED]                          | E. Franchisees No Longer with the System                |
| A-4. Motto Mortgage Email User Agreement | F. Office Materials – Table of Contents                 |
| A-5. Motto Portal User Agreement         | G. Franchise Disclosure Questionnaire                   |
| A-6. Motto Web Hosting User Agreement    | H. List of State Agencies/Agents for Service of Process |
| A-7. MottoSwag User Agreement            | I. State Addenda and Franchise Agreement Riders         |
| A-8. Motto Spark User Agreement          | J. Withdrawal Authorization Form (Automatic Bank Draft) |
| A-9. Branch Office Amendment             |                                                         |
| A-10. Wemlo Processing Agreement         | State Effective Dates Page                              |
| A-11. LBS Agreement                      | Copies of Receipt                                       |

**PROSPECTIVE OR RENEWING FRANCHISEE:**

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

Signature: \_\_\_\_\_

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

Individually and as an officer, partner or member of \_\_\_\_\_, a \_\_\_\_\_ which has been or will be formed to act as franchisee

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

## ITEM 23

### RECEIPTS

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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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agencies listed in Exhibit H.

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Individually and as an officer, partner or member of \_\_\_\_\_, a \_\_\_\_\_ which has been or will be formed to act as franchisee

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