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March 24, 2025

VIA WI E-FILING

Franchise Examiner
Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

Dear Examiner:

On behalf of our client, **Iron Valley Real Estate, LLC** ("Applicant"), to renew Applicant's franchise in Wisconsin, attached are the following:

1. Applicant's Franchise Registration Application (Form A) and Certification, accompanied by one complete copy of Applicant's franchise disclosure document ("FDD").
2. Consent to Service of Process (Form C).
3. Consent letter of auditor to inclusion of Applicant's audited financial statement for fiscal year 2024 (this audited statement is included in Exhibit B of the FDD).

The state filing fee in the amount of \$400 is being paid by credit card.

We acknowledge that Applicant's registration is granted upon receipt of application and will expire one year after registration.

Very truly yours,

A handwritten signature in black ink that reads "Don M. Drysdale".

DON M. DRYSDALE

FORM A – Uniform Franchise Registration Application

UNIFORM FRANCHISE REGISTRATION APPLICATION

File No. 637466
(Insert file number of immediately
preceding filing of Applicant)

Fee: \$400

State: Wisconsin

Date: March 21, 2025

APPLICATION FOR (Check only one):

 INITIAL REGISTRATION OF AN OFFER OR SALE OF FRANCHISES

 X RENEWAL APPLICATION OR ANNUAL REPORT

 AMENDMENT NUMBER TO APPLICATION
PRE-EFFECTIVE AMENDMENT

 AMENDMENT NUMBER TO APPLICATION
POST-EFFECTIVE MATERIAL AMENDMENT

1. Full legal name of Franchisor:

Iron Valley Real Estate, LLC

2. Name of the franchise offering:

Iron Valley Real Estate

3. Franchisor's principal business address:

121 Towne Square Drive, Suite 201, Hersey, Pennsylvania 17033

4. Name and address of Franchisor's agent in this State authorized to receive service of process:

Wisconsin Commissioner of Securities, 201 West Washington Avenue, Suite 300,
Madison, Wisconsin 53703-2640.

5. The states in which this application is or will be shortly on file:

California, Maryland, Michigan, New York, Virginia, Washington, and Wisconsin.

6. Name, address, telephone and facsimile numbers, and e-mail address of person to whom communications regarding this application should be directed:

Don M. Drysdale; Lee, Hong, Degerman, Kang & Waimey; 3501 Jamboree Road, Suite 6000, Newport Beach, California 92660-2960, telephone (949) 419-8730 and facsimile (949) 856-3245; E-mail: ddrysdale@lhlaw.com

CERTIFICATION

I certify and swear under penalty of law that I have read and know the contents of this application, including the Franchise Disclosure Document with an issuance date of March 7, 2025, as it may be amended, attached as an exhibit, and that all material facts stated in all those documents are accurate and those documents do not contain any material omissions. I further certify that I am duly authorized to make this certification on behalf of the Franchisor and that I do so upon my personal knowledge.

Signed at Hersey, Pennsylvania, on March 25, 2025.

FRANCHISOR:

IRON VALLEY REAL ESTATE LLC

By: 

Name: Adam S. Gamble

Title: Founder

Form C - Uniform Franchise Consent to Service of Process

UNIFORM FRANCHISE CONSENT TO SERVICE OF PROCESS

Iron Valley Real Estate, LLC, a Limited Liability Company organized under the laws of Pennsylvania (the "Franchisor"), irrevocably appoints the officers of the States designated below and their successors in those offices, its attorney in those States for service of notice, process or pleading in an action or proceeding against it arising out of or in connection with the sale of franchises, or a violation of the franchise laws of that State, and consents that an action or proceeding against it may be commenced in a court of competent jurisdiction and proper venue within that State by service of process upon this officer with the same effect as if the undersigned was organized or created under the laws of that State and had lawfully been served with process in that State. We have checked below each state in which this application is or will be shortly on file and provided a duplicate original bearing an original signature to each state.

X California: Commissioner of the
Department of Financial Protection and
Innovation

 Hawaii: Commissioner of Securities

 Illinois: Attorney General

 Indiana: Secretary of State

X Maryland: Securities Commissioner

X Michigan: Michigan Attorney General

 Minnesota: Commissioner of
Commerce

X New York: Secretary of State

 North Dakota: Securities Commissioner

 Rhode Island: Director, Department of
Business Regulation

 South Dakota: Director of the Division
of Securities

X Virginia: Clerk, Virginia State
Corporation Commission

X Washington: Director, Department of
Financial Institutions

X Wisconsin: Administrator, Division of
Securities, Department of Financial
Institutions

Please mail or send a copy of any notice, process or pleading served under this consent to:

Mr. Adam S. Gamble
Iron Valley Real Estate, LLC
121 Towne Square Drive, Suite 201
Hersey, Pennsylvania 17033

Dated: March 25, 2025

FRANCHISOR:

IRON VALLEY REAL ESTATE LLC.

By: 

Name: Adam S. Gamble

Title: Chief Executive Officer

NOTARY ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF PENNSYLVANIA)
) ss.:
COUNTY OF DAUPHIN)

On March 25, 2025, before me, Lisa M Loser, Notary Public, personally appeared Adam S. Gamble, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

Commonwealth of Pennsylvania - Notary Seal
LISA M LOSER - Notary Public
Cumberland County
My Commission Expires April 26, 2025
Commission Number 1393937

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Lisa M Loser
Notary Public



CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To Whom It May Concern:

Schild & Co., Inc. consents to the use in the Franchise Disclosure Document issued by Iron Valley Real Estate, LLC ("Franchisor") on March 7, 2025, as it may be amended, of our report dated March 7, 2025, relating to the financial statements of Franchisor for the year and period ended December 31, 2024 and 2023.

Fountain Valley, California
March 7, 2025

FRANCHISE DISCLOSURE DOCUMENT
IRON VALLEY REAL ESTATE, LLC



A Pennsylvania Limited Liability Company
121 Towne Square Drive, Suite 201
Hershey, Pennsylvania 17033
(717) 995-3900
E-mail: sales@ivrefranchise.com
URL: www.ivrefranchise.com

As an Iron Valley Real Estate franchisee, you will operate an office providing real estate sales and leasing programs and related services and products.

The total investment necessary to begin operation of an Iron Valley Real Estate franchised outlet is \$58,500 to \$206,500. This includes \$5,000 to \$20,000 that must be paid to the franchisor and its affiliates.

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 government 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 Iron Valley Real Estate, LLC, 121 Towne Square Drive, Suite 201, Hershey, Pennsylvania 17033; telephone (717) 995-3900.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or an accountant.

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

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

Issuance Date: **March 7, 2025**

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
How much can I earn?	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 Exhibit C.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Iron Valley Real Estate business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Iron Valley Real Estate franchisee?	Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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 E.

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

Special Risks to Consider About *This* Franchise

Certain states require that the following risk be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration or litigation only in Pennsylvania. Out-of-state mediation, arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate or litigate with the franchisor in Pennsylvania than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the financial ability to provide services and support to you.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Minimum Performance Required.** You must maintain a minimum number of agents. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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.

IRON VALLEY REAL ESTATE, LLC

FRANCHISE DISCLOSURE DOCUMENT

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Exhibits

"A-1"	Franchise Agreement <i>Exhibits to Franchise Agreement:</i> Exhibit 1: Location of Real Estate Office Exhibit 2: Names and Addresses of Principal Equity Owners Exhibit 3: Guarantee of Franchise Agreement
"A-2"	Area Development and Royalty Share Agreement <i>Exhibits to Area Development and Royalty Share Agreement:</i> Exhibit 1: Development Area and Development Schedule
"B"	Financial Statements
"C"	List of Franchise Outlets
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ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses “we” or “us” to mean Iron Valley Real Estate, LLC. “You” means the individual or entity buying the Iron Valley Real Estate franchise. All persons who own 20% or more of the franchisee are referred to as “Principal Equity Owners”.

The Franchisor, Parents and Affiliates

We are the franchisor for the Iron Valley Real Estate residential real estate brokerage system. Our principal business address is 121 Towne Square Drive, Suite 201, Hershey, Pennsylvania 17033.

We have no parent entity.

Our affiliated entity Kaydence Holdings, LLC (“Kaydence”), whose principal business address is 1958 Quentin Road, Lebanon, Pennsylvania 17042, owns and has registered the principal trademark Iron Valley Real Estate. Our affiliated entity You Refer It, LLC, doing business as You Refer It Realty (“You Refer It”), whose principal business address is 2260 Spring Road, Suite 1, Carlisle, Pennsylvania 17013, allows real estate agents both within the Iron Valley Real Estate system and outside the system to associate with You Refer It Realty to maintain their real estate licenses for referral purposes only and not to engage in active sales. Other than Kaydence and You Refer It, we are not controlled by, controlling, or under common control with any other entity that provides goods or services to our franchisees or that offers franchises in any line of business.

Predecessors

We have no predecessor.

Name Used by the Franchisor

We conduct business under the names “Iron Valley Real Estate” and “IVRE”, in combination or separately (collectively, the “Brand”). We do not intend to use any other names to conduct business.

Agent for Service of Process

Our agents for service of process are Adam S. Gamble, 121 Towne Square Drive, Suite 201, Hershey, Pennsylvania 17033 and (if you are in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin) the state office or official listed in Exhibit E of this disclosure document.

Business Organization Used by the Franchisor

We are a limited liability company organized in Pennsylvania on May 21, 2018.

The Franchisor's Business

We act as a franchisor of Iron Valley Real Estate franchises to real estate brokers. We do not operate businesses of the type being franchised.

The Business the Franchisee Will Conduct

Our franchise is a license to independently own and operate an office ("Outlet") providing full-service residential and commercial real estate brokerage services and related services (collectively, "Iron Valley Real Estate Services") to retail customers strictly in accordance with our methods and format (which we can periodically change), using our designated technology, strategies and techniques. Your initial Outlet will be your principal real estate brokerage office. With our written consent, you may also open (under separate Franchise Agreements) other real estate offices as additional Outlets.

If you want to and you are financially and operationally qualified in our judgment to do so, when you have opened five franchised Outlets, you and we may sign an Area Development and Royalty Share Agreement ("ADRSA"), under which you will be granted the opportunity to develop additional Outlets under a mutually agreed timetable and within a "Development Area" defined as a specified radius around the first franchise Outlet you opened. The form of ADRSA is attached as Exhibit A-2 of this disclosure document. We do not specify any timeframe within which you must open your first five franchised Outlets and there is no development agreement that applies to the first five franchised Outlets. The form of Franchise Agreement that you sign for the next four franchised Outlets and each additional franchised Outlet opened under the ADRSA may be in a form that is different from the form of Franchise Agreement in this offering.

General Market for Franchised Products and Services

The general market you will operate the business is buyers and sellers of commercial residential property. The market for Iron Valley Real Estate Services is all individuals within a reasonable proximity to the Outlet. This type of business is fully developed, does not involve sales primarily to a certain group, and is not seasonal, although the real estate market is subject to outside forces beyond our control, including the national and worldwide economy.

Industry Specific Laws or Regulations

There may be specific laws and regulations pertaining to operating in the commercial and residential real estate industry in your state and you must comply with all applicable laws, regulations and licensing requirements. Some states also require franchised real estate brokers to identify themselves as franchised real estate brokers when offering their services to the public. You should consult with local agencies and your attorney. You must obtain all required licenses and permits and ensure that your sales agents, employees, and others providing Iron Valley Real Estate Services to customers at or through your Outlet have all required licenses and permits. The failure to maintain the proper licensing is a material breach of your Franchise Agreement. You will also need a business license, and you must comply with federal, state and local laws applicable to the operation of residential real estate brokerage businesses, as well as occupational health and safety laws, and the Americans with Disabilities Act.

Competition

All Iron Valley Real Estate franchises will compete with other commercial and residential real estate organizations that offer services comparable to the Iron Valley Real Estate Services as well as recruiting top-producing sales agents, including franchised operations, national chains, independent real estate brokers and agents and independently owned real estate companies offering real estate services to residential and commercial customers. Competitors include but are not limited to, Realty One Group, United Real Estate and Equity Real Estate. A very important if not critical component of your ability to meet your competition will be your ability to recruit and retain sales agents.

Prior Experience of Franchisor, Predecessors and Affiliates

We began offering franchises in September 2018. We have never offered franchises in other lines of business. We do not operate businesses of the type being franchised and do not engage in other business activities. However, affiliated entities operate company owned real estate offices under the Brand.

The Iron Valley Real Estate concept was originated by our affiliated entity Annville Group, LLC in Pennsylvania in 2013, to provide a modern, technology driven real estate brokerage that also gave real estate agents an alternative to high fee offices and eliminated expenses and operating restrictions found with large, franchised firms. Since opening the first office in Lebanon, Pennsylvania in 2013, as of December 31, 2024, Iron Valley Real Estate has expanded to a total of eight company owned real estate offices and 44 franchised Outlets that operate businesses of the type being franchised to you. The addresses of these real estate offices are listed in Exhibit C to this disclosure document. Depending on the location of your Outlet, one or more of these offices may compete with you for real estate listings and customers.

We have not and will not be offering franchises providing the type of business you will operate or in any other line of business.

ITEM 2: BUSINESS EXPERIENCE

Robert Cleapor: Chief Executive Officer and Partner

As a founding partner, Mr. Cleapor was named our Chief Executive Officer in September 2024. From October 2018 to September 2024, he served as our Chief Operating Officer. He also is a Partner of Iron Valley Real Estate of Central Pennsylvania, Linglestown, Pennsylvania (since August 2017) and a Partner of Iron Valley Real Estate Charm City (since October 2024).

Lisa Loser: Chief Operating Officer and Partner

Ms. Loser was named Chief Operating Officer in September 2024. From November 2020 to September 2024, she served as our Director of Human Resources and Compliance. Ms. Loser became a minority Partner of our entity in January 2021. She is also a Partner of Iron Valley Real Estate Charm City (since October 2024) and she serves as a Realtor for Iron Valley Real Estate of Central Pennsylvania, Hershey, Pennsylvania (since March 2019).

Corey Kaplan: Chief Agent Engagement Officer and Partner

As a founding Partner, Mr. Kaplan was named our Chief Agent Engagement Officer in September 2024. From October 2018 to September 2024, he served as our Chief Sales Officer

since October 2018. He also is a Partner of Iron Valley Real Estate of Central Pennsylvania, Linglestown, Pennsylvania (since August 2017) and a Partner of Iron Valley Real Estate Charm City (since October 2024).

Adam S. Gamble: Founder and Partner

As a founding Partner, Mr. Gamble was named Founder in September 2024. From May 2018 to September 2024, he served as our Chief Executive Officer and Manager. He also founded and currently serves as Chief Executive Officer and Manager of Annville (since August 2013), Manager of Kaydence, Lebanon, Pennsylvania (since July 2018), and Manager and President of You Refer It, Carlisle, Pennsylvania (since December 2020).

ITEM 3: LITIGATION

In March 2019, we entered into a franchise agreement with a resident of Virginia for an Outlet to be operated in Oakton, Virginia. At the time of the sale, our franchise was neither registered in Virginia nor exempt from registration. When we filed our initial franchise registration in Virginia in May 2019, we were asked by the examiner about this unregistered sale. In July 2019, we told the regulator we had inadvertently made an unregistered sale to a Virginia franchisee, and we would promptly offer rescission. After an investigation, the Virginia State Corporation Commission's Division of Securities and Retail Franchising ("Division") determined that we offered and sold in unregistered franchise to be operated in Virginia to a Virginia resident and failed to provide the Virginia franchisee with the franchise disclosure document required under the Virginia Retail Franchising Act. On November 19, 2019, we and the Division agreed to the terms of, and signed, a Settlement Order resolving the matter of *Commonwealth of Virginia, ex rel. State Corporation Commission v. Iron Valley Real Estate, LLC* Case No. SEC-2019-00055'. Under the terms of the Settlement Order, we (i) paid the Treasurer of Virginia \$6,000 as monetary penalties, (ii) paid the Treasurer of Virginia \$2,000 to defray the cost of investigation, (iii) made a rescission offer to one Iron Valley Real Estate franchisee (agreeing to pay total amount of \$10,000 in restitution if the Virginia franchisee accepted the offer of rescission), (iv) agreed to provide to the Division a signed affidavit containing the date the franchisee received the rescission offer, the franchisee's response and, if applicable, the amount and date the payment was sent to the franchisee, and (v) agreed not to violate the Virginia Retail Franchising Act in the future. On November 20, 2019, the Virginia franchisee elected to decline the rescission offer and remain an Iron Valley Real Estate franchisee. On December 4, 2019, the Division issued its Final Order acknowledging that Iron Valley Real Estate had fulfilled its obligations under the Settlement Order and dismissing the case.

On January 23, 2024, we filed a complaint against a former franchisee Always Be Closing LLC and its principal equity owner Jay Wells in the U.S. District Court for the Middle District of Pennsylvania (*Iron Valley Real Estate, LLC v. Always Be Closing, LLC and Jay Wells*, Case No. 24-cv-00113), alleging breach of the franchise agreement and making defamatory comments against us and the Iron Valley Real Estate system. We are awaiting an answer from the defendants. In September 2024, we received a default judgment in our favor in the amount of \$71,609.17 plus interest. Our motion was also accepted for attorney's fees and costs of \$17,268 and future attorney costs for collections. The judgment was domesticated and recorded successfully in the state of Florida on October 14, 2024. We are in the process of recovering our damages, using a Florida law firm that specializes in collections.

Other than the two actions listed 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

If the Franchise Agreement is for your first Outlet in a county, the “Initial Franchise Fee” is \$20,000. If the Franchise Agreement is for your second (or additional) Outlet in the same county where you have a franchised Outlet, the Initial Franchise Fee for your second (or additional) Outlet is \$5,000. If the Franchise Agreement is for your second (or additional) Outlet in a county where you do not have a franchised Outlet and you signed a Franchise Agreement for your first Outlet (i) before March 10, 2022, the Initial Franchise Fee for this second (or additional) Outlet is \$10,000 or (ii) on or after March 11, 2022 and before March 11, 2025, the Initial Franchise Fee for this second (or additional) Outlet is \$15,000.

If one or more Principal Equity Owners is an active member of the U.S. Armed Forces or is a veteran of the U.S. Armed Forces who was honorably discharged within the past five years, we will discount the Initial Franchise Fee by \$5,000 and you would pay us \$15,000.

The Initial Franchise Fee is due and payable when you sign the Franchise Agreement. The Initial Franchise Fee is fully earned by us when paid and is not refundable. If before your successful completion of initial training, we decide, in our sole discretion, that you should not operate an Iron Valley Real Estate business, we may cancel the Franchise Agreement, without any liability to us.

If you sign an ADRSA, you will pay us at that time a non-refundable “Territory Fee” of \$100 for the right for you or your affiliated entities to open additional Outlets under the ADRSA. Each of these additional Outlets will require execution of a separate franchise agreement, and you or your affiliated entity would be obligated to pay the initial franchise fee due under the franchise agreement for that additional Outlet. Currently, the initial franchise fee varies from \$5,000 to \$20,000, but the initial franchise fee may increase in the future.

There are no other initial fees or payments for services or goods received from us or our affiliates before the “Opening Date” (the date you begin operating your Outlet under the Franchise Agreement).

ITEM 6: OTHER FEES

Type of Fee	Amount ¹	Due Date ²	Remarks
Royalty ¹	\$150 ³ per Transaction Side.	On the 15th day of the following month	A “Transaction Side” is defined in the Franchise Agreement as the side of a real estate transaction represented by either a listing agent or a seller's agent. You must also send us a transaction report in the form we prescribe.
Marketing and Promotion Fees ¹	\$250 ^{3,4}	On the 15th day of the following month	Marketing and Promotion Fees are paid monthly.

Type of Fee	Amount¹	Due Date²	Remarks
Agent Website Fee ¹	\$16.96 ³ per agent listed on Iron Valley Real Estate master website.	On the 15th day of the following month	Payable only if you use the website provider we recommend. If you do not use the website provider we recommend, no Agent Website Fees are payable; however, you would need to enter all your real estate agents into our website as "Roster Only" and reimburse us for any related MLS Internet Data Exchange ("IDX") charges.
Additional Advertising and Promotion Assessment ⁴	Amount of assessment (variable)	Immediately upon our demand.	May be imposed on a regional or system-wide basis.
Renewal Fee ¹	\$5,000 ³	When you sign your renewal Franchise Agreement	Payable only if you exercise renewal option. You are qualified for renewal if you are in full compliance with your operating requirements, all fees due are paid and you are not in breach of any term of your Franchise Agreement, and you sign our new form of Franchise Agreement (which will replace your expiring Franchise Agreement). If you have fully complied with the Franchise Agreement during the term that is expiring, the Renewal Fee will be reduced to \$2,500. We will not accept the renewal fee until conditions for renewal have been met.
Transfer Fee ¹	\$5,000 ³	Not later than 10 days before the transfer	There is no transfer fee if franchise is transferred to an entity (corporation or limited liability company) owned solely by you.
Interest	Annual Percentage Rate ("APR") of 18% ³ on the amount past due.	Immediately upon our demand	Interest begins from the date payment was originally due.
Costs of Collection	Cost of collection of delinquent amounts (variable)	Immediately upon our demand.	In addition to the late payment penalty and interest on the unpaid amount, you must reimburse us for our costs of collection of delinquent amounts.
Optional Training and Conference Fee	From \$500 ³ to \$5,000 ³ plus any travel expenses of our trainers	At time of training	Upon reasonable notice, we may require attendance of your designated personnel at training courses, seminars, conferences or other programs, including training services from our designated training department.
Late Payment Penalty	5% of the amount past due	Immediately upon demand	The late payment penalty is payable each time you fail to make a required payment and is in addition to interest on the unpaid amount. You must also reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts.

Type of Fee	Amount ¹	Due Date ²	Remarks
Records and Rights of Inspection (Audit) ⁵	Cost of audit (can range from \$3,000 to \$7,500) plus you must pay interest on any underpayment	Immediately upon demand	You must reimburse us the cost of the audit only if you understated Gross Revenues for any month by 5% or more, or our auditors need an unreasonable amount of time (more than eight hours) to assemble your records for audit.
Interim Manager Payments	Daily charge which is currently \$750 ³ per day.	Weekly, on demand.	In addition to our daily charge for the manager, you or your successor must pay our manager's travel, lodging, and living expenses.
Reimbursement for Curing Franchisee Defaults	Cost incurred to cure your defaults (variable)	Immediately upon our demand.	If you default in the performance of any obligation under the Franchise Agreement, or related agreement involving third parties, we may cure the default for your account and on your behalf and you would then be obligated to reimburse us for all costs and expenses we incur to do so.
Proposed Supplier Review Fee	\$250 ³ .	When you submit a proposed supplier for our review.	To facilitate our review, the supplier must provide us with detailed explanations regarding its services or samples of its products.
Attorneys' Fees and Costs	Actual cost, which is variable.	Immediately upon our demand.	Payable only if we use an attorney to collect money from you or otherwise enforce any provision of the Franchise Agreement or any other agreement with you.
Recovery of Lost Royalties	The aggregate amount of Royalty actually paid by you, or what you were obligated to pay, whichever is greater, during the three years before this Agreement was terminated. If the Opening Date is less than one year before the termination date, you would pay the greater of (i) \$20,000, (ii) 300% of the aggregate amount of Royalty actually paid by you, or (iii) what you were obligated to pay under this Agreement during the time since the Opening Date. If the Opening Date is between one and two years before the termination date, you would pay the greater of 200% of the aggregate amount of Royalty actually paid by you, or what you were obligated to pay during the time since the Opening Date. If the Opening Date is between two and three years before the	Immediately upon demand	We are only entitled to recover lost royalties if the Franchise Agreement is terminated because of your material breach.

Type of Fee	Amount ¹	Due Date ²	Remarks
Recovery of Lost Royalties [continued]	termination date, you would pay the greater of 150% of the aggregate amount of Royalty actually paid by you, or what you were obligated to pay during the time since the Opening Date.		
Indemnification of Franchisor against Losses	All "Losses", as defined in section 16.2 of the Franchise Agreement (variable).	Immediately upon our demand.	The Franchise Agreement requires you to indemnify us against Losses we may incur as a result of (i) unauthorized use of our proprietary information or trademarks, (ii) the breach by you, any Principal Equity Owner or your Manager of non-compete covenants, or (iii) your intentional tort or negligence relating to operation of the Outlet.

1. This fee must be paid in full at the time indicated. To be eligible to sign the Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the franchise. The "Initial Franchise Fee" payable under a Franchise Agreement for your second (or additional) Outlet in the same county is \$5,000, rather than \$20,000, or if the Franchise Agreement is for an additional real estate office in a county where there is no existing Iron Valley Real Estate franchise licensed to you, and you became an Iron Valley Real Estate franchisee (i) before March 10, 2022, the Initial Franchise Fee for a second (or additional) Outlet will be \$10,000, rather than \$20,000 or (ii) on or after March 11, 2022 and before March 11, 2025, the Initial Franchise Fee for a second (or additional) Outlet will be \$15,000 rather than \$20,000.

2. If any payment is not paid when due, in addition to the late payment penalty, you must pay interest on the unpaid amount at an annual percentage rate ("APR") of 18% (unless interest rates in the state in which your Outlet is located are limited by law to a lower APR, in which case that lower APR will apply), and you must reimburse us immediately upon demand for all reasonable costs of collection relating to delinquent amounts, including court costs, investigator fees, expert witness fees and attorneys' fees. Interest begins to accrue from the date payment was due.

3. This fee is subject to adjustment based upward changes since the effective date of the Franchise Agreement to the annual average of the Consumer Price Index for All Urban Consumers ("CPI"), published by the Bureau of Labor Statistics of the United States Department of Labor, or the highest similar future index if these figures become unavailable.

4. On a regional or system-wide basis, if two thirds of all affected Iron Valley Real Estate franchisees agree to such additional assessment by affirmative vote, we may impose an additional assessment upon some or all franchisees for one-time advertising or promotional activities which may be paid to us or to designated third parties.

5. We have the right to continually inspect your Outlet and any other site where you conduct the franchised business to ensure you are complying with brand standards and guidelines prescribed by us and specified in our Confidential Operations Manual.

ITEM 7: ESTIMATED INITIAL INVESTMENT**YOUR ESTIMATED INITIAL INVESTMENT**

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee ¹	\$5,000 to \$20,000	Lump sum; non-refundable	When you sign the Franchise Agreement.	Us
Grand Opening Advertising ²	\$1,000 to \$3,000	Lump sum; non-refundable	During the first 60 days after the Opening Date.	Various suppliers
Initial training travel/ expenses ³	\$1,500 to \$3,500	As incurred	During training	Travel and lodging vendors
Real property lease or rental agreement (for three months) and security deposit ⁴	\$9,000 to \$30,000	As incurred	Before opening	Landlord and suppliers
Office set-up and leasehold improvements ⁵	\$15,000 to \$65,000	As incurred	Before opening	Contractor, landlord and other vendors
Equipment, furniture, fixtures and other fixed assets	\$8,000 to \$15,000	As arranged	Before opening	Various suppliers
Signage/exterior office signs ⁶	\$3,000 to \$18,000	As arranged	As arranged	Various suppliers
Point of Sale system, computers and telecommunications ⁷	\$2,500 to \$5,000	As arranged	Before opening	Various suppliers
Professional fees – legal and accounting	\$1,000 to \$2,500	As incurred	As arranged	Attorneys and accountants
Inventory and supplies to begin operating	\$500 to \$1,500	As arranged	Before opening	Designated and approved vendors
Insurance ⁸	\$1,000 to \$2,000	As incurred	As arranged	Insurance company
Utility deposits, business licenses, fictitious business name filing and other prepaid expenses ⁹	\$1,000 to \$10,000	As incurred	Before and during opening	Landlord, municipalities, suppliers, utilities, attorneys, accountants and other professionals
Additional funds – 3 months ¹⁰	\$10,000 to \$30,000	As incurred	After opening	Employees, landlord, other vendors
TOTAL¹¹	\$58,500 to \$206,500			

1. This fee must be paid in full at the time indicated. To be eligible to sign the Franchise Agreement, you must provide us with reasonable proof of your financial ability to make the initial investment described above and you must authorize us to conduct a credit check to confirm your financial ability to purchase and develop the franchise. The “Initial Franchise Fee” payable under a Franchise Agreement for your second (or additional) Outlet in the same county is \$5,000, rather than \$20,000, or if the Franchise Agreement is for an additional real estate office in a county where there is no existing Iron Valley Real Estate franchise licensed to you, and you became an Iron Valley Real Estate franchisee (i) before March 10, 2022, the Initial Franchise Fee for a second (or additional) Outlet will be \$10,000, rather than \$20,000 or (ii) on or

after March 11, 2022, the Initial Franchise Fee for a second (or additional) Outlet will be \$15,000 rather than \$20,000.

2. We will provide you a grand opening advertising and promotional program format for your Iron Valley Real Estate real estate brokerage business. You must spend at least \$1,000 on a grand opening promotion during the first six months after you open your initial Outlet.

3. Training typically is accomplished in three days in Hershey, Pennsylvania. These expenses represent the wages, travel and living expenses for you and your staff during training.

4. Many of our franchisees will already have an operating real estate office that we will consent to as acceptable to be operated as a real estate office. If you are not converting your existing office to an Outlet, you will need to rent or lease a suitable site for your Outlet and the rent or lease deposit amount will vary depending on the location. The amount of estimated rent in the table above is for three months. A security deposit equal to rent for one month is a standard requirement to execute an office lease, and landlords may ask for an additional security deposit equal to as much as rent for three months. The amounts listed in this type of expenditure are estimates that are based on basic build out of our real estate office design but do not include many variables related to the pre-existing condition of any one location. Architectural renderings and building permits may be required for the build-out of your Outlet or refurbishment to meet our standards, the cost for which has been included in these estimates. The size of an Outlet ranges from 1,500 to 3,000 square feet.

5. We may recommend the design of your Outlet and may require a distinctive trade dress for the Outlet. The amounts listed in this type of expenditure are estimates that are based on basic build out of our real estate office design and include the cost for you to join as a member (if you have not already done so) of each Multiple Listing Service ("MLS") applicable to the area in which your Outlet is located, but these amounts do not include many variables related to the pre-existing condition of any one location. If you are converting your existing real estate office into an Outlet, and your existing design and trade dress is compatible with our requirements, your process of conversion will be quite low. If you are not converting an existing real estate office into your Outlet, building permits may be required for the build-out of your Outlet, the cost for which has been included in these estimates.

6. The quantity, size, type and cost of signs will vary substantially per lease space and in accordance with stipulations of each landlord and local governmental regulations. These estimates include the average filing fees for obtaining the necessary sign permits. All signs must comply with the guidelines contained in the Confidential Operations Manual.

7. Currently, you must purchase (at a higher cost) or lease (at a lower cost) an Accounttech point of sale ("POS") system at a cost of \$2.60 per month per agent, and \$10 per month per administrative user. ACH and credit card processing fees if used within the software are additional costs. You must also use and maintain a business computer system (including our designated website system), approved software and a RingCentral Account (ranging from \$73 to \$163 per month), an Office 365 Account (approximately \$240 per year).

8. As an independently owned and operated franchisee, you are responsible for all costs or liabilities arising from the operation of your franchised business, and it is imperative you carry adequate insurance to protect yourself. The currently required minimum coverage and limits of insurance are (i) general liability insurance with limits of at least \$1,000,000 per occurrence and \$1,000,000 aggregate, (ii) automobile insurance for your employees and agents with per accident coverage of at least \$100,000 per person for bodily injury, \$300,000 for all persons injured and \$100,000 for property damage, and (iii) workers' compensation insurance to meet the statutory coverage of the state where your Outlet is located. We may modify the policy limits set forth above if we determine that a different policy limit is reasonably prudent for your type of business after taking into consideration the state where you operate. Any policies of insurance that you maintain in your name (excepting workers' compensation insurance

policies) must contain a separate endorsement naming us and any our other affiliated entities identified by us in writing, and our respective shareholders, members, managers, directors, officers, employees, and agents as additional insureds. The costs of premiums will vary based on location of the Outlet and any prior claim history. You must supply us a copy of the applicable insurance policy providing the coverage specified above as soon as practicable after the effective date of your Franchise Agreement and then proof of continuing insurance on annual basis not later than each anniversary of the effective date of your Franchise Agreement.

9. This includes security deposits, utility deposits, business licenses and other prepaid expenses. You are required to order from us or designated or approval suppliers, the marketing and promotional materials and other items specified in the Operations Manual no later than two business days before the Opening Date of the Outlet.

10. Although we do not require minimum funds for you to start your business, there are some expenses you will incur when you begin your franchise operations, such as inventory, supplies and employees. It is always a good idea to have some cash reserves available to cover initial operating expenses. This estimates the additional funds you will need for your first three months of operation. These expenses include payroll costs. We relied on the 18 years of business experience of our Founder and his experiences in franchise development over the last six years in determining these figures.

11. If you do not open for business, you may receive a refund from suppliers for unused inventory, unspent advertising, and canceled insurance. Otherwise, the payments listed in the table above are nonrefundable. We do not finance any part of the initial investment. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

AREA DEVELOPMENT AND ROYALTY SHARE AGREEMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Territory Fee ^{1,2}	\$100	Lump sum	When you are eligible to do so and you sign the ADRSA, you pay us a "Territory Fee" of \$100 for the right to open additional Outlets pursuant to the Development Schedule.	Us
TOTAL	\$100			

1. All fees must be paid in full at the time indicated.

2. Each additional Outlet to be opened under the ADRSA will require execution by you (or your affiliated entity) and us of a separate Franchise Agreement (using our then current form) for that additional Outlet, and you would pay us the initial franchise fee required under that Franchise Agreement. If you fail to comply with the Development Schedule, your ADRSA may be terminated and you would lose the right to Royalty Share under the ADRSA, but you would still be able to operate your Outlets under their individual Franchise Agreements.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We do not sell or lease any goods, services, supplies or equipment related to establishing operating the franchised business. You are encouraged (but not required to) join your local Board of Realtors, however, you must join and maintain a membership in each MLS applicable to the area in which your Outlet is located. You are solely responsible for paying any fees or

costs associated with your integration into an MLS technology platform. You must provide us on a quarterly basis a report of your MLS activities.

During each calendar year, you must also hold (i) at least one community fundraiser, charitable event, or community service event (and provide us with a brief description of the event and photos for use by us on our website) and (ii) at least two office events for your real estate agents (and we recommend one in the summer and one in the winter). You must also allow other real estate agents within the Iron Valley Real Estate organization use of your Outlet for closings, meeting clients and other short-term general office use. Your Outlet must have a lockbox system with key to the Outlet for agent use. The code to the lockbox system will be set forth in the Confidential Operations Manual.

You must purchase all branded apparel and other professional attire containing the Brand or other trademarks from designated clothing vendors (currently these designated clothing vendors are (i) Travel Champs, Inc., Hummelstown, Pennsylvania, (ii) Markful, El Cajon, California, and (iii) Unique Apparel, Lancaster, Pennsylvania). We will receive a portion of revenues received by these clothing vendors from sales made to our franchisees.

Franchisor or its Affiliates Acting as Approved Suppliers

Currently, we are not an approved supplier or the only suppliers of goods or services you will use in operating your Outlet.

Another affiliate Your Refer It allows real estate agents both within and outside the Iron Valley Real Estate system to associate with You Refer It to maintain their real estate licenses for referral purposes only. No active sales will be made by You Refer It, which acts as a place where inactive sales agents can maintain their real estate license, refer business to our active real estate offices and receive a fee for these referrals. If the inactive sales agent wants to resume acting as an active sales agent, its license would be transferred back to an appropriate Iron Valley Real Estate office.

Officers or persons affiliated with us own an interest in You Refer It. Otherwise, there are no suppliers in which any of our officers or persons affiliated with us owns an interest.

Required and Approved Suppliers

You must purchase items bearing the Brand only from designated vendors (including Travel Champs, Inc., Markful, and Unique Apparel, who all supply branded apparel) or approved suppliers. If you buy from other sources, you will be in material breach of your Franchise Agreement. You will receive a list of approved suppliers at initial training and later updates to this list.

You must obtain and maintain insurance coverage required by the Franchise Agreement from a carrier with a rating of "A VII" or better by A. M. Best Company, and we must approve the insurance provider and the amount of coverage.

You may be given an opportunity to purchase some ancillary real estate services (including escrow, title insurance and mortgage services) from other providers. Each provider of these ancillary real estate services must have all necessary permits and licenses to allow them to do so.

Approval of Alternative Suppliers

We may approve other suppliers of services or products that are used or sold at Iron Valley Real Estate Outlets. We approve suppliers after careful review of the quality of the services or services and products they provide to us and our franchisees. These standards and specifications are provided to potential suppliers when we begin the supplier review process and to franchisees. If you would like us to consider a new supplier, you must pay us a non-refundable "Proposed Supplier Review Fee" of \$250 when you have the supplier provide us with detailed explanations regarding its services or samples of its products. If the supplier meets our specifications for quality control, we may approve it as an additional supplier by written notification of our approval to the supplier and you (the supplier will then be required to execute an Approved Supplier Agreement with us). A review of a proposed new supplier typically is completed within 30 days. We will not unreasonably withhold consent to a proposed new supplier. If an approved supplier no longer meets our standards, we may revoke its status as an approved supplier by written notification to the supplier and notification to the system.

Computer and Point of Sale System

You are required to purchase or lease a POS system that we designate in the Confidential Operations Manual or otherwise in writing. Currently, we require franchisees to use the Accounttech POS system, at a cost of \$2.60 per month per agent and \$10 per month per administrative user (these costs may change in the future). ACH and credit card processing fees if used within the software are additional costs. You are also required to use and maintain a business computer system (including our designated website system) and all related hardware, as we specify in the Confidential Operations Manual or otherwise in writing for use in connection with your Outlet (the "Computer System"). Currently, you will also need a RingCentral Account (ranging from \$73 to \$165 per month), an Office 365 Account (approximately \$240 per year). If these requirements change, we will give you at least 90 days advance notice.

Revenue from Franchisee Purchases

In 2024, we received rebates of \$3,857.45 from Markful, revenue shares of \$65.50 from Unique and revenue shares of \$8,352.97 from Travel Champs. Otherwise, neither we nor any of our affiliates derived revenue, rebates or other material consideration from required purchases or leases by Iron Valley Real Estate franchisees, although we may do so in the future.

The estimated proportion of required purchases and leases from us, our designee or suppliers approved by us or under our specifications to all purchases and leases by you will range from 10% to 12% of your total initial investment to establish your franchised business and will range from 0% to 5% of your total monthly expenses to operate your franchised business.

Cooperatives

We are not presently involved in any purchasing or distribution cooperatives.

Negotiated Purchase Arrangements

We may negotiate purchase agreements with some suppliers (primarily involving marketing materials) for the benefit of Iron Valley Real Estate franchisees.

Material Benefits Based on Franchisee Purchases

We may provide material benefits to you based on your purchase of specific products or services or use of specific suppliers.

ITEM 9: FRANCHISEE'S OBLIGATIONS

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

	Obligation	Section in franchise agreement	Section in area development agreement	Disclosure document item
a.	Site selection and acquisition/lease	7.1, 7.2	Exhibit 1	6,11
b.	Pre-opening purchases/leases	7.2, 7.3	2.2	8
c.	Site development and other pre-opening requirements	7.1, 7.2	2.1	6, 7, 11
d.	Initial and ongoing training	6.1-6.4	Not applicable	11
e.	Opening	3.3, 7.2, 7.3	Exhibit 1	11
f.	Fees	4.1-4.8, 5.2, 12.2	3.1,3.2	5, 6
g.	Compliance with standards and policies/operating manual	8.1-8.3	Not applicable	11
h.	Trademarks and proprietary information	8.8, 9.1-9.5	5.2	13,14
i.	Restrictions on products/services offered	3.2, 3.4, 8.1	1.1	16
j.	Warranty and customer service requirements	3.3, 8.1	Not applicable	11
k.	Territorial development and sales quotas	8.1	Exhibit 1, 1.2, 2.4	12
l.	Ongoing product/service purchases	7.3	Not applicable	8
m.	Maintenance, appearance and remodeling requirements	5.2, 7.2, 8.6	Not applicable	11
n.	Insurance	8.10	Not applicable	6, 8
o.	Advertising	4.3, 7.2, 7.3, 8.8, 8.13, 8.14,10.1, 10.2	5.2	6,11
p.	Indemnification	16.2	Not applicable	6
q.	Owner's participation/management/staffing	3.6, 6.1, 6.2, 6.3, 8.1, 12.6	Not applicable	11,15
r.	Records and reports	8.7	Not applicable	6
s.	Inspections and audits	8.7, 8.11	Not applicable	6,11
t.	Transfer	12.1-12.7	4	17
u.	Renewal	5.2, 5.3	1.3	17
v.	Post-termination obligations	11.2, 15.1, 15.2	6	17
w.	Non-competition covenants	11.1-11.3	5	17
x.	Dispute resolution	14.1-14.5	7	17
y.	Other (Compliance with anti-terrorism laws)	16.12	Not applicable	Not applicable

ITEM 10: FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Assistance

Before you open your business, we:

(1) Will provide you and your key employees with initial training and orientation in the Iron Valley Real Estate system and how to operate the Outlet (see section 6.1 of the Franchise Agreement and the Training Program described below in this Item 11). You must successfully complete initial training to our satisfaction.

(2) Will provide you with guidelines regarding the trade dress, furnishing and equipping of your Outlet (see section 7.2 of the Franchise Agreement).

(3) Will review and consent to the site you select for your Outlet (if you do not already have an operating real estate office) (see section 7.2(a) and Exhibit 1 of the Franchise Agreement). We will assist you in selecting this site, if requested. You and your landlord may be required to complete and sign a rider or addendum to the lease that requires the landlord to (i) notify us if you are in material default of the lease for the Outlet and (ii) fully cooperate with us in completing de-identification of the Outlet if the Franchise Agreement is terminated or expires without being renewed. The factors we consider in consenting to a site for the Outlet include general location and neighborhood, parking, size, physical characteristics of existing buildings and lease or rental terms. You have 90 days after signing the Franchise Agreement to locate an acceptable site for your Outlet. We will review and either consent to or decline the proposed site for your Outlet within 10 business days after you provide us with its address. If you are unable to locate an acceptable site within 180 days, we can cancel the Franchise Agreement (see section 7.2(a) of the Franchise Agreement). We do not typically own and lease to you the premises on which the Outlet will be located. Our review and consent to the location of the Outlet is no guarantee or assurance that you will be successful there or anywhere else. Once we consent to the location of your Outlet, you must countersign and return to us the letter consenting to your location in the method we prescribe. We do not provide you with assistance in conforming the premises of the Outlet to local ordinances and building codes nor (i) obtaining any required permits, (ii) constructing, remodeling or decorating the premises, or (iii) hiring and training employees.

(4) Will provide you with online access to the Confidential Operations Manual (see section 8.2 of the Franchise Agreement).

(5) Will review and authorize the "Business Name" (a trade name containing a term unique to you and the Mark "Iron Valley Real Estate" or "IVRE") you will use to operate your Outlet. You must always use this Business Name all advertising, promotions, yard signs, other signs and display materials, on your letterheads, business forms, and at the entrance to your Outlet and other authorized business sites, in all your business dealings related thereto and to the public (see section 9.2 of the Franchise Agreement).

Length of Time to Open the Franchised Business

We estimate the typical length of time between the signing of the Franchise Agreement (when you make your first payment to us for the franchise) and the opening of your Outlet (which usually takes place immediately after you complete Initial Training) will be 90 days. Factors that may affect this length of time include the satisfactory completion of initial training by your designated attendees, location of an acceptable site, ability to obtain an appropriate lease, financing arrangements, compliance with zoning and local ordinances, weather conditions, shortages, and delivery and installation of equipment and signs. Immediately upon your successful completion of Initial Training, you will be given access to our designated computer software to be used in the operation of the Franchised Business (see section 8.4 of the Franchise Agreement) and you must sign a letter in a form we provide acknowledging the Opening Date of your Franchised Business. If you have not located a site for your Outlet that we consent to within 90 days after you sign the Franchise Agreement, we may cancel your Franchise Agreement because you failed to find an acceptable site; and if we do so, we will refund your Initial Franchise Fee after deducting costs that we incurred in processing the franchise or the Franchise Agreement. If we consent to the site for your Outlet but you do not successfully complete Initial Training and begin operating your Franchised Business within 180 days after you sign the Franchise Agreement, we can terminate the Franchise Agreement without any liability to us. (See section 7.2(a) of the Franchise Agreement.)

Post-Opening Assistance

During the operation of the franchised business, we:

- (1) Will be reasonably available by phone and e-mail for guidance in the operation and management of your Outlet. Other than providing you general guidelines for tax and federal employment compliance in our Confidential Operations Manual, we do not provide you with assistance in contracting with real estate agents or hiring, supervising or discharging employees, nor do we provide any advice on employment law or regulations, except to strongly recommend you engage the services of an attorney competent to advise you on employment law matters in your state. (See section 6.2(c) of the Franchise Agreement.)
- (2) Will provide you with scheduled training and assistance programs and may visit you periodically at no cost to you to provide additional sales and administrative review and assistance, including assistance with establishing and using administrative, bookkeeping and accounting procedures. There is no separate fee for scheduled training and assistance. However, if you request unscheduled training or assistance and we agree to provide it, you must reimburse us for the cost of our representative's transportation and lodging. We may also, at our discretion, charge a fee for unscheduled training or assistance of up to \$750 per day. The nature, frequency and duration of this assistance by our representatives will be in our sole discretion. (See section 6.2(d) of the Franchise Agreement.)
- (3) In connection with your ongoing obligation to maintain the Outlet in accordance with our standards, will notify you if the general state of repair, appearance or cleanliness of your Outlet or its signs do not meet our standards, and specify the action you must take to correct the deficiency (see section 8.5 of the Franchise Agreement).
- (4) May conduct regional or system-wide meetings (including broker-manager meetings and a system-wide sales conference) in Hershey, Pennsylvania, or other place in the United States.

Attendance of at least one Office Manager and at least one Principal Equity Owner at these meetings is required. We may charge you a registration fee for each of your attendees of these meetings. You must pay the cost of travel, hotel and meal expenses for your attendees at these meetings. (See section 6.3 of the Franchise Agreement.)

(5) Will provide you with access to, and integrate information about your Outlet into, the Iron Valley Real Estate website in accordance with our specifications (see section 6.2(a) of the Franchise Agreement).

(6) May suggest retail prices for Iron Valley Real Estate Services you sell at your Outlet (to enhance uniformity in the delivery of goods and services to retail customers by our franchises and the strength of our Marks in inter-brand competition) and may restrict advertising of prices that are different from what we recommend. (See section 8.1(b) of the Franchise Agreement.) Otherwise, we do not assist you in establishing prices, such as setting minimum or maximum prices at which you must sell products and services at your Outlet.

Advertising Program for the Franchise System

Beginning after the Opening Date, and year thereafter, you must pay us Marketing and Promotion Fees equal to \$250 a month. We will spend collected Marketing and Promotion Fees for national, regional, and local advertising, public relations, market research, and promotional campaigns designed to promote and enhance the value of the Brand and its general recognition and acceptance. In addition, if you use the website provider that we recommend, you must pay us an Agent Website Fee of \$16.96 for each of your real estate agents who will be listed on the IRVE master website. If you do not use the website provider we recommend, no Agent Website Fees are payable; however, you would need to enter all your real estate agents into our website on a "Roster Only" basis and reimburse us for any related MLS IDX charges.

Within the first six months after the Opening Date, you must spend at least \$1,000 on the grand opening advertising and promotion of your Outlet, using the grand opening promotional program that we approve (see section 4.3(c) of the Franchise Agreement). Beginning six months after the Opening Date, you must spend at least \$125 each month on the local marketing, advertising and promotion of your Outlet, and we may require you to provide us with receipts or other written verification of these expenditures (see section 4.3(d) of the Franchise Agreement). You pay third parties and not us for this grand opening advertising and promotion and for local marketing, advertising and promotion of your Outlet.

On a national or regional basis, we may impose an additional assessment on all affected Iron Valley Real Estate franchisees for special advertising or promotional activities if two-thirds of all affected franchised Outlets agree to this additional assessment in writing (see section 4.3(e) of the Franchise Agreement).

Marketing and Promotion Fees are deposited into our operating account but separately identified with a specific chart of account designated for Iron Valley Real Estate marketing, advertising and promotional activities. This account is not audited and no interest on the amounts on deposit is imputed for your benefit or paid to you. We administer the national advertising program and receive an administration fee of 15% of the annual aggregate Marketing and Promotion Fees for doing so.

Marketing and Promotion Fees are primarily used to promote the Iron Valley Real Estate system and residential real estate sales at Outlets. We determine, in our sole discretion, the cost, form or media, content, format, production and timing, including regional or local concentration and seasonal exposure, location and all other matters involving advertising, public relations and promotional campaigns. In 2024, we collected \$25,850 in Marketing and Promotion Fees from our franchisees, and we spent \$129,866 on marketing and advertising the Iron Valley Real Estate system and the Brand. The Marketing and Promotion Fees were spent as follows: 100% for media placement.

We intend to use the Internet, social media and targeted print media in our marketing and advertising efforts. And in the future, we may use local radio and television advertising. We will be using in-house advertising personnel to do this, and we may hire advertising and public relations firms to assist us in these efforts. We are not required to spend any advertising fees in your territory or in or near your Outlet, although we may do so. Advertising Fees are spent to benefit all franchises, including you.

We will provide general advertising programs and sales promotion, campaign and sample advertising materials. You may develop advertising materials for your own use, at your own cost. But we must approve all advertising materials in advance and in writing (approval or disapproval will be given within five business days after you submit the advertising materials to us). You grant us the right to use the name, image and likeness of you, all Principal Equity Owners and any of your affected employees, for commercial purposes in connection with the marketing and promotion of the Marks, Iron Valley Real Estate Services, any Iron Valley Real Estate Outlet and the Iron Valley Real Estate system (see section 9.1(d) of the Franchise Agreement).

We do not have a franchisee council that advises us on advertising policies.

You are not required to participate in any advertising local or regional cooperative. We are not involved in any advertising cooperatives.

If we do not expend all Marketing and Promotion Fees in the fiscal year in which they accrue, the amount remaining is retained for future advertising. If you request this in writing on or before March 31, we will provide you on or before the following May 31 with an unaudited statement describing the annual receipts and expenditures of Marketing and Promotion Fees received from Iron Valley Real Estate franchisees during the calendar year that just ended.

None of the Marketing and Promotion Fees will be used primarily for the solicitation for new franchise sales.

Electronic Point of Sale System and Computer Requirements

Currently, you are required to purchase or lease DarwinCloud from AccountTECH, currently at a cost of \$2.60 per month for each of your agents, and \$10 per month per administrative user. ACH and credit card processing fees if used within the software are additional costs (this cost may change in the future). You must provide us with continuous access to the accounting software we authorize you to use at your Outlet. We will provide you with related information (such as a required chart of accounts); so that data you provide us will be categorized properly (see section 8.7(a) of the Franchise Agreement). We also require you to maintain an e-mail account and always connect it to a dedicated Internet line (or other communications medium

we specify) capable of accessing the Internet via a third-party network we designate in the Confidential Operations Manual (or otherwise in writing). You must allow us to access your e-mail account on a daily or other basis at the times and manner determined by us or our designated affiliate, with or without notice, and to retrieve transaction information (including sales, sales mix, usage and other operations data) that we deem appropriate. At your cost, you must give us access to your MLS listings and related IDX data through a subscriber service with a third-party vendor we designate. You must always have and maintain adequate anti-virus software in any computer you use to communicate with us directly or through our master website or intranet (see section 8.4(b) of the Franchise Agreement). We estimate that the cost to purchase or lease the current POS system and peripheral equipment will range from \$2,500 to \$5,000. You are responsible for all ongoing maintenance and repairs and upgrades. If we replace the POS system, you will receive a 90-day notice, and the cost will not exceed \$5,000. We estimate that the annual cost of optional or required maintenance, updating, operating or support contracts regarding the POS System will range from \$500 to \$1,000.

Operations Manual

We will provide you with online access to our Confidential Operations Manual (which, if printed would contain a total of 160 pages, excluding the cover and table of contents) and other applicable manuals (see section 8.2 of the Franchise Agreement). The Confidential Operations Manual contains mandatory and suggested specifications, standards and procedures for operation of your Outlet.

We will periodically modify the Confidential Operations Manual and when we do so, you must comply with these changes when you have online access to them. This Confidential Operations Manual is confidential and remains our property. You must not allow unauthorized access to or duplication of the Confidential Operations Manual or any other confidential manuals or proprietary materials we provide you, and if you do so, in addition to all other remedies we have, you will be deemed to be in violation of the Franchise Agreement and all other agreements you have with us (see section 8.2(c) of the Franchise Agreement).

The following is the Table of Contents of the Confidential Operating Manual as of the date of this disclosure document (with the number of applicable pages, if it were printed):

Topic	Number of Pages
SECTION 1 - INTRODUCTION Purpose Confidentiality Additional Guidelines Modifications to Manual History	2
SECTION 2 - PRE-OPENING PROCEDURES Getting Started Licenses, Permits, and Registrations Federal Requirements State Requirements Real Estate Licenses Required Labor Posters Building Permits Office Signage Internet Privacy Policy Facility Requirements	30

Topic	Number of Pages
Important Office Requirements SECTION 2 - PRE-OPENING PROCEDURES [continued] Insurance Requirements Human Resources Employee Training Resources Required Pre-Opening Marketing	
SECTION 3 – OFFICE POLICIES & OPERATIONS Image Hours of Operations General Operations Real Estate Additional Policies Additional Considerations Full Compliance	7
SECTION 4 – STANDARDS OF CONDUCT Ethics Relationship Management Telephone Community Activities Community Cares Program Endorsements Franchise Representative Professional Atmosphere Social Media Dress Requirements	4
SECTION 5 - FRANCHISE SERVICES Agent Commission Plans Recruiting & Retention Agent Onboarding Office Social Events Agent Recognition Annual Conference Advertising and Marketing Local Marketing and Advertising Iron Valley Real Estate® Website System Franchise Operations Consultant Business Performance Review Site Visits FranConnect Additional Services We Offer	23
SECTION 6- ACCOUNTING, REPORTS & RECORDS Records & Inspection Required POS Systems Recommended POS System Continuing Royalty Payment Procedure Advertising Payment Procedure Financial Reporting	1
SECTION 7 - TRADEMARKS & LOGOS IRON VALLEY REAL ESTATE® SERVICE MARK Use of Your D.B.A. IRON VALLEY REAL ESTATE® IDENTITY GUIDELINES	6
SECTION 8 – IRON VALLEY REAL ESTATE® GRAPHIC STANDARDS Apparel and Stationery Residential Signs and Name Riders Commercial Sign Designs Business Forms Other Printed Material Specifications	12

Topic	Number of Pages
Logo, Other Logos Trade Name	
SECTION 9 - APPROVED VENDORS Purpose and How the Program Works Approved Supplier List Unauthorized Reproductions Warning	1
SECTION 10 - APPENDIX A Agent Contact Information Agent Commission Plan Request Independent Contractor Agreement Policy and Procedures Internet Privacy Policy Bank Transfer Authorization Form Deposit Money Notice, Home Warranty and Inspection, Wire Fraud Notice Team Policy Team Leader Agreement Team Member Agreement Agent Mentorship Agreement Mentorship Services Agreement Request for Advertising Approval Approved Suppliers	48
SECTION 11 - APPENDIX B Residential Sign Policy Commercial Sign Policy Iron Valley Identity Guidelines Iron Valley Logo and Badge Use Guidelines Iron Valley Exterior and Interior Office Sign Guidelines	47
Total Pages	186

Currently, we have no policy under which we will render services to you not required by your Franchise Agreement (or other agreements with us) or the Confidential Operating Manual.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Day One: Meet the Founders <ul style="list-style-type: none"> Our story <ul style="list-style-type: none"> Why Iron Valley Our Strategy How your strategy should align with ours Meet the Team Office Tour <ul style="list-style-type: none"> Discuss office selection Discuss office Design/Layout Open Discussion Dinner	4	As needed	Hershey, PA

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Day Two: Opening Your Office <ul style="list-style-type: none"> • Your Role as an Owner • Introduction to FranConnect <ul style="list-style-type: none"> ◦ Go over checklists (high level) • Over OneDrive & SharePoint review 	8	As needed	Hershey, PA
Day Two [continued]: <ul style="list-style-type: none"> • Hiring Employees <ul style="list-style-type: none"> ◦ Role of Admin ◦ Costs Training Marketing & Branding Standards <ul style="list-style-type: none"> ◦ Brand Story ◦ IVRE Brand Standards ◦ Tools <ul style="list-style-type: none"> ▪ Social Media ▪ Mailchimp Lunch Legal Documents <ul style="list-style-type: none"> • Policy & Procedures Manual • Independent Contractor Agreement • Team Member Agreement & Team Policy • Mentorship Agreement & Policy <ul style="list-style-type: none"> ◦ kvCORE (thru May 2025) ◦ Burrow (beginning May 2025) ◦ Microsoft 365 - required ◦ Darwin Cloud – Account TECH ◦ Transaction System <ul style="list-style-type: none"> ▪ SkySlope ◦ Phone System <ul style="list-style-type: none"> ▪ RingCentral • Q&A Session 			
Day Three – Just-in-Time Training: Recruiting Agents Part 1 <ul style="list-style-type: none"> • Agents that Appeal to IVRE Model • Appeal to Real Estate Teams • Mentorship program Recruiting Agents Part 2 <ul style="list-style-type: none"> • Recruiting Techniques • The advantage of obtaining a top producing agent partner • Recruiting practice Financial & Accounting Introduction to Darwin Cloud Go Over & Plan Just-in-Time Training	4	4	Franchisee's Office or Teams

Subject	Hours of Classroom Training	Hours of On The Job Training	Location
Day Four – Just-in-Time Training: Daily Operations & Administration <ul style="list-style-type: none"> • Admin Role & Responsibilities • Agent On-Boarding • Agent Changes • Agent Off-Boarding • Financial & Accounting • Technology <ul style="list-style-type: none"> ○ Website Management ○ Phone System 	8	0	Franchisee's Office or Teams
Day Four [continued] Just-in-Time Training: <ul style="list-style-type: none"> • Transaction Management <ul style="list-style-type: none"> ○ Listings ○ Buyers ○ Settlement • Audits & Reconciliations • Reporting • Other Responsibilities Retention Additional Training Resources Review			

The “Initial Training” program above is effective as of the date of this disclosure document. Initial Training is typically provided within 30 days before your Outlet opens and is typically scheduled monthly. Unless there are extenuating circumstances that in our reasonable determination justify a delay, your required trainees must attend the next Initial Training that we offer. All classroom portions of Initial Training take place at our headquarters training facilities in Hershey, Pennsylvania, or at another training center we designate.

The Initial Training material consists of a mixture of instructional presentations, handouts, and information. Our team of subject matter experts, facilitate the Initial Training. Our subject matter experts include, but are not limited to, business, real estate, marketing, and human resources professionals.

We do not charge for Initial Training for the designated Office Manager and Principal Equity Owners. You must pay all travel and living expenses of persons you send to Initial Training.

The successful completion of the next available Initial Training by your designated Office Manager and at least one Principal Equity Owner to our satisfaction is a condition to your opening of an Outlet to the public and must be done within 180 days after you sign the Franchise Agreement. Immediately upon your successful completion of Initial Training, you will be given access to our designated computer software and website to be used in the operation of the Franchised Business and you must sign a letter in a form we provide acknowledging the Opening Date of your Franchised Business. If a designated Office Manager or Principal Equity Owner fails to complete Initial Training satisfactorily, you will have the option of sending a replacement approved by us to Initial Training.

We will also make available to you (and your real estate agents) a variety of training resources including web-based courses such as, New to Business and New to Iron Valley Real Estate. Additionally, for a fee, we can provide virtual and in person education for you, your staff, and your agents.

Upon reasonable notice, we may require attendance of designated personnel of yours at other training courses, seminars, conferences, refresher courses or other programs containing information that is relevant or appropriate to the operation of your Outlet (see section 6.2 of the Franchise Agreement). We may, at our discretion, charge a fee of \$500 to \$5,000 for unscheduled Iron Valley Real Estate training courses, seminars, conferences, or other programs that you request us to provide to you.

ITEM 12: TERRITORY

Each Franchise is granted only for one specific real estate office at a location which we consent to, and which is listed in the Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control.

You may relocate your Outlet with our written consent, which will not be unreasonably withheld. Not less than 90 days before the desired date of relocation (unless prior notice is impractical because of a required relocation in which event your notice must be given as soon as possible), you must make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location. Within 20 business days after we receive your request, we will either approve or disapprove in writing such closure or relocation. If we disapprove of a proposed relocation, you may request an alternative proposed new location.

If you execute an ADRSA, you will be granted (so long as the ADRSA is in effect) a non-exclusive right to open additional Outlets within a development area defined as a radius of your initial franchised Outlet under a mutually agreed development schedule. You will not receive an exclusive territory under the ADRSA. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution competitive brands that we control. The radius around your first franchised Outlet open under the ADRSA is initially 100 miles. After two additional Outlets are opened under the ADRSA, the development area radius is extended to 150 miles around your first franchised Outlet. When the fifth additional Outlet is opened under the ADRSA, the development area radius is extended to 200 miles around your first franchised Outlet. You or a person affiliated with you must enter into a separate Franchise Agreement for each additional Outlet opened under the ADRSA. To maintain your rights to receive Royalty Share under the ADRSA, you must open additional Outlets within the timeframe provided in the Development Schedule and you must be complying with the terms of all Franchise Agreements you have signed with us. Upon expiration of ADRSA, you (and your affiliated entities) will no longer have the right to open future Outlets under the Development Schedule. However, additional Outlets owned by you or your affiliated entities that are open and operating within the Development Area under the ADRSA will continue to receive the applicable Royalty Share for 12 months after the date of expiration of the ADRSA.

Except in our sole discretion relating to the county in which you open your initial Outlet, we do not grant you options, rights of first refusal or similar rights to open additional franchised real estate offices under the Franchise Agreement.

We do not currently, nor do we have any plans in the future to, operate or franchise businesses under a trademark different from the Brand that will sell goods or services like those you will offer. However, we reserve the right to develop other systems involving similar or dissimilar services or goods, under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems. We have the absolute right to develop residential real estate brokerage business concepts under other brand names even if the locations for the concept are adjacent to your Outlet, and market, distribute and sell, on a wholesale or retail basis, ancillary real estate services (such as mortgage, title insurance and escrow) under the Brand, by direct sale, the Internet, mail order, infomercials, telemarketing or by any other marketing method or other channels of distribution. We are not required to pay you compensation for soliciting or accepting customers of ancillary real estate services, but we may pay you referral fees for customers of such services that you refer to us.

You are not restricted from soliciting or accepting orders outside of your Outlet, but you may not sell any of Iron Valley Real Estate Services on a wholesale basis, at any location other than your Outlet, or through the Internet, catalog, mail order, telemarketing, or any other non-retail method of sales or distribution.

We will publish or approve all website content containing our trademarks, and we will provide you with a presence on our master website. We will maintain the “Uniform Resource Locator” (or “URL”), but we will permit you to own an Internet domain name that contains our trademark and establish your own personal websites for the purpose of advertising your Outlet or our principal trademarks, but only in accordance with our guidelines and procedures contained in our Confidential Operations Manual or otherwise given to you in writing.

We may establish company-owned retail outlets selling Iron Valley Real Estate Services near but never adjacent to any of your Outlet. Although we have no current plans to do so, we reserve the right to offer and sell other types of franchises that are not directly competitive with the Iron Valley Real Estate franchise.

Within six months after the Opening Date, you must have at least 10 real estate sales agents associated with your Outlet. At the first Anniversary Date of the effective date of your Franchise Agreement (when we sign this Agreement), you must have at least 20 real estate sales agents associated with your Outlet, and at the second Anniversary Date, you must have at least 30 real estate sales agents associated with your Outlet. Thereafter, and for the remainder of the term, you must maintain at least 24 real estate sales agents associated with your Outlet. The first time you fail to meet this requirement, you will be given a warning, and you will have to participate in our performance improvement program. On the second time you fail to meet this requirement, we may terminate your Franchise Agreement upon a notice of default with an opportunity for you to cure the default by achieving the required level of agents within 30 days after the notice.

ITEM 13: TRADEMARKS

You are licensed to operate and identify the Outlet under the principal trademark “Iron Valley Real Estate” and “IVRE” displayed on the cover of this disclosure document, and other current or future trademarks. On January 19, 2021, Kaydence registered the principal trademark “Iron Valley Real Estate” (in stylized font with a color design) on the Principal Register of the United States Patent and Trademark Office (“USPTO”), in class 35 (franchising) and in class 36 (real estate brokerage and agency services), registration number 6,250,702. Also, on January 19,

2021, Kaydence registered two versions of the word mark “Iron Valley Real Estate” in stylized fonts in class 35 (franchising) and in class 36 (real estate brokerage and agency services), in three rows (registration number 6,250,706) and in two rows (registration number 6,250,711).

There are presently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, nor any pending interference, opposition or cancellation proceedings involving our trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of trademarks listed in this Item in a manner material to the franchise. There is no pending material federal or state court litigation regarding our use or ownership rights in the trademarks. All required affidavits have been filed by the franchisor and by Kaydence. No trademark registrations have been renewed.

All trademarks are owned by our affiliated company Kaydence, which granted us a trademark license (the “Trademark License”) and right to use the principal trademark and related trademarks, service marks, trade names, logos, and symbols (collectively the “Marks”) related to Iron Valley Real Estate and to grant licenses to use the Marks to Iron Valley Real Estate franchisees. The term of the Trademark License is 25 years, and this term may be renewed at our option for additional consecutive periods of 25 years so long as any Franchise Agreement granted by us remains in effect. Although the Trademark License contains no grounds for termination by Kaydence or by us, if the Trademark License were to be terminated, Iron Valley Real Estate franchisees would have the right to continue to use the Marks while operating their franchised Outlets under their Franchise Agreements for the existing term of their agreements. Except as described above, no agreements limit our rights to use or license the use of the Marks.

You must follow our rules when you use the Marks. You cannot use our principal Mark as part of a corporate name or with modifying words, designs, or symbols except for those which we license to you. You may not use the Marks in connection with the sale of any unauthorized product or service, or in any manner that we have not authorized in writing.

We have the right to control any administrative proceedings or litigation involving a Mark that we licensed you to use. You must notify us promptly when you learn about an alleged infringement, unfair competition, unauthorized third-party use of or challenge to your use of the Marks. We then will promptly take the action we think appropriate. We will indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Marks. We have no obligation to defend or indemnify you if the claim against you relates to your use of the Marks in violation of the Franchise Agreement.

If you learn that any third-party whom you believe is not authorized to use our Marks is using them or any variant of them, you must promptly notify us. We will determine whether to take any action against the third party.

At your cost and expense, you must modify or discontinue the use of a Mark if we modify or discontinue it. You have no rights to compensation or otherwise under the Franchise Agreement if we require you to modify or discontinue using a trademark. You may not directly or indirectly contest our rights to the Marks, trade secrets or business techniques that are part of our business.

The Franchise Agreement provides that if you or your employees, agents and subcontractors or any other party who you may contract with create any materials containing or associated with the Marks, including artwork, graphics, layouts, slogans, domain names, other names,

titles, text, or similar materials, these will become the sole property of the trademark owners, including trademark rights.

There are no infringing uses, or superior previous rights known to us, that would materially affect your use of the Marks in this state or any other state in which the franchised business is to be located.

ITEM 14: PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own rights in, or licenses to, patents or copyrights that are material to the franchise and you do not receive the right to use any item covered by a patent or copyright. However, we assert a common law copyright on the contents of the Confidential Operations Manual and only you or your authorized employees can have access to and use the proprietary information in the Confidential Operations Manual.

You must immediately notify us if you become aware of any infringement or inappropriate use of the Manual. We will then take whatever action we deem appropriate, and will control any litigation, to protect our copyright in the Manual. You will have no power, right or authority to settle or compromise any such claim, suit, or demand by a third party or to intervene to stop misuse, without our prior written consent. We will defend, compromise, or settle at our discretion any claim, suit or demand relating to our copyrights and take steps to stop misuse at our cost and expense, using attorneys selected by us, and you agree to cooperate fully in such matters. If the infringement or inappropriate use results from your negligence or willful action, you must reimburse us all our expenses in protecting our copyright. Otherwise, we will indemnify you and hold you harmless from and against all judgments resulting from any claim, suit, or demand arising from your authorized and use of the copyrights in accordance with the terms of the Franchise Agreement.

The Franchise Agreement provides that if you or your employees, agents and subcontractors or any other party who you may contract with create any materials containing or associated with the Marks, including artwork, graphics, layouts, slogans, domain names, other names, titles, text, or similar materials, these will become the sole property of the trademark owners, including copyrights.

We do not currently have any pending patent applications that are material to the franchise. Our intellectual property, whether the subject of a patent, copyright or not, also is protected by common law principles which limit the use of our confidential proprietary information, except as we have licensed it. We will enforce those rights as we determine.

Our Proprietary Rights in Other Confidential Information

You may never reveal any of our confidential proprietary information or trade secrets to another person or use it for another person or business. You may not copy any of our confidential proprietary information or disclose it to a third party except as we authorize. You must also promptly tell us when you learn about unauthorized use of any of our confidential proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we think appropriate.

ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require at least one Principal Equity Owner to actively participate in the direct management and operation of your Outlet. Each Principal Equity Owner signs a Guarantee of Franchise Agreement (attached as Exhibit 3 of the Franchise Agreement) requiring them to ensure that all obligations of the franchisee under the Franchise Agreement (including provisions related to payments to franchisor, confidentiality and non-competition) are fulfilled. You must employ at each Outlet at least one designated Office Manager as a non-site supervisor (if you are a sole proprietor, this will be you, and if you are an entity, this will be a Principal Equity Owner (or combination of Principal Equity Owners) owning at least 50% of the franchisee entity) who has successfully completed our initial training program.

You must disclose the identity of the Office Manager to us and if he or she is for any reason no longer acting as Office Manager, you must notify us immediately and in writing. The Office Manager cannot have an interest or be employed or engaged as an independent contractor by any of our business competitors. The Office Manager must devote his or her full time during normal business hours to the management, operation, and development of the Franchised Business. We do not require your Office Manager to have any ownership interest in your business, although he or she may do so. If the Office Manager is not a Principal Equity Owner (owning at least a 20% equity interest in your franchisee entity), he or she may be required to sign a confidentiality and non-competition agreement. After termination, expiration, or cancellation of the Franchise Agreement for any reason your Office Manager and other Principal Equity Owners, and each of your other managers, directors, officers, general partners and affiliates must refrain from any use, direct or indirect, for any purpose, of any of our trade secrets or proprietary information, including information regarding the operational, sales, promotional and marketing methods and techniques of the Iron Valley Real Estate system, and any of our proprietary information.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You are permitted to sell only Iron Valley Real Estate Services and other goods and services that we approve.

We have the right to change and add other authorized goods and services that are reasonable and necessary, and you will then be required to offer these new or revised services. We may also require you to comply with other requirements, such as training, marketing, or insurance, before we will allow you to offer additional goods or services. We have the burden of proving these new or revised goods and services are reasonable and necessary. Otherwise, there are no limits on our right to do so. Notwithstanding the foregoing, the additional investment required of you for other authorized goods and services, which may include signs, equipment, and supplies, will not exceed \$10,000 per year, unless otherwise agreed to by the parties in writing.

Except for applicable laws restricting discrimination against customers based on public policy, there are no restrictions on the customers to whom you may sell Iron Valley Real Estate Services and related products at your Outlet.

ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in franchise agreement	Section in area development agreement	Summary
a.	Length of the franchise term	5.1	1.3	The initial term of the Franchise Agreement is five years from the effective date of your Franchise Agreement. The term of the ADRSA is five years from the date it is signed.
b.	Renewal or extension of the term	5.2	2.4	You can add additional five-year terms upon written notice delivered to us not less than 180 days before the end of the existing term, and with our approval. However, we are not obligated to renew your Franchise if one or more of the conditions in section 5.2(c) of the Franchise Agreement apply to you. Unless you notify us in writing at least 60 days before the term expires that you do not want to renew, the ADRSA will be automatically renewed for additional one-year terms.
c.	Requirements for franchisee to renew or extend	5.2	2.4	Sign our then current Franchise Agreement modified for renewal ("Renewal Franchise Agreement"), remodel your Outlet (if necessary) and pay the renewal fee. The Renewal Franchise Agreement may have materially different terms and conditions than your original Franchise Agreement. The ADRSA automatically renews for additional one-year terms.
d.	Termination by franchisee	13.1	1.3	If we are in material breach (beyond any applicable cure periods), you can terminate your Franchise Agreement. (This provision is subject to state law.)
e.	Termination by franchisor without cause	Not applicable	Not applicable	Not applicable.
f.	Termination by franchisor with cause	13.1 -13.11	6.1	We can terminate the Franchise Agreement only if you are in material default. We cannot terminate the Franchise Agreement solely because we terminate an ADRSA that we executed with you (or your affiliated entity). However, we can terminate the ADRSA if you (or your affiliated entity) fail to meet the development schedule under the ADRSA, or you are in material breach of any Franchise Agreement that you (or your affiliated entity) signed with us. (This provision is subject to state law.)
g.	"Cause" defined – curable defaults	13.3	2.4, 6.1, 6.2	You have 30 days after notice to cure monetary defaults and other defaults (including defaults under a lease for your Outlet) under the Franchise Agreement and the ADRSA that can be cured. (This provision is subject to state law.)

	Provision	Section in franchise agreement	Section in area development agreement	Summary
h.	"Cause" defined – non-curable defaults	13.2	Not applicable	Non-curable defaults under the Franchise Agreement: your bankruptcy or insolvency; your abandonment of the franchised business; you make material misrepresentations relating to your acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the Iron Valley Real Estate system; you fail, for a period of 30 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise; after curing any default, you engage in the same noncompliance whether or not such noncompliance is corrected after notice; you repeatedly fail to comply with one or more material requirements of the Franchise Agreement, whether or not corrected after notice; the Franchised Business or your Outlet is seized, taken over, or
h.	"Cause" defined – non-curable defaults [continued]			Non-curable defaults under the Franchise Agreement: your bankruptcy or insolvency; your abandonment of the franchised business; you make material misrepresentations relating to your acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the Iron Valley Real Estate system; you fail, for a period of 30 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise; after curing any default, you engage in the same noncompliance whether or not such noncompliance is corrected after notice; you repeatedly fail to comply with one or more material requirements of the Franchise Agreement, whether or not corrected after notice; the Franchised Business or your Outlet is seized, taken over, or foreclosed by a government official, creditor, lien holder or lessor, or that a final judgment against you remains unsatisfied for 30 days; you are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise; we make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety; or your financial condition is impaired to the point that it is reasonable to conclude that you will not be able to fully discharge your obligations under the Franchise Agreement and that impairment continues for at least 30 days. (This provision is subject to state law.) There are no non-curable defaults under the ADRSA.

	Provision	Section in franchise agreement	Section in area development agreement	Summary
i.	Franchisee's obligations on termination or non-renewal	15.1	6.1, 6.2	Obligations include removal of our Brand and other trademarks, return of all confidential and proprietary information and erasure of all copies of confidential and proprietary information and anything relating to us or the Franchised Business from any of your computers and other media storage devices of yours and payment of amounts due us (also see r, below).
j.	Assignment of contract by franchisor	12.1	4.1	No restriction on our right to assign. (However, no assignment will be made except to an assignee that in good faith and judgment of the franchisor is willing and financially able to assume our obligations as franchisor under the Franchise Agreement.)
k.	"Transfer" by franchisee – defined	12.2	4.1, 4.2	The Franchise Agreement defines a transfer as a sale, assignment, transfer, conveyance, pledge, mortgage, encumbrance, abandonment, elimination or giving away, voluntarily or involuntarily, by operation of law or otherwise. Under the ADRSA, no transfer is permitted except to an entity formed by an individual area developer to operate Outlets under the ADRSA provided the entity is owned 100% by the individual area developer.
l.	Franchisor's approval of transfer by franchisee	12.2	4.1	We have the right to approve all transfers (including transfers of (i) more than 50% of the equity or (ii) controlling interest in a franchisee entity), but we will not unreasonably withhold approval. The ADRSA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer.
m.	Conditions for franchisor approval of transfer	12.2	4.1	New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you, and current agreement signed by new franchisee (see r. below). Within 60 days after our receipt of all necessary information and documentation required under the Franchise Agreement, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed transfer of the Franchise by you This notice will be in writing and delivered to you by business courier. The ADRSA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer.
n.	Franchisor's right of first refusal to acquire franchisee's business	12.3	Not applicable	We can match any legitimate offer for your business, but we have no right of first refusal if the transfer is (i) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan or (ii) a transfer of less than 100% of the equity interest of a franchisee that is an entity). The ADRSA may not be assigned by the Area Developer except to an entity entirely owned by the former area developer and no right of first refusal exists.

	Provision	Section in franchise agreement	Section in area development agreement	Summary
o.	Franchisor's option to purchase franchisee's business	15.2(d)	Not applicable	We have no option to purchase your business. However, within 30 days after termination, expiration or non-renewal of this Agreement, we have the option, but not the obligation, to purchase all or any portion of your yard signs containing the Marks and other reusable inventory, equipment, parts, supplies, fixtures and furnishings owned and used by you in your franchised operation. (This provision is subject to state law.) We have no right or obligation to purchase your assets upon termination or expiration of the ADRSA.
p.	Death or disability of franchisee	12.6	Not applicable	Franchise must be assigned by estate to approved buyer within 270 days. During any period of your incapacity or until the business is sold, we can place an interim manager in your Outlet, and you must pay us up to \$750 per day as compensation for the interim manager, plus the manager's transportation, lodging and related living expenses.
q.	Non-competition covenants during the term of the franchise	11.1, 11.3	5.1	No involvement in competing business anywhere.
r.	Non-competition covenants after the franchise terminates or expires	11.2, 11.3	5.1	You may not use for any purpose our trade secrets, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the franchise system. (This provision is subject to state law.) The ADRSA refers to the non-competition covenant in the last Franchise Agreement you sign. (This provision is subject to state law.)
s.	Modification of the agreement	8.2, 16.14(c)	9.2	No modifications generally, but the Confidential Operations Manual is subject to change. (This provision is subject to state law.)
t.	Integration/merger clause	16.14	9.10	Only the terms of the Franchise Agreement and ADRSA are binding (subject to state and federal law). Nothing in the Franchise Agreement, the ADA or any related agreement disclaims or is intended to disclaim representations made in this Franchise Disclosure Document. 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.

	Provision	Section in franchise agreement	Section in area development agreement	Summary
u.	Dispute resolution by arbitration or mediation	14.1-14.5	7.1	Except for certain claims, the parties agree in the Franchise Agreement and the ADRSA to submit disputes (not including your failure to pay us sums due or an act of yours allowing us to immediately terminate the Franchise Agreement) initially to a meeting in person of our executive officers and your Principal Equity Owners at our principal executive office (without our respective legal counsel) within five business days after one party requests this meeting to conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement. If this meeting does not resolve the dispute (or the meeting does not occur), within 10 business days after the meeting takes place (or should have taken place), the parties may submit the dispute to a mutually acceptable mediator who has at least 10 years of experience in franchise law or franchise business matters. If a mediation takes place but does not resolve the dispute or if no mediation occurs, the dispute will be resolved by arbitration by and before JAMS, Inc. in accordance with (i) its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250,000) or (ii) its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more). Or, if the parties agree, the
u.	Dispute resolution by arbitration or mediation [continued]			dispute may be submitted to arbitration by another mutually acceptable arbitrator. We will maintain a position of strict neutrality regarding any disputes between owners of a franchisee entity, and we will not assist any specific owner of a franchisee entity, nor will we take a position or issue an opinion on the validity of a specific claim by an owner of a franchisee entity or the respective liabilities of owners of a franchisee entity involved in a dispute. (This provision is subject to state law.)
v.	Choice of forum	14.1 - 14.3	7.1	Arbitration proceedings will take place in Philadelphia County, Pennsylvania. Mediation proceedings may take place at any mutually agreed location. Any litigation proceedings will take place in an appropriate court in Pennsylvania. (This provision is subject to state law.)
w.	Choice of law	16.13	9.1	The Federal Arbitration Act governs the arbitration of disputes under the Franchise Agreement. Otherwise, the laws of Pennsylvania govern the Franchise Agreement, ADRSA, and all related matters, documents and agreements. (This provision is subject to state law.)

ITEM 18: PUBLIC FIGURES

We do not currently pay or provide any other benefit to a public figure for the right to use his or her name to promote the sale of Iron Valley Real Estate 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 representation 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 our Chief Executive Officer, Robert Cleapor, Iron Valley Real Estate, LLC, 121 Towne Square Drive, Suite 201, Hershey Pennsylvania 17033, telephone 717-995-3900; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	22	30	+8
	2023	30	35	+5
	2024	35	44	+9
Company-Owned	2022	8	7	-1
	2023	7	7	0
	2024	7	8	+1
Total Outlets	2022	30	37	+7
	2023	37	42	+5
	2024	42	50	+8

Table No. 2
**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024**

State	Year	Number of Transfers
Delaware	2022	1
	2023	0
	2024	2
Maryland	2022	1
	2023	0
	2024	1
Pennsylvania	2022	0
	2023	1
	2024	1
	2022	2

State	Year	Number of Transfers
	2023	1
Totals	2024	4

Table No. 3
STATUS OF FRANCHISE OUTLETS FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Delaware	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	2	0	0	0	0	4
Florida	2022	1	4	0	0	0	0	5
	2023	5	1	0	0	0	1	5
	2024	5	1	0	0	0	0	6
Maryland	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
North Carolina	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Pennsylvania	2022	15	3	0	0	0	0	18
	2023	18	2	0	0	0	0	20
	2024	20	4	0	0	0	0	24
Virginia	2022	3	0	0	0	0	0	3
	2023	3	2	1	0	0	0	4
	2024	4	2	0	0	0	0	6
Totals	2022	22	8	0	0	0	0	30
	2023	30	7	1	0	0	1	35
	2024	35	9	0	0	0	0	44

Table No. 4
STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Maryland	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
Pennsylvania	2022	8	0	0	1	0	7
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
Totals	2022	8	0	0	1	0	7
	2023	7	0	0	0	0	7
	2024	7	1	0	0	0	8

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2024

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
New Jersey	0	1	0
New York	0	1	0
North Carolina	0	1	0
Pennsylvania	0	3	0
South Carolina	0	1	0
Virginia	0	1	0
Totals	0	9	0

Exhibit C lists, as of December 31, 2024, the names, addresses and telephone numbers of all Iron Valley Real Estate franchise outlets that are open and operating, all Iron Valley Real Estate offices owned by affiliated entities that are open and operating, and all franchisees who had signed Franchise Agreements but not yet opened their franchise outlet.

Exhibit D lists, as of December 31, 2024, the contact information of every franchisee that had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement in 2024, or that has not communicated with us within the 10 weeks ending on the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three 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.

We have not created, sponsored or endorsed any trademark-specific franchisee organizations associated with the Iron Valley Real Estate franchise system being offered. There are no independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21: FINANCIAL STATEMENTS

Exhibit B to the disclosure document contains our audited financial statements for our fiscal years ended December 31, 2024, December 31, 2023, and December 31, 2022.

ITEM 22: CONTRACTS

The following agreements and other required exhibits are attached to this disclosure document in the exhibits listed below:

Exhibit A-1 - Franchise Agreement

Exhibit A-2 - Area Development and Royalty Share Agreement

ITEM 23: RECEIPTS

You will find copies of a detachable receipt in Exhibit H at the very end of this disclosure document.

IRON VALLEY REAL ESTATE

FRANCHISE AGREEMENT

EXHIBIT A

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FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is made and executed as of _____, 20__ (the "Effective Date", as defined in Article I below), by and among Iron Valley Real Estate, LLC, a Pennsylvania limited liability company, doing business as "Iron Valley Real Estate" and "IVRE" ("IVRE", "we" or "us"), and _____ ("you"), with reference to the following facts:

RECITALS

An entity affiliated with us (the "Owner of the Marks") owns the Iron Valley Real Estate trademarks, service marks and other intellectual property and all rights in respect thereof and has authorized us to license them to Iron Valley Real Estate franchisees.

You desire to be franchised and licensed by us to use our "System" (as defined in Article I below), "Marks" (as defined in Article I below) and goodwill to conduct the "Franchised Business" (as defined in Article I below) from a specific "Real Estate Office" (as defined in Article I below and identified in Exhibit 1 attached).

We are willing to grant you a "Franchise" (as defined in Section 3.1 hereof), in accordance with the provisions of this Agreement and the "Confidential Operations Manual" (as defined in Article I below).

I. DEFINITIONS

Abandoned. The term "Abandoned" means cessation of operation of the Franchised Business for a period of five consecutive business days, without our prior written consent. A repeated pattern of inactivity at your Real Estate Office for periods of less than five consecutive business days may result in your Franchised Business being deemed Abandoned at that office if in our judgment such inactivity adversely impacts the Franchised Business. However, your Franchised Business will not be deemed Abandoned if the inactivity is due to natural disasters or other matters reasonably beyond your control, provided that you give us notice of any such closure within five business days after the initial occurrence of the event resulting in such inactivity, and we acknowledge in writing that such inactivity is due to one of the foregoing causes, and provided further that you re-establish the Franchised Business and be fully operational within 180 days after the initial occurrence of the event resulting in such inactivity or such longer period as we may permit.

Ancillary Services and Products. The term "Ancillary Services and Products" means ancillary real estate-related services, programs and products that IVRE authorizes you to offer, use or furnish in this Agreement or in the Confidential Operations Manual, including (i) title searches performed by Iron Valley Real Estate affiliated or licensed companies, (ii) title insurance policies issued by IVRE affiliated or licensed companies, (iii) homeowners insurance, condominium insurance, renters protection insurance, automobile insurance and other types of insurance furnish through IVRE affiliated or licensed companies, (iv) relocation services provided by Iron Valley Real Estate affiliated or licensed companies and home protection plan services provided by Iron Valley Real Estate affiliated or licensed companies, and (v) mortgage services provided by Iron Valley Real Estate affiliated or licensed companies.

Anniversary Date. The term "Anniversary Date" means the 12-month period between the "Effective Date" (as defined below in this Article I) and the first anniversary thereof and between each succeeding anniversary.

Confidential Operations Manual. The term "Confidential Operations Manual" means the manual or manuals (regardless of title) containing guidelines for "Trade Dress" (as defined in this Article I) and use of the Marks, and other policies and procedures to be adhered to by you in performing under this Agreement, including all amendments and supplements thereto provided to you from time to time.

Control. The term "Control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

Consumer Price Index or CPI. The term "Consumer Price Index" or "CPI" means the annual average of the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the United States Department of Labor (or the highest similar future index if these figures become unavailable).

Effective Date. The term “Effective Date” means the day we sign this Agreement and the legal relationship under this Agreement is in effect.

Franchised Business. The term “Franchised Business” means the sale of “IVRE Services” (as defined in this Article I) and other real estate-related programs and services we authorize in the Confidential Operations Manual, pursuant to the “System” (as defined in this Article I) from your Real Estate Office using the business methods and procedures set forth by us for the operation and marketing of the Real Estate Office.

Gross Revenues. The term “Gross Revenues” means all revenues, however generated or received, that are derived by you from operating the Franchised Business at or through your Real Estate Office, not modified for uncollected accounts, but excluding (i) applicable sales or use taxes and (ii) legitimate refunds.

Initial Training. The term “Initial Training” means training in the System provided by us, as described in and required by Section 6.1 hereof.

IVRE Services. The term “IVRE Services” means a proprietary business system for opening and operating businesses that operate offices providing full-service residential and commercial real estate sales and leasing services provided at real estate offices in accordance with this Agreement and the Confidential Operations Manual (as periodically amended by us).

Marks. The term “Marks” means the proprietary marks that are associated with the IVRE system and associated designs in respect of which registrations have been obtained from or applied for with the United States Patent and Trademark Office, as well as all common law trademarks and service marks, trade names, logos, insignias, designs and other commercial symbols which we now or hereafter are authorized to use and use or authorize others to use to identify the Franchised Business. We will list in the Confidential Operations Manual a schedule of Marks you are authorized to use under this Agreement and update this schedule as necessary.

Office Manager. The term “Office Manager” means the individual (may be a Principal Equity Owner) that has been designated by you as the person responsible for the day-to-day operation of the Real Estate Office, and who has successfully completed “Initial Training” (as defined in this Article I).

Opening Date. The term “Opening Date” means the day you open your Real Estate Office, furnished, inventoried and equipped in accordance with our requirements, and you begin operating the Franchised Business using the Marks under this Agreement.

Principal Equity Owner. The term “Principal Equity Owner” means a sole proprietor or each person who owns 20% or more of the entity that executes this Agreement as franchisee.

Proprietary Information. The term “Proprietary Information” means all non-public information, knowledge, know-how and technologies that we designate as confidential, proprietary or trade secrets, including the Confidential Operations Manual, customer lists, business formats, business systems, financial information, marketing strategies and programs, operational techniques, service concepts, artwork, e-mail, electronic media, graphics, layouts, slogans, names, titles, text, bulletins, instruction sheets, or supplements thereto, and any proprietary equipment, videotapes, videodiscs, forms, advertising matter, the Marks, devices, insignias and designs.

Real Estate Agent. The term “Real Estate Agent” means a person that owns, is employed by, or contractually engaged by, you and who is licensed or otherwise legally authorized under the laws of your state to (i) act as an intermediary between seller and buyers of real property and (i) find sellers that wish to sell, and buyers that wish buy, real property.

Real Estate Office. The term “Real Estate Office” means your real estate brokerage office that IVRE has consented to, and which is dedicated to the operation of the Franchised Business under the Marks and in accordance with the System.

System. The term “System” means comprehensive marketing and operational systems prescribed by us to be used in the conduct of the Franchised Business, as set forth in this Agreement and the Confidential Operations Manual. The System includes (i) the Marks, (ii) proprietary technology and know-how relating to IVRE Services, (iii) advertising, marketing and sales programs and techniques, (iv) training programs, and (v) related materials, artwork, graphics, layouts, slogans, names, titles, text and other intellectual property that we make available to you. In our sole discretion, we may improve or change the System from time to time (including but not limited to adding to,

deleting or modifying elements of the System and amending the Confidential Operations Manual) for the intended purpose of making the System more effective, efficient, economical or competitive; adapting to or taking advantage of competitive conditions, opportunities, technology, materials or local marketing needs and conditions; enhancing the reputation or public acceptance of the System; or better serving the public.

Trade Dress. The term "Trade Dress" means the unique and distinctive layout, design and color schemes relating to the Real Estate Office, and the textures, sizes, designs, shapes, and placements of words, graphics, and decorations on signs, products and packaging related to IVRE Services.

Transaction Side. The term "Transaction Side" means the side of a real estate transaction represented by either a listing agent or a seller's agent.

Transfer. The term "Transfer" means a sale, assignment, transfer, conveyance, pledge, mortgage, encumbrance, abandonment, elimination or giving away, voluntarily or involuntarily, by operation of law or otherwise.

II. THE FRANCHISED BUSINESS

2.1 Our Business.

We are engaged in the administration, development, operation and licensing of businesses that operate real estate brokerage offices offering the Franchised Business, using the Marks, operational techniques, service concepts and proprietary technology and confidential information owned or authorized to be used by and identified with IVRE and our affiliated companies. Our activities in general and our system (including proprietary technology, products and services; logos; equipment and operations; designs and layouts for the Real Estate Office; marketing and advertising, specialty retail items and promotional activities) are undertaken to develop, maintain and enhance the Marks and our business reputation.

2.2 The Franchise System.

We have developed and supervise the franchise System under the Marks operated in accordance with the provisions of this Agreement and our Confidential Operations Manual, as amended from time to time. The Owner of the Marks has authorized us to license the Marks to IVRE franchisees.

III. GRANT OF FRANCHISE

3.1 Grant of Franchise.

(a) By our respective signatures below, we hereby grant to you, and you hereby accept, a license ("Franchise") to participate in and use the System by establishing and conducting the Franchised Business at your Real Estate Office in strict accordance with this Agreement and the Confidential Operations Manual, from the Effective Date until the end of the term hereof and any additional term unless sooner terminated.

(b) Unless our Confidential Operations Manual specifically states otherwise, you may, if you wish, also offer, sell, use or furnish Ancillary Services and Products from sources approved by us in the Confidential Operations Manual. If we notify you of new Ancillary Services or Products which are optional, then you agree to promptly advise us whether you will offer and sell the new Ancillary Services or Products. Your decision to offer Ancillary Services or Products does not in any way preclude you from offering similar competitive services or products of other companies, so long as they are offered and sold on a non-exclusive basis as well as the Ancillary Services or Products. We may advise you from time to time of any new Ancillary Services or Products which we will authorize you to offer, sell, use or furnish (as applicable). If we advise you that a new Ancillary Service or Product is available and you notify us that you wish to offer, sell, use or furnish it, then you agree, at your sole expense: (i) to obtain all necessary products, services, promotional materials and equipment (including, without limitation, computer software or hardware), which we advise you are necessary for offering, selling, using or furnishing (as applicable) the Ancillary Service or Product, and (ii) to begin offering, selling, using or furnishing the Ancillary Service or Product (as applicable) no later than 90 days after your receipt of our notice (or at such later time as our notice may direct).

(c) Each Principal Equity Owner must execute the Guarantee of Franchise Agreement attached as Exhibit 3 of this Agreement.

(d) You acknowledge that we may have granted and may in the future operate or grant other licenses and franchises for Iron Valley Real Estate locations anywhere. **YOU MAY NOT USE OUR MARKS, OPERATIONAL**

TECHNIQUES, SERVICE CONCEPTS OR PROPRIETARY INFORMATION IN CONNECTION WITH ANY BUSINESSES OR SERVICES OTHER THAN THE FRANCHISED BUSINESS AT YOUR REAL ESTATE OFFICE WITHOUT OUR EXPRESS PRIOR WRITTEN PERMISSION, WHICH PERMISSION, IF GRANTED, WILL BRING SUCH BUSINESSES OR SERVICES WITHIN THE SCOPE OF THE FRANCHISED BUSINESS AND SUBJECT THEM TO PAYMENT OF MONTHLY ROYALTIES, MARKETING AND PROMOTION FEES AND OTHER RECURRING FEES.

3.2 Reserved Rights.

(a) Nothing contained herein accords you any right, title or interest in or to the Marks, System, marketing and operational techniques, service concepts, proprietary information or goodwill of ours or associated with the System, except such rights as may be granted hereunder. **THIS AGREEMENT GRANTS YOU ONLY THE RIGHT TO OPERATE THE FRANCHISED BUSINESS AT YOUR REAL ESTATE OFFICE AND NOWHERE ELSE UNLESS WE SPECIFICALLY ALLOW YOU TO OFFER IVRE SERVICES ELSEWHERE. ALL OTHER RIGHTS ARE RETAINED BY AND RESERVED TO US.**

(b) We reserve the right to develop other systems involving similar or dissimilar services, under dissimilar service marks, trademarks and trade names belonging to us, without necessarily granting you any rights in those systems. We reserve all rights to market and sell IVRE Services at venues other than real estate offices and through other channels of distribution anywhere.

3.3 Promotion and Development of Your Franchised Business.

You must (i) diligently and effectively promote, market and engage in the Franchised Business at your Real Estate Office; (ii) develop, to the best of your ability, the potential for future Franchised Business being conducted at your Real Estate Office; and (iii) devote and focus a substantial portion of your professional attentions and efforts to such promotion and development.

3.4 Extent of Grant.

(a) You understand and agree that you are licensed hereby only for the operation of your Franchised Business at and from your Real Estate Office (unless we specifically agree otherwise on a case-by-case basis).

(b) You may not sublicense, sublease, subcontract or enter any management agreement providing for, the right to operate the Franchised Business or to use the System granted pursuant to this Agreement.

3.5 Electronic Execution and Copies.

(a) An executed counterpart of this Agreement (or any portion of this Agreement) may be delivered by any of the parties by electrical, digital, magnetic, optical, electromagnetic, or similar capability regardless of the medium of transmission (any such medium is referred to in this Section 3.5(a) and the following Section 3.5(b) as "electronic"), and such delivery will be effective and binding upon such party, and will not in any way diminish or affect the legal effectiveness, validity or enforceability of this Agreement.

(b) You acknowledge and agree that we may create an electronic record of any or all agreements, correspondence, or other communication between us or involving third parties, and those we may thereafter dispose of or destroy the original of any such document or record. Any such electronic record will be inscribed on a tangible medium or stored in an electronic or other medium and be retrievable in perceivable form and will be maintained in and readable by hardware and software generally available. Notwithstanding any statute, regulation, or other rule of law to the contrary, you agree that any such electronic version of this or any other agreement or correspondence between the parties will have the same legal effect, validity, and enforceability as an original of any such document, even if the original of such document has been disposed of or intentionally destroyed.

3.6 Obligations of Entity Franchisee.

(a) If you are an entity, you must provide us at the Effective Date with a copy of your entity's organizational document and any by-laws, shareholders' agreement, operating agreement or other agreement among the equity owners.

(b) As a condition to executing this Agreement, if you are an entity, you must place the following legend on all certificates evidencing an equity interest:

"THE TRANSFER OF THE EQUITY INTEREST IN THE ENTITY REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE TERMS AND CONDITIONS OF A FRANCHISE AGREEMENT DATED _____, 20____, BETWEEN THIS ENTITY AND IRON VALLEY REAL ESTATE, LLC. REFERENCE IS MADE TO SUCH FRANCHISE AGREEMENT AND THE RESTRICTIVE PROVISIONS CONTAINED THEREIN AND AS MAY BE OTHERWISE SET FORTH IN THE ORGANIZATIONAL DOCUMENTS AND OPERATING AGREEMENTS OF THIS ENTITY."

IV. PAYMENTS BY YOU

4.1 Initial Fees.

(a) If this Franchise Agreement is for your first Real Estate Office in a county, check here [], and the "Initial Franchise Fee" for your first Real Estate Office is \$20,000. However, If one or more Principal Equity Owners is an active member of the U.S. Armed Forces or is a veteran of the U.S. Armed Forces who was honorably discharged within the past five years, check here [], and the Initial Franchise Fee will be discounted by \$5,000 and the "Initial Franchise Fee" would be \$15,000.

(b) If this Franchise Agreement is for your second (or additional) Real Estate Office in the same county where you have a franchised Real Estate Office, check here [], and the "Initial Franchise Fee" for your second (or additional) Real Estate Office is \$5,000.

(c) If this Franchise Agreement is for your second (or additional) Real Estate Office in a county where you do not have a franchised Real Estate Office and you signed a Franchise Agreement for your first Real Estate Office (i) before March 10, 2022, check here [], and the "Initial Franchise Fee" for this second (or additional) Real Estate Office is \$15,000, or (ii) on or after March 11, 2022 and before March 11, 2025, check here [], and the Initial Franchise Fee for this second (or additional) Real Estate Office is \$15,000.

(d) The Initial Franchise Fee is due when you sign this Agreement.

4.2 Royalty.

(a) Beginning on the Opening Date, you must pay us respecting any sale or lease of a property by Real Estate Agents (as listing or selling agent) operating at or from your Real Estate Office a "Royalty" equal to \$150 per Transaction Side.

(b) Monthly Royalty from all real estate transaction fees charged in a calendar month is due and payable to us on the 15th day of the next calendar month and is to be accompanied by transaction reports in the form prescribed by IVRE.

4.3 Marketing, Advertising and Promotion.

(a) Beginning on the Opening Date, you must pay us a monthly "Marketing and Promotion Fee" of \$250.

(b) If you elect to use our recommended website provider, you must pay us a monthly "Agent Website Fee" of \$16.96 for each of your real estate agents who will be listed on the Iron Valley Real Estate master website. If you do not use the website provider we recommend, no Agent Website Fees are payable; however, you would need to enter all your real estate agents into our website and reimburse us for any related MLS IDX charges.

(b) The Marketing and Promotion Fee and Agent Website Fees are due and payable to us on the 15th day of the next calendar month. We will expend (i) the aggregate Marketing and Promotion Fees collected from all our franchisees for the purposes set forth in this section 4.3 and for supporting national or local advertising, market research, public relations and promotional campaigns designed to promote and enhance the value of the Marks and general recognition and acceptance thereof, less (ii) an administrative fee of 15% of the annual aggregate Marketing and Promotion Fees received by us.

(c) Within the first six months after the Opening Date, you must spend in the communities adjacent to your Real Estate Office at least \$1,000 on the grand opening/affiliation advertising and promotion of the Franchised Business, using the grand opening advertising and promotional program that we approve.

(d) We require that you spend at least an additional \$125 per month on local marketing, advertising, and promotion of your Real Estate Office, using marketing and promotional materials pre-approved or otherwise authorized in writing by us ("Local Advertising"). You must send us a Local Advertising expenditure report on the third business day of the next calendar month.

(e) On a regional or system-wide basis, we may impose an additional assessment upon affected franchisees for special designated advertising or promotional activities if two-thirds of applicable IVRE franchised Real Estate Offices agree to such additional assessment by affirmative vote.

(f) With respect to regional or system-wide advertising, including without limitation advertising using Marketing and Promotion Fee contributions, we determine the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising, public relations and promotional campaigns.

4.4 Electronic Funds Transfer.

We require payment of all fees payable under this Article IV by EFT through the Automated Clearing House ("ACH") electronic network for financial transactions (or such other automatic payment mechanism that IVRE may designate) directly from your account into our operating account. You must execute or re-execute and deliver to us bank-required pre-authorized check forms and other instruments or drafts to enable us to draw directly from your bank account fees payable under the terms of this Agreement. We may also require you to open and maintain a single bank account for such payments (with overdraft protection from your operating account) and to keep such minimum balance in such account as we may reasonably specify from time to time. You must not alter or close such account except upon our prior written approval. Any failure of yours to implement such EFT system in strict accordance with our instructions will constitute a material default of this Agreement.

4.5 Fees Fully Earned (No Setoff on Payments).

All payments made by you to us pursuant to this Article IV are fully earned and non-refundable when paid. All payments to be made by you to us will be made without setoff, deduction, defense, counterclaim or claim in recoupment.

4.6 Late Fee; Interest on Delinquent Payments.

(a) Any payment of a fee due under this Article IV and any other fee required under this Agreement that is not received by IVRE when due will be a material breach of this Agreement and will be subject to a late charge of 5% of the amount past due.

(b) In addition to late payment penalties, all delinquent amounts will bear interest from the date payment was due at an annual percentage rate ("APR") of 18% (unless interest rates on delinquent payments in the state in which your Real Estate Office is located are limited by law to a lower APR, in which case that lower APR will apply), and you must reimburse IVRE immediately upon demand for all reasonable costs of collection relating to delinquent amounts.

4.7 No Accord or Satisfaction.

If you pay, or we otherwise receive, a lesser amount than the full amount provided for under this Agreement for any payment due hereunder, such payment or receipt will be applied against the earliest amount due us. We may accept any check or payment in any amount without prejudice to our right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere will constitute or be construed as an accord or satisfaction.

4.8 CPI Adjustments.

Any fixed dollar amount stated anywhere in this Agreement may be adjusted in Franchisor's discretion based on changes in the CPI since the Effective Date.

V. INITIAL TERM AND RENEWAL TERMS

5.1 Initial Term.

The initial term of this Agreement commences on the Effective Date and expires on the fifth anniversary of the Effective Date (five-year term), unless sooner terminated pursuant to the provisions of this Agreement.

5.2 Renewal Terms.

(a) Upon written notice delivered to us not less than 180 days before the end of the existing term hereof, you may renew your Franchise for successor five-year terms, commencing on the expiration date of the previous term, subject to the provisions of Sections 5.2(b) through 5.2(h) below.

(b) At the time of renewal, you must (i) then be solvent (which means that you are able to pay your debts as and when promised by you and that you have assets that are greater than your debts), (ii) have not abandoned the Franchise, (iii) not be operating the Franchise in a manner that endangers public health or safety or materially harms the IVRE brand or reputation, and (iv) not have knowingly submitted false or misleading reports to us during the initial term.

(c) Notwithstanding Section 5.2(a) above, we are not obligated to renew your rights granted under this Agreement for an additional term if one or more of the following applies or occurs:

(i) You give us written notice of your intention not to renew this Agreement at least 180 days before the expiration of the initial term or any successor term.

(ii) During the 180 days prior to expiration of the Franchise, we permit you to sell your Franchised Business to a purchaser meeting our then current requirements for granting new Franchises or (if we are not granting a significant number of new Franchises) the then current requirements for granting renewal Franchises.

(iii) Termination of this Agreement would be permitted pursuant to Sections 13.1 or 13.2 hereof.

(iv) You and we agree not to renew the Franchise.

(v) We withdraw from distributing our products or services through Franchises in the geographic market served by you, provided that:

(A) Upon expiration of the Franchise, we agree not to seek to enforce any covenant of the non-renewed franchisee not to compete with us or our franchisees; and

(B) The failure to renew is not to convert the business conducted by you under this Agreement to operation by our employees or agents for our own account.

(vi) At the time of renewal, you or any Principal Equity Owner has been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in our reasonable judgment, to have a materially adverse effect on the Marks, the System, or the goodwill associated with the Marks or System.

(vii) We and you fail to agree to changes or additions to the terms and conditions of this Agreement, if such changes or additions would result in renewal of this Agreement on substantially the same terms and conditions on which we are then customarily granting renewal franchises, or if we are not then granting a significant number of renewal Franchises, the terms and conditions on which we are then customarily granting original franchise agreements. We may give you written notice of a date which is at least 30 days from the date of such notice, on or before which a proposed written agreement of the terms and conditions of the renewal Franchise must be accepted in writing by you. Such notice, when given not less than 180 days before the end of the Franchise term, may state that in the event of failure of such acceptance by you, the notice will be deemed a notice of intention not to renew at the end of the Franchise term.

(d) At the time of renewal, neither you, nor any of your principal officers or partners (if you are a corporation, limited liability company or partnership), must have been convicted of a felony or a crime involving moral turpitude, consumer fraud or any other offense that is reasonably likely, in our sole and absolute judgment, to have an adverse effect on the Marks, the System, or the goodwill associated with the Marks or System.

(e) As a condition to renewing your Franchise rights, not later than 90 days before the end of the term that is expiring, you must sign our then-current standard Franchise Agreement modified by addendum to remove provisions that only apply to a new franchisee, such as initial franchise fee and initial training requirements ("Renewal Franchise Agreement"), which will grant you an additional five year term, as applicable. **IN ADDITION TO NOT GRANTING ANY ADDITIONAL RIGHTS BEYOND THOSE GRANTED IN THIS AGREEMENT, THE THEN-**

CURRENT RENEWAL FRANCHISE AGREEMENT MAY CONTAIN OTHER TERMS THAT ARE SUBSTANTIALLY DIFFERENT FROM THOSE IN THIS AGREEMENT. The then-current Renewal Franchise Agreement, when executed, will supersede this Agreement.

(f) At the time of renewal, you must have satisfied all monetary obligations owed by you to us and to our affiliates and all other material obligations under this Agreement, and we may examine your books and records to verify compliance with this requirement anytime during normal business hours within 60 days of your renewal date.

(g) Before or not later than 90 days after your execution of a Renewal Franchise Agreement for an additional term, you must make such physical modifications to your Real Estate Office as are reasonably necessary so that they are substantially consistent with the then current IVRE system requirements, and so that they can accommodate new IVRE Services, if any. You must also bring your Real Estate Office, and equipment, materials and supplies into compliance with the standards then applicable to new IVRE franchises.

(h) When you sign the Renewal Franchise Agreement, you must pay IVRE a "Renewal Fee" of \$5,000 (however, if you have fully complied with this Agreement during the term that is expiring, the Renewal Fee will be reduced to \$2,500).

5.3 Month to Month Extension; Longer Notice of Expiration Required by Law.

(a) If the renewal procedures described in Section 5.2 above have not been completed, or in lieu of formal renewal of the Franchise, you and we may agree in writing to extend this Agreement on a month-to-month basis until we give you at least a 30-day notice that the Franchise rights must be formally renewed in accordance with Section 5.2, or the Agreement will expire and be terminated.

(b) If applicable law requires us to give a longer period of notice to you than herein provided prior to the expiration of the initial term or any successor term, we will give such additional required notice. If we do not give such required additional notice, this Agreement will remain in effect on a month-to-month basis only until you have received such required additional notice.

VI. TRAINING AND ASSISTANCE

6.1 Initial Training.

(a) It is of paramount importance that (i) you, your Office Manager, the Principal Equity Owners, and your other key employees and representatives understand the Franchised Business and the System and (ii) your Office Manager and at least one Principal Equity Owner have been trained how to operate the Franchised Business. Accordingly, we will provide to your Office Manager and at least one Principal Equity Owner initial training and orientation in the System and how to operate the Franchised Business (collectively, "Initial Training"). Unless there are extenuating circumstances that in our reasonable determination justify a delay, your required trainees must attend the next Initial Training that we offer. Your required trainees must complete Initial Training within 180 days after you sign this Agreement, and you may not open and operate your Franchised Business until your Office Manager and at least one Principal Equity Owner have satisfactorily completed Initial Training. You acknowledge and agree that only IVRE will determine whether your Office Manager and Principal Equity Owner satisfactorily completed Initial Training.

(b) Immediately upon your successful completion of Initial Training, you will be given access to our designated website system to be used in the operation of the Franchised Business (see Section 8.4 of this Agreement) and you must sign a letter in a form we provide acknowledging the Opening Date of your Franchised Business.

(c) The failure of your designated Office Manager to complete Initial Training to our satisfaction will be grounds for termination of this Agreement; that before this Agreement is so terminated, your Office Manager who fails to successfully complete Initial Training will be offered the opportunity to either retake Initial Training or you may send one replacement Office Manager, approved by us, to the next available Initial Training program.

(d) We will determine the contents and manner of conducting the Initial Training program in our discretion, however, the training course will be structured to provide practical training in the implementation and operation of the Franchised Business and will include such topics as IVRE procedures, standards, marketing, customer service techniques, reports and equipment maintenance.

(e) There is no separate fee payable to us for the Initial Training program provided to your initial Office Manager and at least one Principal Equity Owner. However, we may charge other attendees of the Initial Training program a separate fee of up to \$750 per day.

(f) All costs and expenses (including travel, hotel and meal) of your attendees of Initial Training will be your sole responsibility. All persons attending Initial Training on your behalf must have a demonstrable relationship to the management and operation of your Franchised Business.

6.2 Training and Assistance after Opening.

(a) After you open and begin operating the Franchised Business at your Real Estate Office, we will provide you with access to, list your Real Estate Office on, and integrate information about your Franchise into, the Iron Valley Real Estate website. You must participate in (and be responsible for your *pro rata* share of costs for) any website disclosure program or format we require you to use to list real estate agents associated with your Real Estate Office. Any other website presence referencing your Real Estate Office must be provided by our affiliate entity, unless otherwise agreed. Any content on such other website must be authorized by IVRE, and any portion of such other website designed to recruit real estate agents ("careers pages") must be consistent with similar careers pages on the IVRE website.

(b) After you open and begin operating the Franchised Business at your Real Estate Office, we will provide you with telephone and e-mail assistance at your request or otherwise as we deem necessary to instruct in all phases of the operation of the Franchised Business. Our field representatives may visit your Real Estate Office from time to time, but the frequency and duration of any such visits by our representatives is in our sole discretion. In addition, we will be available on an ongoing basis at our national headquarters for consultation and guidance with respect to the operation and management of the Franchised Business. Other than providing you general guidelines for tax and federal employment compliance in our Confidential Operations Manual, we do not provide you with assistance in contracting with agents or hiring employees.

(c) After you open and begin operating the Franchised Business at your Real Estate Office, and upon reasonable notice, we may require attendance of your designated personnel at training courses, seminars, conferences or other programs other than Initial Training or system-wide or regional meetings (described in Section 6.3 below) that are deemed by us to be relevant or appropriate to the operation of your Franchised Business. You specifically agree that only persons trained by us or under our supervision will have overall responsibility for the operation of the Real Estate Office and Franchised Business, and that you will send your Office Manager to us for additional training if we request this. There is no additional training fee for IVRE training courses, seminars, conferences or other programs that we require you or your representatives to attend.

(d) We may but are not required to provide you with optional staff training courses, coaching and business mentoring programs, seminars, conferences, training services from our designated training department, or other programs, in a suitable location selected by us. At any time after the Opening Date, we may, at our discretion charge you a separate fee of \$500 to \$5,000 for this optional training.

(e) In addition to updates to the Confidential Operations Manual, we may provide you with additional materials relating to the Franchised Business. We may also from time to time make available to you for purchase other materials relevant to the System and the Franchised Business.

(f) All costs and expenses (including travel, hotel and meal) of your attendees at any post-opening training, conferences or meetings will be your sole responsibility. All persons attending post-opening training, conferences or meetings on your behalf must have a demonstrable relationship to the management and operation of the Franchise.

(g) In the event of a Transfer of the Franchise (which must be done in full compliance with Section 12.2 of this Agreement), the transferee must be trained by us as a condition of our consent to such Transfer. The transferred Franchise may not be opened or re-opened by the transferee until we accept the transferee in writing as being qualified to operate the Franchise and we have otherwise consented to the Transfer in accordance with this Agreement.

6.3 Regional/System-Wide Meetings.

We may conduct system-wide or regional meetings (which may include videoconferences or teleconferences) to discuss IVRE business activities or other matters relating to the Franchised Business (including broker-manager meetings and a system-wide sales conference). Attendance of the Office Manager and at least one Principal Equity

Owner at these meetings is highly recommended. We may limit the number of your attendees at these meetings, and we may charge you a registration fee for each of your attendees of these meetings. You must pay the cost of travel, hotel and meal expenses for your attendees at these meetings.

6.4 Proprietary Materials.

At Initial Training and other training programs and conferences, we may provide you with confidential and proprietary information ("Proprietary Information"), as well as training materials, training curricula and related materials for your use in the training of your staff. All these items are and will remain our property. You must not yourself nor allow your employees or others, to copy, reproduce, disseminate or otherwise reveal to third parties any of the foregoing Proprietary Information and related materials without our express prior written consent.

VII. OPENING OF REAL ESTATE OFFICES

7.1 Your Real Estate Office.

The Franchised Business may only be operated from a franchised Real Estate Office. If your Real Estate Office has not been identified when you sign this Agreement, but the general location is identified, the exact location of your Real Estate Office will be inserted into a restated Exhibit 1 attached to this Agreement as soon as its location has been determined.

7.2 Opening Your Real Estate Office.

(a) If they did not already exist at the time this Agreement is signed, premises acceptable to IVRE from which your Real Estate Office will be operated must be located and secured by you (through ownership or lease) and reviewed and consented to by IVRE within 90 days after the Effective Date. IVRE will not unreasonably withhold consent to this location. When IVRE consents to your business location, you must countersign and return to IVRE our location consent letter in the form prescribed by IVRE. If you have not located a site for your Real Estate Office that is acceptable to IVRE within 90 days after the Effective Date, IVRE may cancel your Franchise Agreement because you failed to find an acceptable site; and if IVRE does so, we will refund your Initial Franchise Fee after deducting costs we incurred in processing the Franchise or this Agreement. If you have not commenced operation of the Franchised Business within 180 days after the Effective Date, IVRE may terminate this Agreement effective on written notice, and if IVRE does so, you will not be entitled to receive any refund of your Initial Franchise Fee.

(b) If you are not converting an existing real estate office to the Iron Valley Real Estate system, IVRE may assist you in the site selection process and we reserve the sole right of final review and consent to any location of the Real Estate Office. IVRE uses available demographic information to help you evaluate the site and the area in which it is located, and analyze area income figures, traffic patterns, visibility, population density, competition, zoning, parking, accessibility and other related, relevant circumstances.

(c) IVRE will provide you with guidelines regarding Trade Dress, furnishings and office equipment relating to your Real Estate Office. However, all construction, refurbishment, equipping and furnishing your Real Estate Office is and will remain your sole responsibility. You are responsible, at your expense, for obtaining all zoning classifications, permits, clearances, certificates of occupancy and center clearances which may be required by governmental authorities.

(d) IVRE must have access to your Real Estate Office while any construction or refurbishment work is in progress. Before opening of the Real Estate Office under this Agreement, IVRE will review the Trade Dress and signage, and issue a written consent for you to begin operating under this Agreement. Any deficiencies noted by IVRE from this inspection must be corrected by you within 30 days or this Agreement may be terminated without any liability to IVRE.

(e) Although IVRE may assist you with site selection, you have the sole responsibility for locating and obtaining suitable premises for your Real Estate Office. You and your landlord may be required to execute a rider to your lease, or other agreement or written understanding that requires the landlord (i) to notify IVRE if you are in material default of the lease for the Real Estate Office premises and (ii) to fully cooperate with IVRE in completing de-identification of the Real Estate Office if this Agreement is terminated or expires without being renewed.

(f) IVRE has the right to continually inspect your Real Estate Office and any other site where you conduct the Franchised Business to ensure you are complying with the Trade Dress and other System standards prescribed by IVRE and specified in the Confidential Operations Manual.

7.3 Initial Inventory of Marketing and Promotional Materials.

Within the timeframes that we specify before the Opening Date, you must order from (and if necessary, pre-pay to) designated or approved suppliers the marketing and promotional materials and other items specified in the Confidential Operations Manual, with delivery scheduled for not later than two business days before the Opening Date. You must buy interior and exterior signs, other materials containing the Marks, and apparel containing the Marks only from suppliers who comply with IVRE's Brand standards.

7.4 Marketing and Advertising Boundaries.

You may not directly promote, advertise or otherwise market your Real Estate Office outside the United States of America without our express written consent.

VIII. OPERATION OF FRANCHISED BUSINESS

8.1 Operational Requirements.

(a) At all times you must be, or employ, an Office Manager who will devote his or her entire time during normal business hours, as defined in the Confidential Operations Manual, to the management, operation and development of the Franchised Business. The Office Manager must ensure that you fulfill your obligations to your customers in a timely and professional manner and he or she may not engage in any other business requiring his or her active participation during normal business hours.

(b) In operating your Real Estate Office, you may only use the real estate "Commission Splits" regarding your real estate agents (these are (i) 80%/20%, (ii) 90%/10% and (iii) 100%) with corresponding broker fees and monthly fees paid by real estate agents as authorized by IVRE. In certain circumstances, we may agree to modify in writing the terms of the Commission Splits to account for market area deviations and other concerns designed to enhance (in our discretion) the competitiveness of your Real Estate Office.

(c) You must only operate the Franchised Business at your Real Estate Office, in strict accordance with the procedures set forth in the Confidential Operations Manual or otherwise provided to you by us in writing. Except for applicable laws restricting discrimination against customers based on public policy, there are no restrictions on the customers to whom you may sell IVRE Services and related products at your Real Estate Office. You may not engage in the sale or delivery of IVRE Services outside of your Real Estate Office except as we may authorize in the Confidential Operations Manual or otherwise in writing. You must use the standard signs and formats that we prescribe in operating the Real Estate Office and conducting the Franchised Business. To protect and maintain the integrity, reputation and goodwill of the System and the Marks, we require that you comply with the methodology we prescribe in providing IVRE Services to customers. We may (i) recommend prices for IVRE Services and (ii) restrict your advertising of prices that are inconsistent with these recommended prices.

(d) Your Franchised Business must be open on a full-time basis in accordance with the hours of operation as designated in the Confidential Operations Manual. The obligation to remain open will not apply in the event of natural or man-made disasters or public emergencies.

(e) You may (but are not required to) join your local Board of Realtors. However, you must participate in each MLS applicable to the area in which your Real Estate Office is located. You must give IVRE access to your MLS listings and related Internet Data Exchange ("IDX") data and provide IVRE on a quarterly basis a report of your MLS and IDX activities.

(f) During each calendar year, you must hold (i) at least one community fundraiser, charitable event, or community service event (and provide us with a brief description of the event and photos for use by IVRE on our website) and (ii) at least two office parties for your real estate agents (and we recommend one in the summer and one in the winter). You must also allow other real estate agents within the Iron Valley Real Estate Organization use of your Real Estate Office for closings, meeting clients and other short-term general office use. Your Real Estate Office must have a lockbox system with key to the Real Estate Office for agent use. The code to the lockbox system will be set forth in the Confidential Operations Manual.

(g) Within six months after the Opening Date, you must have at least 10 real estate sales agents associated with your Real Estate Office. At the first Anniversary Date, you must have at least 20 real estate sales agents associated with your Real Estate Office, and at the second Anniversary Date, you must have at least 30 real estate sales agents associated with your Real Estate Office. Thereafter, and for the remainder of the term, you must maintain at least 24 real estate sales agents associated with your Real Estate Office. The first time that you fail to

meet this requirement, you will be given a warning, and you will have to participate in our performance improvement program. The second time you fail to meet this requirement, IVRE may terminate your Franchise Agreement upon a notice of default with an opportunity for you to cure the default by achieving the required level of agents within 30 days after the notice.

(h) You must promptly satisfy as and when due any *bona fide* indebtedness that you incur in operating your Franchised Business. Contractors, subcontractors, vendors and suppliers providing services to the Franchised Business must be paid in accordance with the terms of their agreements with you.

(i) You must notify us in writing within 10 days after you receive actual notice of the commencement of any investigation, action, suit, or other proceeding, or the issuance of any order, writ, injunction, award, or other decree of any court, agency, or other governmental authority that pertains to the Franchised Business or that may adversely affect your operations in the Real Estate Office, or your ability to meet your obligations hereunder.

(j) Upon the occurrence of any event at the Real Estate Office that caused or may cause harm or injury to customers or employees, or that may damage the System, Marks, or image or reputation of the Franchised Business or us or our affiliates, you must immediately inform our designated contact person as instructed in the Confidential Operations Manual by telephone, e-mail, text or other electronic messaging medium authorized by us for this purpose. You must cooperate fully with us with respect to our response to an incident described in this Section 8.1(i).

(k) If there is any *bona fide* dispute as to any liability for taxes assessed or other indebtedness, you may contest the validity of the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law. However, you may not permit a tax sale or seizure by levy or similar writ or warrant, or attachment by a creditor to occur against the premises of the Real Estate Office.

(l) You and each Principal Equity Owner jointly and severally covenant that you will refrain from making any derogatory or disparaging statements to any other person or third parties or regulatory authorities, or through any publication (including Internet sites and social media), to malign the IVRE franchise system, IVRE, or any of IVRE's officers, Directors, managers or employees. You and each Principal Equity Owner further jointly and severally agree that you will not issue any public statement or otherwise cause to be disclosed any information that is designed, intended or might reasonably be anticipated to have a negative effect on the IVRE franchise system, IVRE, or any of IVRE's officers, Directors, managers or employees. Any violation of this Section 8.1(l) by you or any Principal Equity Owner will be a material breach of this Agreement.

(m) You may not engage in any co-branding at your Real Estate Office or in connection with the Franchised Business except with our prior written consent. We are not required to approve any co-branding chain or arrangement except in our discretion, and only if we recognize that co-branding chain as an approved co-brand for operation within the System. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another entity (not us) that is featured or incorporated within or adjacent to your Real Estate Office and operated in a manner that is likely to cause the public to perceive it to be related to the Real Estate Office licensed and franchised to you hereunder.

(n) You agree to diligently consider customer reviews and respond to customer indications of dissatisfaction with services rendered by you, your employees and agents, in a diligent and professional manner and you agree to cooperate with our representatives or the Owner of the Marks in any investigation undertaken by us of complaints respecting your activities.

8.2 Confidential Operations Manual.

(a) We will provide you with online access to our Confidential Operations Manual, and you must operate the Franchised Business in accordance with the Confidential Operations Manual. Confidential Operations Manual You may also be provided with a hard copy of all or portions of the Confidential Operations Manual at Initial Training or afterwards. We have the right to modify the Confidential Operations Manual at any time by the addition, deletion or other modification of the provisions thereof. All such additions, deletions or modifications are effective on the next business day after the digital copy maintained on our website is changed.

(b) All additions, deletions or modifications to the Confidential Operations Manual are equally applicable to all similarly situated IVRE franchisees. As modified by us from time to time, the Confidential Operations Manual will be deemed to be an integral part of this Agreement and references to the Confidential Operations Manual made in this Agreement, or in any amendments or exhibits hereto, are deemed to mean the Confidential Operations Manual.

However, the Confidential Operations Manual, as modified or amended by us from time to time, will not alter your fundamental status and rights under this Agreement. If there is any discrepancy or dispute about the version of the Confidential Operations Manual that you may have printed and maintain, the master copy of the Confidential Operations Manual that we maintain at our headquarters (and which you will have online access to through our website) will be the controlling version and will supersede all prior versions.

(c) Upon the expiration or termination of this Agreement for any reason whatsoever, you must immediately return to us any printed portions of the Confidential Operations Manual then in your possession. Except as specifically permitted by us, at no time may you, or your employees or agents, (i) make, or cause to be made, any copies or reproductions of all or any portion of the Confidential Operations Manual, (ii) give online access to the Confidential Operations Manual to unauthorized persons, or (iii) disclose any part of the Confidential Operations Manual to any other person except your authorized employees and agents when required in the operation of the Franchised Business. You must also permanently erase anything relating to our trade secrets (or other Proprietary Information) or the Franchised Business from any computers and other media storage devices you retain after expiration, cancellation or termination of this Agreement.

8.3 Standards of Operation.

You agree that we, you and everyone else involved in the System benefits from the maintenance of the highest standards of uniformity, quality, similar appearance and prominent display of the Marks at your Real Estate Office. Therefore, you agree to maintain the uniform standards of quality, appearance and display of the Marks in strict accordance with this Agreement and the Confidential Operations Manual as it may be revised from time to time, and as we may otherwise direct in writing. In order that we may establish and maintain an effective network of franchisees, you specifically agree that you must not display the Marks except in the manner we authorize.

8.4 Computer System and Proprietary Technology.

(a) You must use and maintain a personal computer system (including all related hardware and software) as specified in the Confidential Operations Manual or otherwise by IVRE in writing for use in connection with the Franchised Business (the "Computer System"). IVRE requires you to maintain an e-mail account and always connect the Computer System to a dedicated, state of the art Internet or other high-speed communications medium specified or approved by IVRE capable of accessing the Internet to implement software, transmit and receive data, in the manner designated by IVRE in the Confidential Operations Manual or otherwise by IVRE in writing. You must obtain all software and hardware, including digital still and video cameras, as IVRE may specify to enable you to provide ample security against viruses and computer malware, send and receive e-mail, contact and track customers, perform accounting functions, perform marketing and access and transmit digital photos and streaming video or other multimedia signals and information to and from the Real Estate Office, and you must, from time to time, upon our request transmit digital photos and real time video and audio signals of the Real Estate Office to IVRE, and in the form and manner prescribed by us. You must purchase any upgrades, enhancements or replacements to the Computer System or hardware and software as we may from time to time require by 30 days written notice; provided however that you will not be required to update or replace the Computer System any more frequently than once every three years. We may access the Computer System on a daily or other basis at such times and in such manner as determined by IVRE, with or without notice, to retrieve files and data stored therein relating to the Real Estate Office and the Franchised Business.

(b) IVRE may designate that certain computer software must be used in the operation of the Computer System ("Designated Software") including but not limited to our proprietary website system and other software as specified in the Confidential Operations Manual or otherwise by us in writing. From time to time, you may also be required to purchase any upgrades, enhancements or replacements to the Designated Software. You must incorporate any required modifications or additions within 30 days after receiving written notice from IVRE unless a longer time is stated in the notice.

(c) You may not install, and must prohibit others from installing, unauthorized software on the Computer System. You must take all commercially reasonable measures to prevent any virus, Trojan horse, malicious code or other unauthorized code or software to infect or otherwise be installed on, or transmitted by, the Computer System. You must from time to time communicate to IVRE all passwords, access keys and other security devices or systems necessary to permit IVRE to access the Computer System and obtain the data we are permitted to obtain under this Agreement.

8.5 Maintenance, Upgrades and Refurbishments to the Real Estate Office.

(a) IVRE requires that you maintain, and from time to time refurbish, the Real Estate Office to conform to the then-current building design, Trade Dress, and color schemes then applicable for an Iron Valley Real Estate office. Such maintenance and refurbishment may require that you upgrade or refurbish to conform to the then-current building design, Trade Dress, and color schemes then applicable for. Such refurbishment may require expenditures by you on, among other things, structural changes, installing new equipment, remodeling, redecoration and modifications to existing improvements and such modifications as may be necessary to comply with System-wide standards then in effect for IVRE real estate offices or to accommodate new IVRE Services.

(b) IVRE will only require the types of modifications and expenditures described herein where there is good cause. In this context, "good cause" means that IVRE must make a good faith determination that your Real Estate Office are substantially inconsistent with prevailing System-wide standards (including the Trade Dress, safety issues regarding customers and employees, the overall condition of the Real Estate Office, or the type, quality or condition of the equipment needed to adequately promote and sell IVRE Services) and that, as a result of its appearance or condition, your Real Estate Office is either (i) not adequately positioned to promote and sell IVRE Services as then required or (ii) damaging the integrity of the IVRE image, brand or Marks. Such updates will be contained in the Confidential Operations Manual or otherwise provided to you in writing. Such updates may require you to install new color schemes, logos, signage or other visual elements. We anticipate that such Trade Dress updates will be required no more frequently than once every five years.

8.6 Relocation of Your Real Estate Office.

(a) If you desire to relocate your Real Estate Office, you may do so provided not less than 90 days prior to the desired date of relocation (unless prior notice is impractical because of a required relocation in which event notice must be given as soon as possible), you make a written request for consent to relocate, describing the reasons for the relocation and providing complete written details respecting any proposed new location.

(b) Within 20 business days after receiving your request, IVRE will either approve or disapprove in writing such closure or relocation in our reasonable discretion. In the event of disapproval of a proposed relocation, you may request an alternative proposed new location pursuant to the provisions of this Section 8.6.

(c) You and the landlord may be required to execute a rider to your lease for the new location for your Real Estate Office, or other agreement or written understanding requiring the landlord to fully cooperate with IVRE in completing de-identification of the relocated Real Estate Office if this Agreement is terminated or expires without being renewed.

8.7 Record Keeping and Reporting Requirements.

(a) You must provide us with continuous access to the accounting software we require or authorize you to use at your Real Estate Office, in order that we will be able to accept data from you and you will also be able to accept data from our software. We may provide you with related information (such as a required chart of accounts) so that data you provide us will be categorized properly. Also, not later than 10 business days after we request them, you must submit to us financial or statistical reports, records, statements or information as required in the Confidential Operations Manual or otherwise by us in writing.

(b) Within 90 days after the end of each of your fiscal years (or any permitted extension for filing same), you must submit to us a copy of the Schedule C or equivalent portion of your federal tax return relating to the Real Estate Office and your operation of the Franchised Business. We agree to maintain the contents of these portions of your tax returns in strict confidence and not to disclose them to any third party without your express written consent. On the Effective Date (and any time thereafter that this date changes), you must notify us of your fiscal year end date.

(c) All financial or statistical information you provide to us must be accurate and correct in all material respects.

(d) We have the right to use any financial or statistical information that you provide us, as we deem appropriate. We will not identify you, your Real Estate Office as the source of the information, and we will not disclose any of this information except (i) with your written consent, (ii) as required by law or compulsory order or (iii) in connection with audits or collections under this Agreement.

(e) We have the right, at all reasonable times, to examine, copy and audit the books and records (including applicable Schedules C or equivalent portions of your tax returns) relating to the Real Estate Office and your operation of the Franchised Business. We agree to maintain the contents of the Schedules C (or equivalent portion) of your tax returns in strict confidence and will not disclose them to any third party without your express written consent. If an examination or audit discloses any underpayment of any fee, you must promptly pay the deficient amount plus interest calculated daily from the due date until paid at an APR of 18% (unless interest rates on delinquent payments in the state in which your Real Estate Office is located are limited by law to a lower APR, in which case that lower APR will apply). If an examination or audit discloses an underpayment or understatement of any amount due us by 5% or more, or if the examination or audit is made necessary by your failure to furnish required information or documents to us in a timely manner, or it takes our auditors an unreasonable amount of time (more than eight hours) to assemble your records for audit, you must reimburse us for the cost of having your books examined or audited (this remedy will be in addition to any other rights or remedies we have under this Agreement or otherwise, including our right to terminate this Agreement).

(f) You must maintain and preserve all books, records and accounts of or relating to the Franchised Business for at least five years after the close of the fiscal year to which the books records and accounts relate.

8.8 Signs, Display Materials, and Approved Suppliers.

(a) All signs, display materials, and other materials containing the Marks must be in full compliance with the specifications provided in, and in conformity with, the Confidential Operations Manual. We will designate or approve the suppliers of signs and display materials containing the Marks in accordance with Confidential Operations Manual guidelines.

(b) Subject to applicable governmental ordinances, regulations and statutes, you agree to post and maintain, at the Real Estate Office, entirely at your expense, any minimum signage recommended by us. Any signage containing the Marks will be designed by a vendor designated by IVRE and manufactured by a vendor designated or approved by IVRE.

(c) We may approve other suppliers of services or products that are used or sold at Iron Valley Real Estate Outlets. We approve suppliers after careful review of the quality of the services or services and products they provide to us and our franchisees. These standards and specifications are provided to potential suppliers when we begin the supplier review process and to franchisees. If you would like us to consider a new supplier, you must pay us a non-refundable "Proposed Supplier Review Fee" of \$250 when you have the supplier provide us with detailed explanations regarding its services or samples of its products. If the supplier meets our specifications for quality control, we may approve it as an additional supplier by written notification of our approval to the supplier and you. A review of a proposed new supplier typically is completed within 30 days. We will not unreasonably withhold consent to a proposed new supplier. If an approved supplier no longer meets our standards, we may revoke its status as an approved supplier by written notification to the supplier and notification to the system.

8.9 Telephone Numbers.

At your sole expense, you must list the telephone number for your Real Estate Office in accordance with procedures prescribed by the Confidential Operations Manual. At the time of termination or expiration of this Agreement, for any reason, you must immediately take actions necessary to disassociate the telephone numbers for your Real Estate Office from the Marks.

8.10 Insurance.

(a) You must have in effect on the Opening Date and maintain during the term of this Agreement comprehensive general liability insurance, errors and omissions insurance, automobile insurance, and other insurance that is legally required for you to operate your business (*i.e.*, workers' compensation insurance) or that is reasonably prudent for your type of business taking into consideration the state where you operate. Policy coverage limitations and other terms relating to insurance will be set forth in the Confidential Operations Manual. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: IX which are authorized to do business in the state where your Real Estate Office is located, unless otherwise approved in writing by Franchisor. Any policies of insurance that you maintain in your name must contain a separate endorsement naming us, the Owner of the Marks (and our other affiliated entities identified by us in writing, and our respective shareholders, members, managers, directors, officers, employees, and agents) as additional insureds to the full extent of coverage provided under the insurance policies. Your insurance coverage will be primary as respects us and other affiliated companies identified by us in writing, and our respective shareholders, members, managers, directors, officers, employees, and

agents. Any insurance or self-insurance maintained by us and other affiliated companies identified by us in writing, and our respective shareholders, members, managers, directors, officers, employees, and agents will be excess of your insurance and will not contribute with it. You must provide us a copy of the policy and endorsement upon issuance and upon every renewal. You hereby grant us a waiver of any right of subrogation which any insurer of yours may acquire against us through payment of any loss under such insurance. This provision applies regardless of whether we have received a waiver of subrogation endorsement from the insurer. Franchisee's obligation to obtain and maintain the foregoing policies of insurance in the amount specified will not be limited in any way by reason of any insurance that may be maintained by Franchisor, nor will Franchisee's procurement of required insurance relieve it of liability under the indemnity provisions set forth in section 16.2 of this Agreement. Franchisee's insurance procurement obligations under this section 8.10 are separate and independent of Franchisee's indemnity obligations under section 16.2 of this Agreement.

(b) You must promptly notify us of all claims against you or us under said policies of insurance and deliver to us certificates evidencing that such insurance is in full force and effect within 30 days after signing this Agreement and each year thereafter. Such insurance certificate must contain a statement that the certificate cannot be canceled without 30 days prior written notice to you and to us.

(c) Your failure, for any reason, to procure and maintain the insurance coverage required under this Agreement will be deemed a material breach of this Agreement.

8.11 Review and Inspection.

(a) IVRE has the right to send representatives at reasonable intervals at any time during normal business hours, to your Real Estate Office and other places where you conduct business to review and inspect your operations, business methods, service, management and administration relating to the Franchised Business or its equivalent, to determine the quality thereof and the faithfulness of your compliance with the provisions of this Agreement and the Confidential Operations Manual and to ensure you are in compliance with System standards prescribed by IVRE and specified in the Confidential Operations Manual.

(b) You must permit our representatives to access your Real Estate Office and any other facility from which you sell IVRE Services at any time during normal business hours to conduct reviews and inspections. You must cooperate with such reviews and inspections by rendering such assistance as our representatives may reasonably request and upon notice from us or our representatives, immediately begin such steps as may be necessary to correct any deficiencies noted during any such inspection. Within 10 business days after any such inspection, our representatives may re-inspect your Real Estate Office and any other facility from which you sell IVRE Services to ensure noted deficiencies have been corrected. If the deficiencies have not been corrected by the time of the initial re-inspection, our representatives may make additional re-inspections every five business days thereafter until noted deficiencies have been corrected and you must reimburse us the travel and lodging expenses of our representatives who conduct the additional re-inspection.

8.12 Compliance with Laws.

You must (i) at all times maintain in good standing a real estate broker's license issued by the appropriate state agency, (ii) operate the Franchised Business in compliance with all other applicable laws, rules and regulations of all governmental authorities, (iii) comply with all applicable wage, hour and other laws and regulations of the federal, state or local governments, (iv) prepare and file all necessary tax returns and (v) pay promptly all taxes imposed upon you or upon your business or property. You represent and warrant that you will obtain and always maintain in effect all permits, certificates or licenses necessary to conduct the Franchised Business in the locality within which the Real Estate Office is situated. You must immediately notify us of any litigation, arbitration, disciplinary action, criminal proceeding, or any other legal proceeding or action brought against or involving you, or any entity affiliated with you, or any agent, employee, owner, director or partner of yours, which notification must include all relevant details in respect thereof, according to the procedures set forth in the Confidential Operations Manual.

8.13 Web Site and Internet Marketing.

(a) During the term of this Agreement, but only in the manner specifically authorized by us in Section 6.2(a) of this Agreement, the Confidential Operations Manual or otherwise in writing, you may (i) engage in Franchised Business directly or indirectly through the Internet, (ii) establish your own website or social media site, or register an Internet domain or social media name using any of the Marks (we must specifically review and approve any uniform resource locator ("URL") or other Internet domain or social media name), and (iii) otherwise advertise on the Internet

or anywhere else, the Mark “Iron Valley Real Estate”, or any other Mark, or any mark similar to “Iron Valley Real Estate”, or any combination or derivations thereof.

(b) If you establish your own website, it must contain real estate agent recruiting pages (“careers pages”) which are clearly visible and display the authorized Commission Splits applicable to your Real Estate Office, and a link to the “franchise opportunities page” on our website (the location of this link on your website will be subject to our advice and consent).

8.14 Intranet.

(a) Within our proprietary website system, we may establish and maintain an “Intranet” through which Iron Valley Real Estate franchisees may communicate with each other, and through which we and you may communicate with each other and through which we may disseminate the Confidential Operations Manual, updates thereto and other confidential information. We will have discretion and control over all aspects of this Intranet, including its content and functionality.

(b) You may use the Intranet, but only if you are in strict compliance with the standards and specifications, protocols and restrictions that we may establish from time to time regarding such use. Such standards and specifications, protocols and restrictions may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications, (ii) communications between or among franchisees that disparage IVRE or endorse or encourage default of any Iron Valley Real Estate franchise agreement, or other agreement with us or our affiliates, (iii) confidential treatment of materials that we transmit via the Intranet, (iv) password protocols and other security precautions, including limitations on the number and types of employees that may be granted access to the Intranet, (v) grounds and procedures for our suspending or revoking a franchisee’s access to the Intranet, and (vi) a privacy policy governing our access to and use of electronic communications that franchisees post to the Intranet. You acknowledge that, as administrator of the Intranet, we can technically access and view any communication that any person posts on the Intranet. You further acknowledge that the Intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert.

(c) So long as the Intranet is operating, you must establish and continually maintain (during all times that the Intranet is operational and until the termination of this Agreement) an electronic connection (the specifications of which will be specified in the Confidential Operations Manual) with the Intranet that allows us to send messages to and receive messages from you, subject to the standards and specifications.

8.15 Franchise Advisory Council.

We may, at our option, establish a franchise advisory council (the “FAC”), which will be composed of IVRE franchisees. The FAC will, among other functions requested by us, serve as a representative committee for franchisees of the System and facilitate and coordinate the sharing of information and ideas between franchisees of the System and us. If appointed or elected to do so, you (or your designee) must, at your own expense, participate as a member of the FAC. We reserve the right to set reasonable standards for appointment or election to the FAC and you acknowledge that if we establish the FAC, you may be required to pay a fee or otherwise contribute to the FAC as the FAC leadership may require. You acknowledge that the role of the FAC is advisory only, and we are not obligated to implement the FAC’s recommendations. Neither you nor your designee will have the right to be appointed, elected, and if appointed or elected, to continue to serve on the FAC if you are in material default of this Agreement, or are not current in your financial obligations to us, and your landlord (if any), suppliers and vendors.

IX. PROPRIETARY MARKS

9.1 License of the Marks.

(a) We hereby grant you the right during the term hereof to use and display the Marks in accordance with the provisions contained in this Agreement and in the Confidential Operations Manual, solely in connection with your operation of the Franchised Business at the Real Estate Office. Except for the specified rights to use and display the Marks and Intellectual Property granted under this section 9.1(a), you acquire no other rights to the Marks or Intellectual Property. Neither you nor any Principal Equity Owner may use, display or permit the use or display of trademarks, trade names, service marks, insignias or logo types other than the Marks and other trademarks and service marks approved for use by us in connection with the Franchised Business. And neither you nor any Principal Equity Owner may use or display the Marks in connection with the operation of any business or other activity that is

outside the scope of the Franchised Business. You may only use the Marks on the Internet or other electronic media in the manner and as specifically authorized by us in the Confidential Operations Manual or otherwise in writing. You agree to be responsible for and supervise all your real estate agents, employees, contractors and other agents in order to insure the proper use of the Marks in compliance with this Agreement. At the end of the term of this Agreement, all information contained in IVRE's proprietary real estate agent tracking and enrollment system will be delivered to you within 10 business days after your written request.

(b) You acknowledge that the Marks have been licensed to us by the Owner of the Marks to use in the franchised System. You acknowledge and agree your use of the Marks is a temporary authorized use under this Agreement and that the Owner of the Marks retains all ownership interests in the Marks and that the Owner of the Marks, IVRE and the Owner of the Marks retain all ownership of the goodwill generated by the Marks. You acknowledge that the use of the Marks outside the scope of the terms of this Agreement without our written consent is an infringement of the Owner of the Marks' and our exclusive rights, titles and interest in and to the Marks. You agree that as between you and us, all rights to use the Marks within the franchised System are our exclusive property. You now assert no claim and will hereafter assert no claim to any goodwill, reputation or ownership thereof because of your franchised use thereof or otherwise. It is expressly understood and agreed that ownership and title of the Trade Dress, Confidential Operations Manual and our other manuals, bulletins, instruction sheets, forms, methods of operation and goodwill are and, as between you and us, remain vested solely in us, and the use thereof is only co-extensive with the term of this Agreement.

(c) You agree that during the term of the Franchise, and after the repurchase, expiration or termination of the Franchise, you will not, directly or indirectly, commit an act of infringement or contest or aid others in contesting the validity, distinctiveness, secondary meaning, ownership or enforceability of the Marks or take any other action in derogation of the Marks, and that no monetary amount will be assigned as attributable to any goodwill associated with your use of the System or the Marks.

(d) You hereby grant us the right at any time to use the name, image and likeness of you and all Principal Equity Owners for commercial purposes in connection with the marketing and promotion of the Marks, IVRE Services, any Iron Valley Real Estate real estate office, and the System, without compensation. You also agree (i) to have any affected employee of yours who is not a Principal Equity Owner sign a release in the form contained in the Confidential Operations Manual authorizing us to also use the employee's name, image and likeness for the purposes described in this Section 9.1(d), without compensation, and (ii) to provide us with a copy of such signed release. The terms of this Section 9.1(d) survive termination or expiration of this Agreement.

[Your Initials: _____]

(e) You acknowledge that we prescribe uniform standards respecting the nature and quality of IVRE Services provided by you in connection with which the Marks are used. Nothing herein gives you any right, title or interest in or to any of the Marks, except a mere privilege and license during the term hereof to display and use the same and you agree that your use of the Marks under this Agreement inures solely to our benefit and the benefit of the Owner of the Marks.

(f) You agree that all materials associated with IVRE, IVRE Services or other services, artwork, graphics, layouts, slogans, names, titles, text or similar materials incorporating, or being used in connection with, the Marks which may be created by you, your employees, agents and subcontractors and any other party with whom you may contract to have such materials produced pursuant to this Agreement will become the sole property of the Owner of the Marks, including copyright and trademark rights. In furtherance thereof, you hereby and irrevocably assign to us all such materials, artwork, graphics, layouts, slogans, names, titles, text, or similar materials, whether presently or hereafter existing. Furthermore, you agree on behalf of yourself, your employees, your agents, your subcontractors, and any other party with whom you may contract to have such materials produced, to promptly execute all appropriate documents in this regard.

(g) If necessary, you agree to join with us and share the expenses in any application to enter you as a registered or permitted user, or the like, of the Marks with any appropriate governmental agency or entity. Upon termination of this Agreement for any reason whatsoever, we may immediately apply to cancel your status as a registered or permitted user and you hereby consent to the cancellation and agree to join in any cancellation petition. You will bear the expense of any cancellation petition.

9.2 Your Business Name.

(a) In connection with your operation of the Franchised Business, you agree that at all times and in all advertising, promotions, yard signs, other signs and display materials, on your letterheads, business forms, and at the entrance to your Real Estate Office and other authorized business sites, in all of your business dealings related thereto and to the general public, you will identify the Franchised Business solely under a trade name containing the Mark "Iron Valley Real Estate" and authorized by us ("Business Name"), together with the words "INDEPENDENTLY OWNED AND OPERATED" on your letterhead, contract agreements, invoices, advertising and other written materials containing the Marks as we may direct.

(b) You must file and keep current a fictitious business name statement, assumed name certificate or similar document with respect to your Business Name in the county or other designated jurisdiction in which your Real Estate Office is located and at such other places as may be required by law. Before you commence engaging in the Franchised Business under the Marks, you must supply evidence satisfactory to us that you have complied with relevant laws regarding the use of fictitious or assumed names.

(c) On expiration or sooner termination of this Agreement, we may, if you do not do so, execute in your name and on your behalf, all documents necessary in our judgment to end and cause a discontinuance of the use by you of the Marks and Business Name registrations and we are hereby irrevocably appointed and designated as your attorney-in-fact to do so.

(d) You further agree that you will not identify yourself as (i) us, (ii) a subsidiary, parent, division, shareholder, partner, joint venture, agent or employee of ours or the Owner of the Marks or (iii) any of our other franchisees.

(e) If you are an entity and not an individual proprietor, you cannot use any of the Marks in your legal name.

9.3 Trade Secrets and Proprietary Information.

(a) Under this Agreement, we are licensing you access to our Proprietary Information and other confidential data and information. You acknowledge that the material and information now and hereafter provided or revealed to you pursuant to this Agreement (including, but without limitation, the proprietary real estate management software technology and the contents of the Confidential Operations Manual) are confidential trade secrets of IVRE and are revealed in confidence, and you expressly agree to keep and respect the confidences so reposed, both during the term of this Agreement and thereafter. We expressly reserve all rights with respect to the Marks, confidential trade secrets, methods of operation and other proprietary information, except as may be expressly granted to you hereby or in the Confidential Operations Manual. We will disclose to you certain trade secrets as reasonably needed for the operation by you of your Franchised Business by loaning to you, for the term of this Agreement, the Confidential Operations Manual and other written materials containing the trade secrets, through training and assistance provided to you hereunder, and by and through the performance of our other obligations under this Agreement.

(b) You acknowledge that we are the sole owner of all Proprietary Information and our trade secrets; that such information is being imparted to you only by reason of your special status as a franchisee of the System; and that our trade secrets are not generally known to our industry or the public at large and are not known to you except by reason of such disclosure. You further acknowledge that you will acquire no interest in the Proprietary Information and trade secrets disclosed to you, other than the right to use them in the development and operation of the Franchised Business during the term of this Agreement. In addition, you acknowledge that the use or duplication of our trade secrets except as expressly permitted by this Agreement constitutes an unfair method of competition and that we will suffer irreparable injury thereby.

(c) You agree that you will not do or permit any act or thing to be done in derogation of any of our rights in connection with the Marks, either during the term of this Agreement or thereafter, and that you will use these only for the uses and in the manner franchised and licensed hereunder and as herein provided. Furthermore, you and your employees and agents will not engage in any act or conduct that impairs the goodwill associated with the Marks.

9.4 Modification of Marks and Trade Dress.

We may add to, substitute or modify any of the Marks or Trade Dress from time to time, by directive in the Confidential Operations Manual. You must accept, use, display, or cease using, as may be applicable, the Marks and Trade Dress, including but not limited to, any such modified or additional trade names, trademarks, service marks, logo

types and commercial symbols, and must within 30 days of receiving notification, commence to implement such changes and use your best efforts to complete such changes as soon as practicable.

9.5 Mark Infringement Claims and Defense of Marks.

(a) If you receive notice or otherwise become aware of any claim, suit or demand against you by any party other than us, the Owner of the Marks or any of our affiliates on account of any alleged infringement, unfair competition or similar matter arising from your use of the Marks in accordance with the terms of this Agreement, or any misuse of the Marks by third parties on the Internet or otherwise, you must promptly notify us of any such claim, suit, demand or misuse. You will have no power, right or authority to settle or compromise any such claim, suit or demand by a third party or to intervene to stop misuse, without our prior written consent. We will defend, compromise or settle at our discretion any such claim, suit or demand and take steps to stop misuse at our cost and expense, using attorneys selected by us or the Owner of the Marks, and you agree to cooperate fully in such matters.

(b) We will indemnify you and hold you harmless from and against all judgments resulting from any claim, suit or demand arising from your authorized and proper use of the Marks in accordance with the terms of this Agreement. We have the sole discretion to determine whether a similar trademark or service mark that is being used by a third party is confusingly like the Marks being used by you or constitutes a misuse of the Marks, and whether and what subsequent action, if any, should be undertaken with respect to such similar trademark or service mark or misuse.

X. MARKETING AND PROMOTION

10.1 Use of Marketing and Promotion Fees.

(a) IVRE will expend, for the purposes of national, regional or local marketing, advertising, cooperative advertising, market research, public relations and promotional campaigns designed to promote and enhance the value of the Marks and general recognition and acceptance thereof, an amount equal to the aggregate Marketing and Promotion Fees stated in Section 4.3 hereof and collected from all its franchisees. None of the Marketing and Promotion Fees will be deemed to be held subject to any type of trust arrangement. No interest on unexpended Marketing and Promotion Fees will be imputed for your benefit or payable to you. If requested by you in writing not later than March 31 of any calendar year, we will provide you not later than May 31 of that year with a statement of receipts and expenditures of the aggregate Marketing and Promotion Fees relating to the preceding calendar year, certified to be correct by an officer of IVRE.

(b) In our sole discretion and as we deem appropriate, IVRE is obligated to spend the Marketing and Promotion Fees collected from you and all other IVRE franchisees on regional, local or national media or other marketing techniques or programs designated to promote the retail sale of IVRE Services, the Marks and other aspects of the IVRE brand, creative and production costs, and for other purposes deemed appropriate by us to enhance and promote the general recognition of IVRE franchises.

(c) IVRE may also spend Marketing and Promotion Fees collected from you and all other IVRE franchisees for IVRE-approved initiatives, which may include branding and marketing studies, initiatives and research; test marketing new products or concepts; franchisee compliance with System standards and practices through a "mystery buyer" program; the development of marketing strategies, tools, initiatives, and materials; public relations; market research; annual conferences (excluding the expenses of our principals and employees to travel to such conferences); and occasional selective regional and local advertising.

10.2 Advertising Content and Costs.

With respect to local, regional or system-wide advertising, we determine the cost, form of media, content, format, production, timing (including regional or local concentration and seasonal exposure), location and all other matters relating to advertising, public relations and promotional campaigns.

XI. NON-COMPETITION COVENANTS

11.1 Exclusive In-Term Dealing.

(a) You acknowledge that you will receive valuable specialized training and access to our trade secrets, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the System. In consideration for the use and license of such valuable information, you agree that you

will not during the term of this Agreement operate, manage, own, assist or hold an interest in (direct or indirect as an employee, officer, director, shareowner, partner or otherwise), or engage in, any competing real estate brokerage business or other business selling or offering services equivalent to IVRE Services or the Franchised Business, without our express prior written consent.

(b) It is the intention of both you and IVRE that you maximize the Franchised Business within your Real Estate Office, and any action of yours that diverts business to another entity or diminishes the Franchised Business being conducted at or through your Real Estate Office will be a material breach of this Agreement. Accordingly, on or before the Effective Date, you will provide IVRE with a list of all real estate related activities you and your Principal Equity Owners are involved with. You and your Principal Equity Owners hereby acknowledge and agree that none of you may, either directly or indirectly, for yourself or themselves, or through, on behalf of, or in conjunction with, any person, persons, partnership, corporation or other entity, (i) divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or (ii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.

11.2 Post Term Confidentiality Covenant.

You agree that after termination, expiration or cancellation of this Agreement for any reason you must refrain from any use, direct or indirect, for any purpose, of any of our trade secrets or proprietary information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of the System. Following termination or expiration of this Agreement, you must always refrain from any use, direct or indirect, of any of our proprietary information.

11.3 General Provisions regarding Non-Competition Covenants.

(a) You acknowledge that the restrictions contained in this Article XI are reasonable and necessary in order to protect our legitimate interests, and in the event of violation of any of these restrictions, we are entitled to recover damages including, without limitation, Royalty, Marketing and Promotion Fees and other fees that would have been payable if such business were included in the Franchised Business, and an equitable accounting of all earnings, profits and other benefits arising from such violation, which rights and remedies will be cumulative and in addition to any other rights or remedies to which we are entitled at law or in equity.

(b) This Article XI applies to your Office Manager and other Principal Equity Owners, and each of your other managers, directors, officers, general partners and affiliates.

(c) Each provision of this Article XI is independent of each other provision of this Agreement. If any provision of this Article XI is held unreasonable or unenforceable by any court, agency or other tribunal of competent jurisdiction, you agree to be bound by (i) the maximum duty permitted by law with respect to that provision, which will be deemed restated accordingly, and (ii) all other provisions of this Article XI.

XII. ASSIGNMENT

12.1 Assignment by Us.

We have the right to Transfer (as defined above) this Agreement, and all of our rights and privileges hereunder to any other person, firm or corporation ("Our Assignee"); provided that, in respect to any Transfer ("Assignment by Us") resulting in the subsequent performance by our Assignee of the functions of franchisor hereunder: (i) at the time of Assignment by Us, Our Assignee will be financially responsible and economically capable of performing the obligations of franchisor hereunder; and (ii) Our Assignee will expressly assume and agree to perform such obligations. If there is an Assignment by Us in compliance with the terms set forth in the preceding sentence, we will be relieved of all obligations or liabilities after the effective date of the assignment.

12.2 Assignment by You.

(a) This Agreement is being executed by us in reliance upon and in consideration of the singular personal skills and qualifications of you and your Principal Equity Owners and the trust and confidence we repose in you and them. Therefore, neither your interest in this Agreement and the Franchise granted hereunder, nor all or substantially all of the assets of the Franchised Business, nor a controlling interest in the Franchised Business, may be assigned, transferred, shared or divided, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise, in any manner (collectively, "Assignment by You"), without our prior written consent and, except for any transfer of a non-controlling interest, subject to the applicable terms of this Section 12.2 and our right of first refusal provided for in

Section 12.3 hereof. Our consent to a specific Assignment by You is not cumulative and will not apply to any subsequent assignments, in respect of each of which you must comply with this Section 12.2.

(b) Prior to any Assignment by You, you must notify us of your intent to sell, transfer or assign the Franchise, all (or substantially all) the assets of the Franchised Business, or a controlling or non-controlling interest in the Franchised Business. The notice must be in writing, be delivered to us in accordance with Section 16.1 hereof and include the following:

(i) The proposed transferee's name and address;

(ii) A copy of all agreements related to the sale, assignment, or transfer of the Franchise, the assets of the Franchised Business, or the interest in the Franchised Business; and

(iii) The proposed transferee's application for approval to become the successor franchisee. The application must include all forms, financial disclosures and related information generally used by us when interviewing prospective new franchisees (and we will provide these forms to you as needed). If we did not previously provide these forms to you, you must request that we deliver the forms to you by business courier in accordance with Section 16.1 hereof within 15 calendar days. As soon as practicable after the receipt of the proposed transferee's application, we will notify, in writing, you and the proposed transferee of any additional information or documentation necessary to complete the transfer application. If our then-existing standards for the approval of new or renewing franchisees are not readily available to you when you notify us of your intent to sell, transfer, or assign the Franchise, all or substantially all of the assets of the Franchised Business, or the controlling or non-controlling interest in the Franchised Business, we will communicate the standards to you within 15 calendar days.

(c) Within 60 days after the receipt of all necessary information and documentation required pursuant to Section 12.2(b) above, or as specified by written agreement between us and you, we will notify you of the approval or disapproval of the proposed Assignment by You. The notice will be in writing and delivered to you by business courier in accordance with Section 16.1 hereof. Should we elect not to exercise our right of first refusal, or should such right of first refusal be inapplicable, as herein provided, the proposed Assignment by You will be deemed approved, unless disapproved by us in writing and for reasons permitted by the law governing this Agreement. If the proposed sale, assignment or transfer is disapproved, we will include in the notice of disapproval a statement setting forth the reasons for the disapproval. We may impose, among other things, the following conditions precedent to our consent to any such Assignment by You (these conditions are consistently applied to similarly situated franchisees operating under the Franchise brand):

(i) The assignee of yours ("Your Assignee") must complete our application for a franchise, and in connection therewith, you and Your Assignee must fully disclose in writing all terms and conditions of the Assignment by You;

(ii) Your Assignee and the principal equity owners of Your Assignee demonstrate they have the skills, qualifications and economic resources necessary, in our sole judgment, to conduct the business contemplated by this Agreement;

(iii) Your Assignee and each principal equity owner of Your Assignee expressly assume in writing for our benefit all your obligations under this Agreement;

(iv) Your Assignee executes the then current form of Franchise Agreement being used by us for the remainder of the term of this Agreement or, in our sole discretion, for the initial term of the then current form of Franchise Agreement (unless we have a reasonable basis not to allow this, you may elect to have Your Assignee assume this Agreement for the remainder of its term);

(v) You must have complied fully as of the date of any such Assignment by You with all of your material obligations to us, whether under this Agreement or any other agreement, arrangement or understanding with us;

(vi) Your Assignee agrees that our Initial Training program described in Section 6.1 hereof and any other training or orientation programs then required by us will be satisfactorily completed by necessary personnel within 30 days after the execution by Your Assignee of a Franchise Agreement, provided, however, that Your

Assignee must agree to pay for all of their expenses incurred in connection therewith, including any fee we charge for training (at the rate in effect at the time of transfer), travel, hotel and meal expenses; and

(vii) Not later than 10 days before the transfer, you must pay us a non-refundable "Transfer Fee" of \$5,000.

(d) You do not have a right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement in any manner whatsoever (except that with our consent, which will not be unreasonably withheld, you may pledge a security interest in this Agreement in connection with a Small Business Administration loan), nor subfranchise or otherwise transfer, or attempt to subfranchise or otherwise transfer the Franchised Business, or to transfer or subfranchise a portion but not all of your rights hereunder without our express prior written consent, which may be withheld for any reason in our sole discretion.

(e) Any attempt by you to assign or any purported Assignment by You in violation of this Section 12.2 is void and will (i) constitute a material breach of this Agreement, (ii) cause this Agreement (and in our sole discretion any or all other agreements between you and us, or between you and our affiliates) to be subject to immediate termination without further notice, and (iii) confer no rights or interest whatsoever under this Agreement upon any other party.

(f) Upon our consent to any Assignment by You, you must bring all accounts with us current and, together with IVRE, execute a mutual release.

12.3 Right of First Refusal.

(a) Except for a transfer (i) to your heirs, personal representatives or conservators in the case of death or legal incapacity as provided in Section 12.6 hereof or (ii) between or among individuals (including their immediate family members) who have guaranteed obligations under a Small Business Administration loan, your right to Transfer your entire interest in the Franchise granted by this Agreement under Section 12.2 hereof is subject to our right of first refusal, which will be exercised in accordance with the terms of this Section 12.3.

(b) You must deliver to us a written notice setting forth (i) all terms and conditions of any *bona fide* offer relating to a proposed Assignment by You, and (ii) all available information concerning your Assignee including an application for franchise on IVRE's authorized form provided by your proposed assignee, detailed summary of how the proposed assignee meets our qualifications for a new IVRE franchisee, and any other related information requested by us. If the specified terms and conditions include consideration of a non-monetary nature, such consideration must be expressed in reasonably equivalent monetary terms, and if it involves matters that cannot be stated in monetary terms, such consideration will not be considered in connection with our right of first refusal.

(c) Within 15 days after our receipt of such notice (or if we request additional information, within 10 days after receipt of such additional information), we may either (i) consent or withhold our consent to such Assignment by You, in accordance with Section 12.2 hereof, or (ii) at our option, accept the Assignment by You ourselves or on behalf of our nominee upon the terms and conditions specified in the notice.

(d) If we elect not to exercise our right of first refusal and consent to the Assignment by You, for a period of 60 days, and subject to the provisions of Section 12.2 hereof, you will be free to assign this Agreement to such proposed Assignee upon the terms and conditions specified in said notice. If, however, these terms are modified in any material manner (as determined by us), or if said 60-day period expires, we will again have such right of first refusal with respect thereto and you will again be required to comply with Section 12.3(b) above. Detailed terms of assignment must be delivered to us no later than 72 hours following the close of escrow or other consummation of the transaction.

12.4 Transfers to Certain Family Members.

You or a Principal Equity Owner, if a natural person, may with our consent, which will not be unreasonably withheld, transfer the Franchised Business or an equity interest in your franchised entity to such person's immediate family member (defined as a spouse or person having equivalent rights under applicable federal or state law, parent, sibling, niece, nephew, descendant or spouse's descendant) provided that adequate provision is made for the management of the Franchised Business and the transferor guarantees, in form and substance satisfactory to us, the performance of the transferee's obligations under this Agreement. No transfer under this Section 12.4 will be subject to our right of first refusal set forth in Section 12.3 hereof. However, you must comply with Section 12.2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior

to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction.

12.5 Transfers to Affiliated Entities.

You or a Principal Equity Owner may without our consent, upon 30 days prior written notice to us, Transfer the Franchised Business or an equity interest in your franchised entity to an entity that is (i) organized for the purpose of operating the Franchised Business and (ii) owned in the same proportionate amount of ownership as prior to such Transfer, provided that adequate provision is made for the management of the Franchised Business. No Transfer under this Section 12.5 will be subject to our right of first refusal set forth in Section 12.3 hereof or the Transfer Fee set forth in Section 12.2(b)(vii) hereof. However, you must comply with Section 12.2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction. Also, you acknowledge and agree that any Transfer to an affiliate will not relieve you from your obligations under this Agreement, unless we specifically release you in writing from such obligations.

12.6 Transfers upon the Death or Incapacity of an Individual Franchisee or Majority Equity Owner.

(a) Notwithstanding the foregoing, in the event of your death or legal incapacity, if you are an individual, or the death or legal incapacity of an equity owner of yours who holds a majority equity interest ("Majority Equity Owner") if you are a corporation, limited liability company or partnership, the transfer of your or the deceased Majority Equity Owner's interest in this Agreement to his or her spouse, parent or adult children, will not be deemed Assignment by You, provided that a responsible management employee or agent of yours that has been satisfactorily trained by us will be responsible for the Franchised Business.

(b) In the event of your death (if you are an individual) or the death of a Majority Equity Owner, such person's interest in this Agreement or its equity interest in the franchise entity must Transfer as soon as practicable (but not more than 90 days) after the date of death in accordance with such person's will or, if such person dies without a will, in accordance with laws of intestacy governing the distribution of such person's estate, provided that adequate provision is made for the management of the Franchised Business. If we determine (i) there is no imminent sale to a qualified successor or (ii) there is no heir or other Principal Equity Owner capable of operating the Franchise, we may (but are not obligated to) immediately commence operating the Real Estate Office on your behalf for a period of up to 90 days, renewable as necessary for up to one year and we will periodically discuss the status with your representatives or your heirs. For such management assistance, you or the successor in interest must pay us a reasonable *per diem* management fee/charge for serving as the interim manager.

(c) No Transfer under this section 12.6 will be subject to (i) our right of first refusal set forth in section 12.3 hereof or (ii) the Transfer Fee set forth in section 12.2(b)(vii) above, although such refusal right and Transfer Fee will be applicable to any subsequent Transfer by your (or a Majority Equity Owner's) heirs, personal representatives or conservators. However, you must comply with Section 12.2(b)(i) through (vi) above, as well as provide full disclosure of the terms of said transfer and deliver to us no later than three business days prior to the close of the transaction. In addition, copies of fully executed paperwork must be delivered to us no less than three business days following the close of the transaction.

12.7 Consent of Franchisor to Transfers

Except as otherwise provided in this Agreement and subject to our right of first refusal provided in Section 12.3 hereof, you or an Principal Equity Owner may consummate any Transfer of a direct or indirect interest in this Agreement, the Franchised Business or the economic benefits derived therefrom, or any equity interest in your franchised entity, not permitted by the preceding Sections 12.4, 12.5 and 12.6, only after written notice to us and only with our written consent, which will not be unreasonably withheld. We will exercise our good faith business judgment in determining whether to give or withhold our consent to a Transfer under this Section 12.7. Such exercise of good faith business judgment may include our consideration of certain skills and qualifications of the prospective transferee which are of business concern to us, including without limitation, the following: experience in businesses similar to the Franchised Business, financial and operational skills and qualifications, economic resources, reputation and character of such prospective transferee; the ability of such prospective transferee to fully and faithfully conduct the Franchised Business as contemplated by this Agreement; and the effect that the Transfer and the prospective transferee will have or may reasonably be expected to have on the reputation or business operations of the Franchised Business, the System or us or any of our affiliates.

XIII. DEFAULT AND TERMINATION

13.1 General.

(a) This Agreement may be terminated only for good cause, which means the failure of a party to substantially comply with the lawful requirements imposed upon it by this Agreement after being given notice at least 30 days in advance of the termination and a reasonable opportunity, which in no event will be less than 30 days from the date of the notice of noncompliance, to cure the failure (provided that this Section 13.1(a) does not apply when there are grounds for immediate termination without notice pursuant to Section 13.2 below).

(b) If we are in material breach of this Agreement, you may terminate this Agreement by giving us prior written notice setting forth the asserted breach of this Agreement and giving us 30 days in which to cure the default. A material breach of this Agreement by us means any unauthorized action or omission seriously impairing or adversely affecting you or the relationship between you and us created by this Agreement. However, if we become insolvent or declare bankruptcy, you will continue to have the right to operate under this Agreement unless a court order provides otherwise. If because of the nature of the breach, it would be unreasonable for us to be able to cure the default within 30 days, we will be given additional time (up to 30 additional days) as is reasonably necessary to cure said breach, upon condition that we must, upon receipt of such notice from you, immediately commence to cure such breach and continue to use best efforts to do so.

(c) Notwithstanding anything contained herein to the contrary, in those circumstances under which we have the right to terminate this Agreement, we also have the option, to be exercised in our sole discretion, to choose alternative remedies to our right to terminate the entire Agreement.

(d) Notwithstanding anything contained herein to the contrary, in those circumstances under which we have the right to terminate this Agreement, we also have the right to exercise all remedies available to us at law or in equity, including without limitation specific performance and damages (including punitive damages). All rights and remedies provided herein are in addition to and not in substitution of all other rights and remedies available to a party at law or in equity.

13.2 Immediate Termination.

(a) We have the right to terminate this Agreement immediately upon notice to you without an opportunity to cure:

(i) You or the business to which the Franchise relates has been the subject of an order for relief in bankruptcy, judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or you admit your inability to pay your debts as they come due;

(ii) If after you have located and secured suitable premises (that we consent to) for your Real Estate Office, you have not commenced operation of the Franchised Business there within 210 days after the Effective Date;

(iii) You Abandon the Franchise by failing to operate the business for five consecutive days during which you are required to operate the business under the terms of the Franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond your control;

(iv) You make any material misrepresentations relating to the acquisition of the Franchise or you engage in conduct that reflects materially and unfavorably upon the operation and reputation of the Franchised Business or the System;

(v) You fail, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation of the Franchise;

(vi) After curing any failure in accordance with Section 13.3 below, you engage in the same noncompliance whether such noncompliance is corrected after notice;

(vii) You repeatedly fail to comply with one or more requirements of the Franchise, whether corrected after notice;

(viii) The Franchised Business or your business premises are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless an appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in the Franchised Business, and it is not discharged within five days of such levy;

(ix) You are convicted of a felony or any other criminal misconduct that is relevant to the operation of the Franchise;

(x) You fail to pay any franchise fees or other amounts due to IVRE or our affiliate within five days after receiving written notice that such fees are overdue;

(xi) An audit or investigation conducted by IVRE or our agents (A) discloses that you knowingly maintained false books or records, or submitted false reports to IVRE, or knowingly understated your real estate transaction fees or withheld the reporting of any of your real estate transaction fees, or (B) reveals an underreporting or under recording error on any single occasion of 5% or more; or

(xii) We make a reasonable determination that your continued operation of the Franchise will result in an imminent danger to public health or safety.

(b) The parties recognize that some breaches may involve conduct that undermines the basis for the Agreement such that the expectation of full and proper contract performance cannot be restored, even if the specific activity giving rise to the claim of breach has ended. In such cases, no period of "cure" will be required. However, the termination will not take effect for 10 days to enable the parties to consider whether other alternatives may be possible.

(c) If your rights under this Agreement are terminated by us because of an event described in Section 13.2(a) above, Section 14.1 below is not applicable, and we may immediately commence an action under Section 14.2 or 14.3 below, as applicable, to collect damages or otherwise enforce our rights.

13.3 Termination After Notice.

(a) Except as provided in Section 13.2 hereof, we may terminate this Agreement only after giving you prior written notice setting forth the asserted breach of this Agreement and giving you 30 days in which to cure the default. Upon receipt of a notice of default, you must immediately commence diligently to cure said breach, and if you cure said breach within 30 days, our right to terminate this Agreement will cease. If because of the nature of the breach, it would be unreasonable for you to be able to cure the default within 30 days, you will be given additional time (up to 15 additional days) as is reasonably necessary in our determination to cure said breach, upon condition that you must, upon receipt of such notice from us, immediately commence to cure such breach and continue to use your best efforts to do so.

(b) If your rights under this Agreement are terminated by us for material breach, we may, at our option, declare you in default of all franchise agreements or other agreements you have with us, and terminate your rights under those other agreements as well.

(c) If your rights under this Agreement are terminated by us for failure to make any payment due under this Agreement, Section 14.1 below is not applicable, and we may immediately commence an action under Section 14.2 below to collect damages or otherwise enforce our rights.

(d) The description of any default in any notice served by us hereunder upon you in no way precludes us from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

(e) If you and we agree to mutually terminate this Agreement, you must return a signed counterpart of any document we prepare that is related to the termination not later than 10 days after you receive it, or the mutual agreement to terminate will be voidable by us, and we may thereafter immediately and unilaterally terminate this Agreement and require payment of all sums due and payable to us at the date of termination.

13.4 Description of Default.

The description of any default in any notice served by us hereunder upon you in no way precludes us from specifying additional or supplemental defaults in any action, arbitration, mediation, hearing or suit relating to this Agreement or the termination thereof.

13.5 Statutory Limitations.

Notwithstanding anything to the contrary in this Article XIII, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto limits our rights of termination hereunder or requires longer notice periods than those set forth herein, and in the event the parties are prohibited by law from agreeing to the shorter periods set forth herein, then this Agreement will be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected will be amended only to the extent necessary to bring it within the requirements of the law or regulation.

13.6 Extended Cure Period.

Notwithstanding anything contained herein to the contrary, including, without limitation, Section 13.3(c) hereof, in those circumstances under which we have the right to terminate this Agreement, we also have the right, to be exercised in our sole discretion, to grant to you in writing only, in lieu of termination of this Agreement, an extended period of time to cure the breach which gave rise to our right to terminate, but in no event may such extended cure period exceed six months from the last day of the cure period otherwise applicable to such breach. You acknowledge that our election to grant an extended cure period to you will not operate as a waiver of any of our rights hereunder.

13.7 Our Right to Cure Your Defaults.

In addition to all other remedies herein granted, if you default in the performance of any of your obligations or breach any term or condition of this Agreement or any related agreement involving third parties, we may, at our election, immediately or at any time thereafter, without waiving any claim for breach hereunder and without notice to you, cure the default for your account and on your behalf, and all costs or expenses including attorney's fees incurred by us on account thereof are due and payable by you to us on demand.

13.8 Waiver and Delay.

No waiver by us of any breach or series of breaches or defaults in performance by you and no failure, refusal or neglect of ours either to exercise any right, power or option given to us hereunder or to insist upon strict compliance with or performance of your obligations under this Agreement or the Confidential Operations Manual, constitutes a waiver of the provisions of this Agreement or the Confidential Operations Manual with respect to any subsequent breach thereof or a waiver by us of our right at any time thereafter to require exact and strict compliance with the provisions thereof.

13.9 Recovery of Lost Revenue.

If this Agreement is terminated because of your material breach, based on the estimated time it takes for a replacement IVRE franchisee to achieve a similar revenue stream and our costs incurred in processing your franchise and training your Office Manager and Principal Equity Owner, we are entitled to recover damages equal to the aggregate amount of the Royalty (under Section 4.2 above) actually paid by you, or what you were obligated to pay, whichever is greater, during the three years prior to the date this Agreement was terminated. If the Opening Date is less than one year before the termination date, you would pay the greater of (i) \$20,000, (ii) 300% of the aggregate amount of Royalty actually paid by you, or (iii) what you were obligated to pay under this Agreement during the time since the Opening Date. If the Opening Date is between one and two years before the termination date, you would pay the greater of 200% of the aggregate amount of Royalty actually paid by you, or what you were obligated to pay during the time since the Opening Date. If the Opening Date is between two and three years before the termination date, you would pay the greater of 150% of the aggregate amount of Royalty actually paid by you, or what you were obligated to pay during the time since the Opening Date.

13.10 Collection Costs.

We are entitled to reimbursement from you upon our demand of all costs we have incurred (including reasonable attorney's fees and investigator's fees) to enforce our rights under this Agreement, including actions to collect any amounts due and delinquent hereunder.

13.11 Continuance of Business Relations.

Any continuance of business relations between you and us after termination of this Agreement will not be construed as a renewal, extension or continuation of this Agreement.

XIV. DISPUTE RESOLUTION

14.1 Initial Steps to Resolve a Dispute; Mediation.

(a) We and you have entered a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the System, as contemplated by this Agreement. To that end, you and we acknowledge that you and we need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between you and us are an important aspect of that obligation. The parties hereby pledge and agree that they will first attempt to resolve any dispute, claim or controversy arising out of or relating to this Agreement or any alleged breach hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void (collectively, "Dispute") by first having our executive officers and your Principal Equity Owners meet in person within five business days after a party notifies the other party that a Dispute has arisen at our principal executive office (without our respective legal counsel) and conduct a good faith discussion and negotiation of the issues with a view to arriving at a settlement ("Settlement Conference"). We may proceed to terminate this Agreement in either of the following two situations without a settlement meeting or mediation proceeding: (i) if there is any breach of this Agreement by you that may result in an immediate termination of this Agreement pursuant to Section 13.2 above, or (ii) if you fail to pay any sums due us under this Agreement which may result in termination of this Agreement pursuant to Section 13.3 above. Also, if a party refuses to participate in the settlement meeting or mediation within the respective time frames set forth in this Section 14.1, the other party may immediately commence an arbitration proceeding pursuant to Section 14.2 below.

(b) If the parties are unable to settle the Dispute at the Settlement Conference described in Section 14.1 above, within 10 business days after the date this conference took place (or should have taken place), you and we may submit the Dispute to mediation at a mutually agreeable location in Pennsylvania conducted by a mutually acceptable mediator who has at least 10 years of experience in franchise law or franchise business matters. If the Dispute is not referred to mediation within 10 business days after the settlement conference took place (or should have taken place), the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to Section 14.2 below. Any mediation proceedings should be completed within 60 days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter.

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission because of its use in the mediation.

14.2 Arbitration.

(a) Except as specifically provided in Sections 13.2(c) and 13.3(c) above, any Dispute between us (or our affiliated entities) and you (or your affiliated entities) or Principal Equity Owners that is not settled through the procedures described in Section 14.1 above will be resolved through binding arbitration by and before JAMS, Inc. in accordance with (i) its Streamlined Arbitration Rules and Procedures if the amount in controversy is less than \$250,000, or (ii) its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more, or if the parties in dispute mutually agree, through binding arbitration by any other mutually agreeable arbitrator. It is explicitly agreed by each of the parties hereto that no arbitration of any Dispute may be commenced except in accordance with this Section 14.2.

(b) All hearings and other proceedings will take place in Philadelphia County, Pennsylvania, or other county where our headquarters office is then located, or if we so elect, in the county where your (or an applicable Principal Equity Owner's) principal place of business is then located.

(c) Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (including affidavits, interrogatories and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party

fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, YOU EXPRESSLY AGREE TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS YOU MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement.

(g) The provisions of this Section 14.2 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this Section 14.2 will be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Our Initials: _____ Your Initials: _____]

14.3 Injunctive Relief.

Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in Pennsylvania, without the necessity of first complying with Sections 14.1 and 14.2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of \$1,000 will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date). If an arbitration proceeding has already commenced pursuant to Section 14.2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the merits of its dispute to the arbitrator. The existence of a proceeding commenced under Section 14.1 or 14.2 above will in no event abate or otherwise affect the ability of party to seek injunctive relief under this Section 14.3. You acknowledge that failure on your part to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to us or to other affiliated persons or entities, and we or our affiliates are empowered to seek injunctive relief to protect the Marks. This covenant is independent, severable and enforceable notwithstanding any other rights or remedies that any party may have.

14.4 Legal Fees and Expenses.

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other expenses incurred by the prevailing party in bringing or defending such arbitration, action or proceeding or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This Section 14.4 is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

14.5 Survival.

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

XV. OBLIGATIONS AND RIGHTS UPON TERMINATION OR EXPIRATION

15.1 Your Obligations.

(a) In the event of termination, cancellation or expiration of this Agreement whether by reason of your breach, default, non-renewal, lapse of time or other cause, in addition to any other obligations provided for in this Agreement, you must forthwith discontinue the use or display of the Marks in any manner whatsoever, and you may not thereafter operate or do business under the Marks or any other Iron Valley Real Estate brand or any other name or in any manner that might tend to give the general public the impression that you are in any way associated or affiliated with us, or any of the businesses conducted by us or the owner of the Marks, including without limitation repainting the business premises in a distinctively different color and removing or rearranging distinctive elements of the Iron Valley Real Estate trade dress. You must contact your Multiple Listing Service, local Board of Realtors (if you are a member), other online review sites and other online directories and websites which have made reference to your Real Estate Office during the 18 months prior to the date this Agreement terminates, is cancelled or expires, and request the removal of all use of the trademarks in connection with the former franchised Real Estate Office (and the physical address of the former Real Estate Office) and all use of former reviews from the period you were an Iron Valley Real Estate franchisee. And, you also must comply with Section 15.2 respecting the return to us of certain materials and must not thereafter use, in any manner, or for any purpose, directly or indirectly, any of our trade secrets, procedures, techniques, or materials acquired by you by virtue of the relationship established by this Agreement, including, without limitation, (i) any training or other materials, manuals, bulletins, instruction sheets, or supplements thereto, or (ii) any equipment, videotapes, videodiscs, forms, advertising matter, devices, insignias, slogans or designs used from time to time in connection with the Franchised Business.

(b) If there is a termination, cancellation or expiration as described in Section 15.1(a) above, you must comply with Section 11.2 of this Agreement respecting post-termination competition and promptly:

(i) Remove at your expense all signs erected or used by you and bearing the Marks, or any word or mark indicating that you are associated or affiliated with Iron Valley Real Estate;

(ii) Erase or obliterate from yard signs, letterheads, stationery, printed matter, advertising or other forms used by you the Marks and all words indicating that you are associated or affiliated with Iron Valley Real Estate;

(iii) Permanently discontinue all advertising of yours that states or implies you are associated or affiliated with Iron Valley Real Estate or the System;

(iv) If you engage in any business thereafter, you must use trade names, service marks or trademarks that are significantly different from those under which you had done business and must use sign formats that are significantly different in color and type face; and take all necessary steps to ensure that your present and former employees, agents, officers, shareholders and partners observe the foregoing obligations; and

(v) Assign all interest and right to use all telephone numbers and all listings applicable to the Real Estate Office in use at the time of such termination to us and take all action necessary to change all such telephone numbers immediately and change all such listings as soon as possible.

(c) If you fail or omit to make or cause to be made any removal or change described in Section 15.1(b)(i) through 15.1(b)(vi) above, then we will have the right within 15 days after written notice to enter your Real Estate Office or other premises from which the Franchised Business is being conducted without being deemed guilty of trespass or any other tort, and make or cause to be made such removal and changes at your expense, which expenses you agree to pay to us promptly upon demand; and you hereby irrevocably appoint us as your lawful attorney upon termination of this Agreement with authority to file any document in the name of and on our behalf for the purpose of terminating any and all of your rights in any trade name you have used that contains any of the Marks.

15.2 Our Rights as Franchisor.

(a) The termination, cancellation, expiration or assignment of this Agreement will be without prejudice to any rights of us against you and such termination, cancellation, expiration or assignment will not relieve you of any of your obligations to us existing at the time of termination, cancellation, expiration or assignment or terminate those obligations of ours which, by their nature, survive the termination, cancellation, expiration or assignment of this Agreement.

(b) We may direct that all applicable suppliers immediately cease providing you with equipment, marketing materials, email access, website access, accessories and other items comprising or to be used to provide IVRE Services.

(c) You are obligated to return, at no expense to us, all printed copies you or Principal Equity Owners may have made of the Confidential Operations Manual and all other IVRE proprietary materials and any other items that were supplied by us for your use without additional charge in connection with the operation of the Franchised Business. You must also permanently erase anything relating to us or the Franchised Business from any computers and other media storage devices you retain after expiration, cancellation or termination of this Agreement.

(d) Within 30 days after termination, expiration or non-renewal of this Agreement, we will have the option, but not the obligation, to purchase all or any portion of your yard signs containing the Marks and other reusable inventory, equipment, parts, supplies, fixtures and furnishings owned and used by you in your franchised operation. We will be permitted to deduct and withdraw from the purchase price to be paid to you all sums then due and owing to us. The purchase price for your inventory of yard signs and apparel containing the Marks will be at your cost for said items. The purchase price for the remaining inventory, equipment, parts, fixtures and furnishings owned by you and used in your business will be the fair market value thereof. In determining the fair market value of such items, you and we agree to exclude any factor or increment for goodwill or going concern value. The purchase price to be paid to you will be paid in cash at the closing of any purchase that will occur no less than 30 days from the date we exercise our option unless you and we are unable to agree on the fair market value of the assets to be purchased. If you and we are unable to reach agreement within a reasonable time as to the fair market value of the items we have agreed to purchase, we will designate an independent appraiser, and the appraiser's determination will be binding. You and we must each pay 50% of the fee charged by the independent appraiser.

XVI. GENERAL TERMS AND PROVISIONS

16.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement will be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

(i) If to us:

IRON VALLEY REAL ESTATE, LLC
121 TOWNE SQUARE DR STE 201
HERSHEY PA 17033-9440
Phone: (717) 995-3900

(ii) If to you:

Phone: _____

(b) Notices between you and us will be deemed given the earlier of (i) the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day or (ii) when delivered in person by an agent of the sending party.

(c) Any change in the addresses listed in section 16.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier or delivered in person.

(d) Any notices sent to you which include a statement of intent to terminate or not renew the Franchise must provide (i) the reasons why and (ii) the effective date of such termination or nonrenewal or expiration.

16.2 Indemnity.

(a) You hereby agree to protect, defend and indemnify IVRE, and all of our past, present and future owners, affiliates, officers, directors, employees, attorneys and designees, and each of them, and hold them harmless from and against all "Losses" (as defined in section 16.2(d) below) and "Expenses" (as defined in section 16.2(e) below),

arising out of or in connection with any "Proceeding" (as defined in section 16.2(f) below) concerning your intentional tort or negligence, or the intentional tort or negligence of your agents, servants or representatives, relating to your development, maintenance or operation of the Real Estate Office and the Franchised Business, except to the extent caused by our intentional misfeasance, gross negligence or material default of our obligations under this Agreement.

(b) We hereby agree to protect, defend and indemnify you, your Principal Equity Owners, other owners, affiliates, officers, directors, employees and attorneys and each of them, from any Losses any of them may incur, including reasonable attorneys' fees, as a result of third party Proceeding arising out of our intentional misfeasance, gross negligence or material breach of our obligations under this Agreement, except if caused by the intentional misfeasance, gross negligence or material breach by you (or any Principal Equity Owners, or other of your owners, affiliates, officers, directors, employees or attorneys) of obligations under this Agreement.

(c) For the indemnification to be effective, each indemnified party ("Indemnified Party") must give the indemnifying party ("Indemnifying Party") reasonable notice of any claim for which the Indemnified Party demands indemnity and defense, except that failure to provide such notice will not release the Indemnifying Party from any obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced by such failure. The Indemnifying Party will assume, at its sole cost and expense, the defense of such Proceeding through legal counsel reasonably acceptable to the Indemnified Party, except that the Indemnified Party may at its option and expense select and be represented by separate counsel. The Indemnifying Party will have control over the Proceeding, including the right to settle in its reasonable discretion (but only if the settlement includes a full release of all claims against the Indemnified Party), and provided further, the Indemnifying Party will not, absent the written consent of the Indemnified Party, consent to the entry of any judgment or enter into any settlement that: (i) provides for any admission of liability on the part of the Indemnified Party or relief other than the payment of monetary damages for which the Indemnifying Party will be solely liable; or (ii) adversely affects the rights of the Indemnified Party under this Agreement, or (iii) does not release the Indemnified Party from all Proceedings and "Losses" (as defined in section 16.2(d) below) in respect thereof. In no event will the Indemnified Party be liable for any Losses that are compromised or settled in violation of this section 16.2. The Indemnifying Party's duty to defend is independent of its duty to indemnify. Each indemnified party must submit all its claims to its insurers in a timely manner. Any payments made by an indemnified party will be net of benefits received by the indemnified party from insurance coverage respecting such claims.

(d) The term "Losses" means, refers to, and includes all "Expenses" (as defined in section 16.2(e) below), liabilities, obligations, losses, fines, penalties, costs, or damages including all reasonable out of pocket fees and disbursements of legal counsel in the investigation or defense of any of the same or in asserting any party's respective rights hereunder but excluding punitive damages (unless resulting from third party claims).

(e) The term "Expenses" means, refers to, and includes, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding casts, telephone charges, postage, delivery service fees and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses will also include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreements, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent.

(f) The term "Proceeding" means, refers to, and includes any threatened pending or completed suit, claim, demand, action, suit, arbitration, alternative dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether civil, criminal, administrative or investigative.

(g) The indemnification provided in this section 16.2 is a continuing right and will survive the expiration or termination of this Agreement. The parties hereto further acknowledge and agree that they intend the indemnification provided in this section 16.2 to be interpreted and enforced in a manner providing the fullest extent of indemnification to the Indemnified Party now or hereafter permitted by law.

16.3 Your Relationship to Us as Franchisee.

(a) It is expressly agreed that the parties intend by this Agreement to establish between you and us the relationship of franchisee and franchisor. It is further agreed that you have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on our behalf for any purpose whatsoever. Neither you nor we are the employer, employee, agent, partner, fiduciary or co-venturer of or with the other, each being independent. You agree that neither you nor any Principal Equity Owner will hold yourself out as our agent, employee, partner or co-venturer, or the Owner of the Marks.

(b) All employees or agents hired or engaged by or working for you will be only the employees or agents of yours and will not for any purpose be deemed employees or agents of IVRE or the Owner of the Marks, nor subject to our control; and in particular, we will have no authority to exercise control over the hiring or termination of these employees, independent contractors, or others who work for you, their compensation, working hours or conditions, or their day-to-day activities, except to the extent necessary to protect the Marks. You agree to diligently consider customer reviews and respond to customer indications of dissatisfaction with services rendered by you in a diligent and professional manner and agree to cooperate with representatives of ours or the Owner of the Marks in any investigation undertaken by us of complaints respecting your activities. You agree to (i) file all necessary tax, regulatory and payroll concerning your employees, agents and operations, and (ii) indemnify us from any liability arising from your employees, independent contractors, or others who work for you.

16.4 No Third-Party Beneficiaries.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom we may have granted or consented to a collateral assignment of this Agreement) will be entitled to any rights under so-called "third party beneficiary rights" or otherwise.

16.5 Survival of Covenants.

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

16.6 Successors and Assigns.

Subject to the restrictions on Assignment by You contained herein, this Agreement is binding upon us and you, and inures to the benefit of our respective successors and assigns.

16.7 Joint and Several Liabilities.

If you consist of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several.

16.8 Titles for Convenience Only.

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

16.9 Gender.

All terms used in any one number or gender will extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any Section may require.

16.10 Severability; Partial Invalidity.

Nothing contained in this Agreement will be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between (i) any provisions of this Agreement or the Confidential Operations Manual and (ii) any present or future statute, law, ordinance, regulation or judicial decision, contrary to which the parties have no legal right under this Agreement, the latter will prevail, but in such event the provision of this Agreement or the Confidential Operations Manual thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, Article, Section, sentence or clause of this Agreement or the Confidential Operations Manual is held to be indefinite, invalid or otherwise unenforceable, that specific language will be deemed deleted, but the remaining parts thereof will continue in full force and effect.

16.11 Counterparts.

This Agreement may be executed in multiple copies, each of which will be deemed to be an original, and both of which together will be deemed to be one and the same instrument.

16.12 Compliance with U.S. Anti-Terrorism and Other U.S. Federal Laws.

(a) You certify that neither you, nor any Principal Equity Owner, nor any of your employees, nor anyone else associated with you is listed in the Annex to Executive Order 13224 (which is available for review at <http://treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>). You covenant not to hire or have any dealings with a person listed in the Annex. You certify that you have no knowledge or information that, if generally known, would result in you, the Principal Equity Owners, employees or anyone associated with you being listed in the Annex to Executive Order 13224. You and each of the Principal Equity Owners will comply with and assist us as much as possible in our efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, you and each of the Principal Equity Owners certify, represent and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that you and the Principal Equity Owners are not otherwise in violation of any of the Anti-Terrorism Laws. You are solely responsible for ascertaining what actions must be taken by you to comply with all such Anti-Terrorism Laws. You specifically acknowledge and agree that your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 16.12. Any misrepresentation by you under this Section 16.12 or any violation of the Anti-Terrorism Laws by you, any of the Principal Equity Owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you executed with us or one of our Affiliates. "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists, and any other requirements of any United States governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

(b) Neither you nor any Principal Equity Owner conducts any activity, or has failed to conduct any activity, if such action or inaction constitutes a money laundering crime, including any money laundering crime prohibited under any applicable Anti-Terror Legislation.

(c) Neither you nor any Principal Equity Owner nor any employee of either is named as a "Specially Designated National" or "Blocked Person" as designated by the U.S. Department of the Treasury's Office of Foreign Assets Control and published at www.treas.gov/offices/enforcement/ofac/sdn/. You acknowledge that you are not directly or indirectly owned or controlled by the government of any country that is subject to a United States embargo, nor do you or any Principal Equity Owner act directly or indirectly on behalf of the government of any country that is subject to a United States embargo. You agree that you will notify us in writing immediately of the occurrence of any event that renders the foregoing representations and warranties of this Section 16.12 incorrect.

[Your Initials: _____]

16.13 Governing Law.

The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under this Agreement. Otherwise, the laws of the state of Pennsylvania govern this Agreement and all related matters, documents and agreements, without regard to conflicts of laws. If any provision of this Agreement is impermissible under a governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision, or if the provision as amended cannot substantially maintain the original intent, then the provision will be deemed deleted.

16.14 Entire Agreement.

(a) The parties to this Agreement each acknowledge and warrant to each other that they wish to have all terms of this business relationship defined solely in and by this written Agreement and the Confidential Operations Manual. Recognizing the costs on all parties which attend uncertainty, the signatories to this Agreement each confirm that neither wishes to enter into a business relationship with the other in which any terms or obligations are the subject of alleged oral statements or in which oral statements or non-contract writings (which have been or may in the future be exchanged between them) serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations set forth herein. Accordingly, the signatories each agree and promise each other that this Agreement, the Confidential Operations Manual, and the representations made by us in the IVRE Franchise Disclosure Document ("FDD") provided to you, supersede and cancel any prior or contemporaneous discussions or writings (whether described as representations, inducements, promises, agreements, understandings

or any other term), by any of the parties or by anyone acting on their behalf, with respect to the rights and obligations of the parties to this Agreement or the relationship between them.

(b) In accordance with the foregoing Section 16.14(a), the parties to this Agreement agree that this Agreement and the Confidential Operations Manual constitute the entire agreement between the parties and contain all of the terms, conditions, rights and obligations of the parties with respect to the franchised business contemplated by this Agreement and any other aspect of the relationship between the parties. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of this Agreement and any other document executed in connection with the Iron Valley Real Estate franchise.

(c) This Agreement cannot be modified or changed except by written instrument signed by all the parties hereto.

XVII. EFFECTIVENESS OF AGREEMENT

This Agreement will become effective only upon the execution hereof by you and by us, and only after you were provided an FDD. HOWEVER, THIS AGREEMENT IS NOT BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY IVRE.

XVIII. ACKNOWLEDGMENTS AND REPRESENTATIONS

18.1 Acknowledgments and Representations.

(a) You hereby represent and warrant that the following statements in this Section 18.1 are true and accurate.

(b) You do not seek to obtain the Franchise for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer the Franchised Business or the Franchise within 12 months after the Opening Date.

(c) You understand and acknowledge the value to the System of uniform and ethical standards of quality, appearance and service described in and required by the Confidential Operations Manual and the necessity of operating the Franchised Business under the standards set forth in the Confidential Operations Manual. You represent that you have the capabilities, professionally, financially and otherwise, to comply with our standards.

(d) If you are an entity, you are duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Real Estate Office is located.

(e) Your execution of this Agreement will not constitute or violate any other agreement or commitment to which you are a party.

(f) Any individual executing this Agreement on your behalf is duly authorized to do so and the Agreement constitutes a valid and binding obligation of yours and all your Principal Equity Owners.

(g) You and your Principal Equity Owners (i) have carefully read this Agreement and all other related documents to be executed by you concurrently or in conjunction with the execution hereof, (ii) have conducted an independent investigation of the business contemplated by this Agreement, (iii) have obtained, or had the opportunity to obtain, the advice of counsel in connection with the execution and delivery of this Agreement, (iv) understand the nature of this Agreement, and (v) intend to comply herewith and be bound hereby.

(h) You agree that complete and detailed uniformity among our franchisees under varying conditions may be inadvisable, impractical or impossible, and accordingly agree that we, in our sole discretion, may modify or vary aspects of the System as to any franchisee or group of franchisees based on, for example, local sales potential, demographics, competition, business practices or other conditions. You further agree that we will have no obligation to disclose or offer the same or similar variances to you. You are aware that other IVRE franchisees may operate under different agreements and, consequently, that our obligations and rights as to those franchisees may differ materially in certain circumstances.

(i) You received an FDD and a copy of this Agreement at least 14 calendar days before you signed this Agreement.

(j) You made no payment to us before you signed this Agreement.

(k) You and each Principal Equity Owner acknowledge that in operating the System, we must consider the needs of the System as a whole, and the need to protect the Marks, even if our actions are contrary to your individual interests as a franchisee.

18.2 Additional Information Respecting You and Your Principal Equity Owners.

(a) You must fully complete the schedule attached as Exhibit 2 of this Agreement with required information about your Principal Equity Owners.

(b) The address (written notice of any change in this information after the Effective Date must be delivered to us pursuant to Section 16.1 hereof) where your financial and other records are maintained is

[] the same address as provided in Section 16.1 hereof or

[] the following address:

_____.

This Agreement may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

IN WITNESS WHEREOF, and each signatory being jointly and severally liable, the parties hereto executed this Agreement as of the Effective Date:

YOU:

IVRE:

IRON VALLEY REAL ESTATE, LLC

By: _____

By: _____

Adam S. Gamble, CEO and Manager

[PRINTED NAME AND TITLE]

List of Exhibits to Franchise Agreement:

Exhibit 1 – Location of Real Estate Office

Exhibit 2 – Names and Addresses of Principal Equity Owners

Exhibit 3 – Guarantee of Franchise Agreement

EXHIBIT 1 - LOCATION OF REAL ESTATE OFFICE

The Real Estate Office licensed under this Agreement is located at:

(If the address of the Real Estate Office is unknown when this Agreement is signed, as soon as the address is determined, it will be inserted later into the space above or added by addendum attached to this Exhibit 1.)

The county in which the Real Estate Office is located is:

EXHIBIT 2 - NAMES AND ADDRESSES OF PRINCIPAL EQUITY OWNERS

If an entity is signing this Agreement as franchisee, list below the names, residential addresses and respective percentage equity ownership interests in the franchisee entity of each Principal Equity Owner:

1.	_____	2.	_____
	_____		_____
	_____		_____
	_____ %		_____ %
3.	_____	4.	_____
	_____		_____
	_____		_____
	_____ %		_____ %
5.	_____		

	_____ %		

EXHIBIT 3 - GUARANTEE OF FRANCHISE AGREEMENT

In consideration of the execution by Franchisor of the Franchise Agreement dated _____, 20 ____ (the "Franchise Agreement") between Iron Valley Real Estate, LLC ("Franchisor") and _____ ("Franchisee") and for other good and valuable consideration, each of the undersigned "Principal Equity Owners" (as defined in the Franchise Agreement), and their spouses (if applicable), for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guarantee of Franchise Agreement ("Guarantee"), the term "the undersigned", as used herein, refers to each such person, and the liability of each of the undersigned hereunder will be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned further hereby agree that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (i) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (ii) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (iii) any right or remedy under the Agreement, this Guarantee or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (iv) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned.

Notice to or demand upon Franchisee or any of the undersigned will be deemed notice to or demand upon Franchisee and all the undersigned, and no notice or demand need be made to or upon any of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned will not relieve any other guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, related to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, will not modify or amend this Guarantee, which will be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee inure to the benefit of the Franchisor, its successors and assigns. This Guarantee may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

The Lanham Act (15 U.S.C. §1051 et seq.) governs any issue involving Franchisor's proprietary trademarks. To the extent applicable, the laws of the state where the Store is located govern all issues involving modification of this Guarantee while it is in effect. Otherwise, this Guarantee and the legal relations among the parties hereto will be governed by and construed in accordance with the laws of the State of Pennsylvania. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Pennsylvania or any other state, which would not otherwise apply.

Any litigation arising out of or related to this Guarantee will be instituted exclusively in the Court of Common Pleas, State of Pennsylvania, County of Dauphin or the United States District Court for the Middle District of Pennsylvania. Guarantors hereby covenant never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of *forum non conveniens*). Guarantors further hereby covenant never to assert or claim that such courts lack personal jurisdiction over Guarantors. In the event both such courts lack jurisdiction to enter any requested injunctive relief, an action or proceeding requesting such relief may be brought before any court having jurisdiction to grant such relief.

Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions will nevertheless be effective.

This Guarantee may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

IN WITNESS WHEREOF, each of the undersigned has executed this Guarantee effective as of the date of the Franchise Agreement.

PRINCIPAL EQUITY OWNERS

X _____

Printed Name of Principal Equity Owner

X _____

Printed Name of Principal Equity Owner

X _____

Printed Name of Principal Equity Owner

X _____

Printed Name of Principal Equity Owner

X _____

Printed Name of Principal Equity Owner

IRON VALLEY REAL ESTATE

AREA DEVELOPMENT AND ROYALTY SHARE AGREEMENT

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AREA DEVELOPMENT AND ROYALTY SHARE AGREEMENT

This Area Development and Royalty Share Agreement ("Agreement") is made on _____, 20 ____ (the "Effective Date") by and between Iron Valley Real Estate, LLC, a Pennsylvania limited liability company doing business as "Iron Valley Real Estate" ("Franchisor") and _____ ("Franchisee").

Franchisor is the franchisor of the Iron Valley Real Estate franchise system. Franchisee (or its affiliated entities) has executed five Franchise Agreements with Franchisor, under the terms of which Franchisee (or its affiliated entities) was granted a right to open and operate an Iron Valley Real Estate franchised real estate brokerage office at locations that Franchisor has consented to ("Real Estate Offices"), providing "IVRE Services" (as defined in the Franchise Agreement) under the Iron Valley Real Estate trademarks and in accordance with Franchisor's business format.

In consideration of the mutual promises, covenants, agreements and conditions contained in this Agreement, and other good and valuable consideration, Franchisee and Franchisor hereby agree as follows.

I. GRANT OF RIGHTS TO OPEN ADDITIONAL REAL ESTATE OFFICES

1.1 Additional Real Estate Offices.

(a) Subject to the terms and conditions contained herein, Franchisor hereby grants to Franchisee (and its affiliated entities) the non-exclusive right to, and Franchisee hereby agrees to, open and operate itself or through affiliated entities a minimum of five new additional Real Estate Offices in accordance with the schedule of openings attached hereto as Exhibit 1 (the "Development Schedule") and within the geographical area (the "Development Area") indicated in the Development Schedule. The Development Area is defined as a radius (initially 100 miles) around the initial franchised Real Estate Office opened by Franchisee. After two additional Real Estate Offices are opened under this Agreement, the Development Area radius is extended to 150 miles around the first franchised Real Estate Office. When the fifth additional Real Estate Office is opened under this Agreement, the Development Area radius is extended to 200 miles around the first franchised Real Estate Office.

(b) If Franchisor becomes insolvent or declares bankruptcy or is no longer authorized to offer and sell franchises in Franchisee's state because of a lapse of applicable franchise registration or other reason, Franchisee will continue to have the right to operate under this Agreement unless a state or federal court issues an order otherwise.

1.2 Franchise Agreements.

When Franchisee (or its affiliated entity) opens an additional Real Estate Office under the Development Schedule, Franchisee (or its affiliated entity) must execute Franchisor's then current form of Franchise Agreement for that additional Real Estate Office. So long as Franchisee is in good standing under this Agreement, Franchisee (or its affiliated entities) will continue to have the right to open and operate Real Estate Offices in the Development Area in accordance with the Development Schedule.

1.3 Term and Renewal.

(a) The term of this Agreement commences on the Effective Date and, unless sooner terminated by Franchisee's material breach hereof, will continue for five years, unless it is terminated under section 2.4 hereof.

(b) At the end of the initial term, if Franchisee is complying with this Agreement and all Franchise Agreements executed by Franchisee and its affiliated entities, unless Franchisee notifies Franchisor in writing at least 60 days before the term expires that it does not want to renew, this Agreement will be automatically renewed for additional one-year terms.

(c) Upon expiration of this Agreement, Franchisee (and its affiliated entities) will no longer have the right to open future Real Estate Offices under the Development Schedule. However, Real Estate Offices owned by Franchisee or its affiliated entities that are open and operating within the Development Area under

this Agreement will continue to receive the applicable Royalty Share for 12 months after the date of expiration of this Agreement.

1.4 No Subfranchising Rights.

Neither Franchisee nor any of its affiliated entities has the right under this Agreement to execute subfranchised Iron Valley Real Estate franchise agreements with anyone.

II. DEVELOPMENT OBLIGATIONS

2.1 Development Obligations.

(a) Franchisee (or its affiliated entity) must open each additional Real Estate Office not later than the date specified in Exhibit 1 applicable to the Real Estate Office, and thereafter continue to operate the Real Estate Office or assign it with Franchisor's consent to another Iron Valley Real Estate Franchisee or to a third party, who will execute a new Franchise Agreement for that Real Estate Office.

(b) Any Real Estate Office developed hereunder that is opened and operating and which has been assigned to an affiliate of Franchisee, or to another Iron Valley Real Estate Franchisee, or to a third party with Franchisor's consent will continue to be considered as partial satisfaction of Franchisee's obligations under the Development Schedule for so long as the assignee remains in compliance with the terms of the Franchise Agreement relating to that Real Estate Office.

(c) To be eligible for Royalty Share payments, the additional Real Estate Office must be operating in compliance with the terms of its Iron Valley Real Estate Franchise Agreement and be owned by (i) Franchisee (or its affiliated entity) or (ii) an assignee approved by Franchisor.

2.2 Timing of Execution of Leases and Franchise Agreements.

(a) Notwithstanding anything to the contrary contained herein, on or before the date that is 90 days before the date a Real Estate Office is required to be opened, Franchisee (or its affiliated entity) must execute a lease and Franchise Agreement for the Real Estate Office and pay the balance of the Initial Franchise Fee under the Franchise Agreement for that Real Estate Office.

(b) Regarding the location, equipping, opening and operation of an additional Real Estate Office that Franchisee (or its affiliated entity) is opening under the Development Schedule, Franchisee (or its affiliated entity) must comply with the Franchise Agreement that is applicable to that Real Estate Office.

2.3 Force Majeure.

(a) The term "*Force Majeure*" means natural disasters (such as tornadoes, earthquakes, hurricanes, floods, fires or other natural catastrophes); strikes, lockouts or other industrial disturbances; war, terrorist acts, riot, or other civil disturbance; epidemics; or other similar forces which Franchisee could not by the exercise of reasonable diligence have avoided; provided however, that neither an act or failure to act by any federal, state, county, municipal and local governmental and quasi-governmental agency, commission or authority, nor the performance, non-performance or exercise of rights under any agreement with Franchisee by any lender, landlord, or other person will be a *Force Majeure*, except to the extent that such act, failure to act, performance, non-performance or exercise of rights results from an act that is otherwise a *Force Majeure*. For the avoidance of doubt, Franchisee's financial inability to perform or Franchisee's insolvency will not be a *Force Majeure* hereunder.

(b) Subject to Franchisee's continuing compliance with section 2.3(c) below, should Franchisee be unable to meet Franchisee's development obligation for a scheduled additional Real Estate Office solely as the result of a *Force Majeure* which results in Franchisee's inability to construct or operate the Real Estate Offices pursuant to the terms of this Agreement, the date on which the scheduled additional Real Estate Office is to be opened will be extended by an amount of time equal to the time period during which the *Force Majeure* exists.

(c) In the event of the occurrence of a *Force Majeure*, Franchisee must notify Franchisor in writing within 10 business days following commencement of the alleged *Force Majeure* of the specific nature and extent of the *Force Majeure*, and how it has impacted Franchisee's performance hereunder. Franchisee must

continue to provide us with updates and all information as may be requested by Franchisor, including Franchisee's progress and diligence in responding to and overcoming the *Force Majeure*.

(d) Franchisor will not be liable to Franchisee for any consequential damages, including lost profits, interest expense, increased construction or occupancy costs, or other costs and expenses incurred by Franchisee due to any conduct not due to Franchisor's gross negligence or intentional misfeasance.

2.4 Termination of Agreement and Additional Development Rights.

(a) If Franchisee fails to open an additional Real Estate Office in accordance with the Development Schedule, Franchisee will be in material default of this Agreement. The first time this happens, Franchisor will extend the time to open the additional Real Estate Office (and all other additional Real Estate Offices under the Development Schedule) for 90 days. If after the 90-day extension, Franchisee is still in noncompliance with the Development Schedule, this Agreement may be immediately terminated by Franchisor upon written notice.

(b) Once Franchisee opens all additional Real Estate Offices specified in the Development Schedule, this Agreement will remain in effect for purposes of Royalty Share, and all rights under each Franchise Agreement that Franchisee (or its affiliated entity) executed for the additional Real Estate Offices will remain in full force and effect. If Franchisee desires to engage in further development within the Development Area of additional Real Estate Offices in excess of the obligations committed to under the Development Schedule, Franchisee may do so provided it notifies Franchisor in writing of the proposed site for each additional Real Estate Office, which will also receive a Royalty Share under the terms of this Agreement.

III. TERRITORY FEE

3.1 Territory Fee.

In consideration of the exclusive development rights granted to Franchisee herein, Franchisee will pay to Franchisor upon execution of this Agreement a non-refundable "Territory Fee" of \$100. The Territory Fee will be fully earned by Franchisor for administrative and other expenses incurred by Franchisor and is not refundable.

3.2 Franchise Agreements for Additional Real Estate Offices.

Each additional Real Estate Office to be opened pursuant hereto will require execution by Franchisee (or its affiliated entity) and Franchisor of a separate Franchise Agreement (using Franchisor's then current form thereof) granting Franchisee (or its affiliated entity) the right to operate that additional Real Estate Office, and payment of the initial franchise fee due under the Franchise Agreement (Franchisees existing in the Iron Valley system prior to March 10, 2022, will not receive any discounts in the initial franchise fee payable under Franchise Agreements for additional Real Estate Offices opened under this Agreement).

IV. TRANSFER OR ASSIGNMENT

4.1 Assignment by Franchisor.

(a) This Agreement has been executed by Franchisor in reliance upon and in consideration of the singular personal qualifications, trust and confidence that Franchisor reposes in Franchisee. Accordingly, although Franchisee may assign individual Franchise Agreements, Franchisee may not assign this Agreement except as provided in Section 4.2 below.

(b) Franchisor may assign this Agreement in Franchisor's sole discretion and without Franchisee's consent, and Franchisee acknowledges that Franchisor is permitted to do so without liability or obligation to Franchisee, and Franchisee expressly and specifically waives any claims, demands or damages arising from or related to any such assignment.

4.2 Transfers from Franchisee to an Affiliated Entity.

Upon not less than 30 days' prior written notice to Franchisor, Franchisee may without Franchisor's consent assign and transfer this Agreement to an entity that is (i) organized to operate as a developer of Real Estate Offices and (ii) entirely owned by Franchisee. Any assignment and transfer to an affiliated entity must be evidenced by a written instrument, in form reasonably satisfactory to Franchisor, under the terms of which said business entity expressly assumes all of Franchisee's obligations hereunder, whether accrued at the

time of such assignment or arising thereafter, and the assignee agrees to be bound by all the terms and provisions of this Agreement to the same extent and in the same manner as Franchisee is bound. A copy of said instrument, executed by both Franchisee and said business entity must be delivered to Franchisor before the effective date of the transfer.

V. NON-COMPETITION

5.1 Restriction on Competitive Activities.

During the term of this Agreement and after it is terminated or expires, Franchisee and each of its "Principal Equity Owners" (persons owning more than 20% of Franchisee) must comply with the non-competition covenants contained in the last effective Franchise Agreement executed by Franchisee (or its affiliated entity) and Franchisor.

5.2 Website and Unauthorized Advertising.

During the term of this Agreement, neither Franchisee nor any of its Principal Equity Owners may establish a website or register an Internet domain name using, or otherwise advertise on the Internet or anywhere else, the trademark "Iron Valley Real Estate", or any combination or derivations thereof, or similar marks, or any other trademarks of ours, except as Franchisor specifically authorizes in writing.

VI. DEFAULT AND TERMINATION

6.1 General.

In addition to a termination pursuant to section 2.4 above, this Agreement may be terminated by Franchisor if Franchisee (i) fails to substantially comply with any obligation, duty or promise under this Agreement, including failure to open a Real Estate Office within the time specified in the Development Schedule, after being given a notice of default and reasonable opportunity to cure the default (no more than 90 days), or (ii) is in material breach of any Franchise Agreement that Franchisee (or its affiliated entity) entered into with Franchisor. During the time that Franchisee is in breach of this Agreement or any Franchise Agreement for an additional Real Estate Office, Royalty Share payments will be suspended and forfeited.

6.2 Operation of Opened Real Estate Offices after Termination.

If Franchisor terminates this Agreement for the reasons described in section 6.1 above, Franchisee (or its affiliated entities) will nevertheless be able to maintain ownership and operation of the Real Estate Offices which Franchisee has developed so long as Franchisee is not in material breach of the applicable Franchise Agreements; however, Franchisee will forfeit (i) any further rights under the Development Schedule and this Agreement, and (ii) any rights to receive a Royalty Share.

VII. DISPUTE RESOLUTION

7.1 Initial Steps to Resolve a Dispute; Mediation.

(a) Franchisor and Franchisee have entered a long-term franchise relationship which gives rise to an obligation, subject to and consistent with the terms of this Agreement, to endeavor to make the relationship succeed, considering the overall best interests of the entire System, as contemplated by this Agreement. To that end, Franchisee and Franchisor acknowledge that Franchisee and Franchisor need to attempt to resolve disagreements or disputes before such disagreements or disputes negatively impact the relationship. Good faith communications between Franchisor and Franchisee are important aspects of that obligation. The parties hereby pledge and agree that they will first attempt to resolve any dispute, claim or controversy arising out of or relating to this Agreement or any alleged breach hereof, including any claim that this Agreement or any part hereof is invalid, illegal or otherwise voidable or void (collectively, "Dispute") by first having Franchisor's executive officers and Franchisee's Principal Equity Owners meet in person within five business days after a party notifies the other party that a Dispute has arisen at Franchisor's principal executive office (without their respective legal counsel) to conduct a good faith discussion and negotiation of the issues with a view to arriving at settlement ("Settlement Conference"). If a party refuses to participate in the Settlement Conference or mediation within the respective time frames set forth in this section 7.1, the other party may immediately commence an arbitration proceeding pursuant to section 7.2 below.

(b) If the parties are unable to settle the Dispute at the Settlement Conference described in section 7.1 above, within 10 business days after the date this conference took place (or should have taken place),

you and we may submit the Dispute to mediation at a mutually agreeable location in Pennsylvania conducted by a mutually acceptable mediator who has at least 10 years of experience in franchise law or franchise business matters. If the Dispute is not referred to mediation within 10 business days after the settlement conference took place (or should have taken place), the Dispute may be immediately submitted to binding resolution through arbitration proceedings pursuant to Section 7.2 below. Any mediation proceedings should be completed within 60 days following the date either party first gives notice of mediation. The fees and expenses of the mediator will be shared equally by the parties. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the Dispute and any related matter.

(c) Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission because of its use in the mediation. The fees charged by a mediator and any other related fees and costs will be divided equally between the parties.

7.2 Arbitration.

(a) Any Dispute between Franchisor (or its affiliated entities) and Franchisee (or its Principal Equity Owners or affiliated entities) not settled through the procedures described in section 7.1 above, or any determination of the scope or applicability of this agreement to arbitrate, will be resolved through binding arbitration by and before JAMS, Inc. ("JAMS"), in accordance with its Streamlined Arbitration Rules and Procedures (if the amount in controversy is less than \$250,000) or its Comprehensive Arbitration Rules and Procedures (if the amount in controversy is \$250,000 or more), or if the parties in dispute mutually agree, through binding arbitration by any other mutually agreeable arbitrator. It is explicitly agreed by each of the parties hereto that no arbitration of any Dispute may be commenced except in accordance with this section 7.2.

(b) All hearings and other proceedings will take place in Philadelphia County, Pennsylvania, or if Franchisor so elects, at another JAMS business location nearest where Franchisee's (or an applicable Principal Equity Owner's) principal place of business is then located.

(c) Either party may present briefs and affidavits of witnesses who are unable to attend hearings. A limited amount of discovery is permitted within the discretion of the arbitrator (including affidavits, interrogatories and depositions). The arbitrator will have the right to award or include in the award any relief that the arbitrator deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance and injunctive relief, provided that the arbitrator will not have the right to declare any Mark generic or otherwise invalid or to award punitive damages. If either party fails to appear or participate in the arbitration proceeding, the other party will be entitled to a default judgment award. The arbitration award will be final and binding on the parties, and judgment on the award may be entered in any federal or state court having jurisdiction.

(d) TO THE MAXIMUM EXTENT PERMITTED BY LAW, ALL CLAIMS BROUGHT UNDER THIS AGREEMENT WILL BE BROUGHT IN AN INDIVIDUAL CAPACITY. THIS AGREEMENT MAY NOT BE CONSTRUED TO ALLOW OR PERMIT THE CONSOLIDATION OR JOINDER OF OTHER CLAIMS OR CONTROVERSIES INVOLVING ANY OTHER FRANCHISEES OR PERMIT SUCH CLAIMS OR CONTROVERSIES TO PROCEED AS A CLASS ACTION, CLASS ARBITRATION, COLLECTIVE ACTION, OR ANY SIMILAR REPRESENTATIVE ACTION. NO ARBITRATOR WILL HAVE THE AUTHORITY UNDER THIS AGREEMENT TO ORDER ANY SUCH CLASS OR REPRESENTATIVE ACTION. BY SIGNING BELOW, FRANCHISEE EXPRESSLY AGREES TO WAIVE ANY SUBSTANTIVE OR PROCEDURAL RIGHTS IT MAY HAVE TO BRING AN ACTION ON A CLASS, COLLECTIVE, REPRESENTATIVE OR OTHER SIMILAR BASIS.

(e) TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PARTIES WAIVE ALL RIGHTS THEY MAY HAVE TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. ACCORDINGLY, THE ARBITRATOR WILL HAVE NO POWER TO ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY.

(f) This arbitration provision is deemed to be self-executing and will remain in full force and effect after expiration or termination of this Agreement.

(g) The provisions of this section 7.2 are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after (and notwithstanding) the expiration or termination of this Agreement. Furthermore, this section 7.2 will be construed as independent of any other covenant or provision of this Agreement; provided, however, that if a court of competent jurisdiction determines that any of such provisions are unlawful in any way, the court is respectfully requested to modify or interpret such provisions to the minimum extent necessary to comply with the law.

[Franchisor's Initials: _____ Franchisee's Initials: _____]

7.3 Injunctive Relief.

Any party has the right in a situation where there is an imminent threat of harm to the legal rights of a party and damages would not be adequate relief to seek a temporary restraining order and temporary or preliminary injunctive relief from a court of competent jurisdiction in Pennsylvania, without the necessity of first complying with sections 7.1 and 7.2 above or posting any bond, and if bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of \$1,000 will be a sufficient bond (this amount may be adjusted by changes in the Consumer Price Index since the Effective Date). If an arbitration proceeding has already commenced pursuant to section 7.2 above when a party seeks injunctive relief, then the party seeking such injunctive relief agrees to contemporaneously submit the merits of its dispute to the arbitrator. The existence of a proceeding commenced under section 7.1 or 7.2 above will in no event abate or otherwise affect the ability of party to seek injunctive relief under this section 7.3. Franchisee acknowledges that its failure to comply fully with any of the terms of this Agreement respecting the obligations regarding examinations, audits and the Marks could cause irreparable damage to Franchisor or other affiliated persons or entities, and Franchisor or Franchisor's affiliates are empowered to seek injunctive relief to protect the Marks. This covenant is independent, severable and enforceable notwithstanding any other rights or remedies that any party may have.

7.4 Legal Fees and Expenses.

The prevailing party in any arbitration or litigation to resolve a dispute between any of the parties hereto will be entitled to recover from the losing party reasonable legal fees (and incurred costs of the prevailing party's counsel) and all other reasonable expenses incurred by the prevailing party in bringing or defending such arbitration, action or proceeding or enforcing any resulting award or judgment (including without limitation arbitration or court filing fees, expert and other witness fees, discovery expenses and compensation payable to the arbitrator), whether incurred prior to or in preparation for or in contemplation of the filing of the action or thereafter. The prevailing party will be determined by the arbitrator or court. This section 7.4 is intended to be expressly severable from the other provisions of this Agreement, is intended to survive any judgment and is not to be deemed merged into the judgment.

7.5 Survival.

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

VIII. NOTICES

8.1 Notices.

(a) All notices that the parties hereto are required or may desire to give under or in connection with this Agreement must be in writing and (unless personally delivered by an agent of the sending party) must be sent by reliable overnight courier, for delivery on the next business day and addressed as follows:

(i) If to Franchisor:

IRON VALLEY REAL ESTATE, LLC
121 TOWNE SQUARE DR STE 201
HERSHEY PA 17033-9440
Phone: (717) 995-3900

(ii) If to Franchisee:

Phone:

(b) Unless previously delivered in person by an agent of the sending party, notices between Franchisee and Franchisor will be deemed given the next business day after deposit with a reliable overnight courier, properly addressed and marked for delivery on the next business day.

(c) Any change in the addresses listed in section 8.1(a) above must be sent to the other party as soon as practicable after the change occurs by reliable overnight courier or in person by an agent of the sending party.

IX. GENERAL TERMS AND PROVISIONS

9.1 Governing Law.

The Federal Arbitration Act (9 U.S.C. §1 *et seq.*) governs the arbitration of disputes under this Agreement. Otherwise, the laws of the state of Pennsylvania govern this Agreement and all related matters, documents and agreements, without regard to conflicts of laws. If any provision of this Agreement is impermissible under a governing law, the provision will be deemed amended to conform to that law while maintaining to the maximum extent possible the original intent of the provision, or if the provision as amended cannot substantially maintain the original intent, then the provision will be deemed deleted.

9.2 Modification.

This Agreement cannot be modified or changed except by a written instrument signed by all parties hereto.

9.3 Waiver and Delay.

No waiver by Franchisor of any breach or series of breaches or defaults in performance by Franchisee and no failure, refusal or neglect by Franchisor either to exercise any of its rights hereunder or to insist upon strict compliance with or performance of Franchisee's obligations under this Agreement, will constitute a waiver of the provisions of this Agreement with respect to any subsequent breach thereof or a waiver by Franchisor of its right at any time thereafter to require exact and strict compliance with the provisions thereof.

9.4 Severability; Partial Invalidity.

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

9.5 Titles for Convenience Only.

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

9.6 No Third-Party Beneficiaries.

This Agreement is not intended to benefit any other person or entity except the named parties hereto and no other person or entity (other than financing sources to whom Franchisor has granted or consented to a collateral assignment of this Agreement) will be entitled to any rights hereunder under so-called "third party beneficiary rights" or otherwise.

9.7 Survival of Covenants.

The covenants contained in this Agreement that by their terms require performance by the parties after the expiration or termination of this Agreement will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

9.8 Successors and Assigns.

Subject to the restrictions on any assignment by Franchisee contained herein, this Agreement is binding upon (i) Franchisor and inures to the benefit of its successors and assigns and (ii) Franchisee and inures to the benefit of its successors and assigns.

9.9 Counterparts.

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

9.10 Entire Agreement.

(a) the parties to this Agreement agree that this Agreement, and the Confidential Operations Manual, constitutes the entire agreement between the parties and contain all of the terms, conditions, rights and obligations of the parties with respect to the franchised business contemplated by this Agreement and any other aspect of the relationship between the parties. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of this Agreement and any other document executed in connection with the Iron Valley Real Estate franchise.

(b) This Agreement cannot be modified or changed except by written instrument signed by all the parties hereto.

This Agreement may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

IN WITNESS WHEREOF, the parties executed this Agreement as of the Effective Date.

FRANCHISEE:

By: _____

[PRINTED NAME AND TITLE]

FRANCHISOR:

IRON VALLEY REAL ESTATE, LLC

By: _____
Adam S. Gamble, CEO and Manager

EXHIBIT 1 - DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

The five additional Real Estate Offices must be opened at sites Franchisor reviews and consents to, all of which will be located in the "Development Area" initially comprising a 100-mile radius around the initial franchise Real Estate Office opened by Franchisee. After two additional Real Estate Offices are opened under this Agreement, the Development Area radius is extended to 150 miles around the first franchised Real Estate Office. When the fifth additional Real Estate Office is opened under this Agreement, the Development Area radius is extended to 200 miles around the first franchised Real Estate Office.

Franchisee must open (and thereafter maintain) Real Estate Offices in accordance with the following schedule:

NUMBER OF STORE	DATE BY WHICH STORE MUST BE OPENED	DATE STORE ACTUALLY OPENED
1		
2		
3		
4		
5		

Franchisor may defer a scheduled opening date in the table above if Franchisor determines, in its sole discretion, that Franchisee made a diligent effort to open a Real Estate Office according to the schedule but was unable to do so for reasons beyond Franchisee's reasonable control.

IRON VALLEY REAL ESTATE

FINANCIAL STATEMENTS



IRON VALLEY REAL ESTATE[®] , LLC

Independent Auditor's Report and
Financial Statements

December 31, 2024 and 2023



IRON VALLEY REAL ESTATE, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Managing Members of
Iron Valley Real Estate, LLC

Opinion

We have audited the accompanying financial statements of Iron Valley Real Estate, LLC (a Pennsylvania Limited Liability Company) (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Iron Valley Real Estate, LLC as of December 31, 2024 and 2023, 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. 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 Iron Valley Real Estate, LLC 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 these 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 from 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 Iron Valley Real Estate, LLC's ability to continue as a going concern within 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 from 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Iron Valley Real Estate, LLC'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 Iron Valley Real Estate, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in blue ink, appearing to read "A. D. & Co. Inc.", is written over a light blue rectangular background.

Fountain Valley, California
March 7, 2025

IRON VALLEY REAL ESTATE, LLC

Balance Sheets

December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets:		
Cash	\$ 316,427	\$ 188,130
Accounts receivable, net	32,144	18,451
Inventories	4,455	5,982
Total current assets	353,026	212,563
Property and equipment:		
Furniture and fixtures	18,710	17,609
Office equipment	8,419	4,121
Less: Accumulated depreciation	(11,892)	(8,478)
Net property and equipment	15,237	13,252
Other noncurrent assets		
Deferred finders fees	4,100	8,200
Prepaid rent	-	6,220
Right-of-use asset for operating lease, net	167,986	214,855
Security deposit	5,000	5,000
Total other assets	177,086	234,275
TOTAL ASSETS	\$ 545,349	\$ 460,090
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 4,542	\$ -
Credit card payable	1,641	6,796
Deferred franchise revenue, current	87,000	85,583
Current operating lease liabilities	62,424	46,869
Total current liabilities	155,607	139,248
Long-term liabilities:		
Operating lease liabilities	105,562	167,986
Deferred franchise revenue, non-current	167,470	206,918
Total long-term liabilities	273,032	374,904
TOTAL LIABILITIES	428,639	514,152
MEMBERS' EQUITY (DEFICIT)	116,710	(54,062)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 545,349	\$ 460,090

IRON VALLEY REAL ESTATE, LLC

Statements of Income

For the Years Ended December 31, 2024 and 2023

	2024	2023
REVENUES		
Franchise fees	\$ 87,748	\$ 69,500
Royalties	1,233,567	920,618
Marketing fees	25,850	28,007
Technology fees	410,076	353,880
Product sales	1,429	867
Total revenues	1,758,670	1,372,872
Cost of sales	5,369	300
Gross profit	1,753,301	1,372,572
Operating expenses:		
Payroll expenses	541,577	488,200
Technology provider expenses	412,165	349,945
Legal and professional fees	139,917	97,881
Advertising	129,866	146,547
Office expenses	113,535	58,569
Rent expense	84,711	74,861
Retirement plan contribution	59,438	38,423
Travel, meals and entertainment	38,715	22,822
Royalty rebates	34,725	2,700
Credit loss expense	19,509	-
Depreciation	3,414	2,842
Finders Fee	2,500	500
Amortization expense	4,100	2,400
Total operating expenses	1,584,172	1,285,690
Income (loss) from operations	169,129	86,882
Other income (expense)		
Interest income	10,884	-
Other income	23,026	-
Late fee income	2,733	-
Total other income (expense)	36,643	-
Income (loss) before taxes	205,772	86,882
Provision for Income taxes	-	-
NET INCOME (LOSS)	\$ 205,772	\$ 86,882

IRON VALLEY REAL ESTATE, LLC

Statements of Changes in Members' Equity

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Members' equity (deficit), beginning of year	\$ (54,062)	\$ (60,544)
Distributions	(35,000)	(80,400)
Net income (loss)	<u>205,772</u>	<u>86,882</u>
Members' equity (deficit), end of year	<u>\$ 116,710</u>	<u>\$ (54,062)</u>

IRON VALLEY REAL ESTATE, LLC

Statements of Cash Flows

For the Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 205,772	\$ 86,882
Adjustments to reconcile net income (loss) to net cash provided by (used for) operations:		
Amortization	4,100	2,400
Depreciation	3,414	2,842
<u>(Increase) decrease in:</u>		
Accounts receivable	(13,693)	(11,028)
Other receivable	1,527	(939)
Prepaid expenses	6,220	(6,220)
Due from members	-	80,400
<u>Increase (decrease) in:</u>		
Accounts payable	4,542	-
Credit card payable	(5,155)	(5,579)
Deferred revenue	(38,031)	55,500
Net cash provided (used) by operating activities	168,696	204,258
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(5,399)	(2,771)
Net cash provided (used) by investing activities	(5,399)	(2,771)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions to members	(35,000)	(80,400)
Net cash provided (used) by financing activities	(35,000)	(80,400)
NET INCREASE (DECREASE) IN CASH	128,297	121,087
CASH - beginning	188,130	67,043
CASH - ending	\$ 316,427	\$ 188,130
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

IRON VALLEY REAL ESTATE, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Iron Valley Real Estate, LLC (the Company) is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

History and organization – Iron Valley Real Estate, LLC was organized in Pennsylvania on May 21, 2018 and maintains its corporate office in Hershey, Pennsylvania. The Company was organized for the purpose of selling Iron Valley real estate franchises and related business purposes.

Iron Valley Real Estate, LLC (IVREL) is engaged in the administration, development, operation, and licensing of businesses that operate offices offering the sale of IVREL services and related business.

As of December 31, 2024, there were 46 operating locations franchised by IVREL.

Franchise operations are regulated by the Federal Trade Commission (FTC) and various state laws regulating the offer and sale of franchises. The FTC's franchise rule and various state laws require that the Company furnish a franchise disclosure document ("FDD") containing certain information to prospective franchisees. The Company must also complete franchise registration, pursuant to state law, in those states where franchises are planned to be sold. The Company is currently going through the registration process.

Basis of accounting – The accompanying financial statements have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Cash and cash equivalents – For purposes of reporting cash flows, cash includes amounts on hand and amounts on deposit at financial institutions. The Company defines cash equivalents as short-term, liquid investments with initial maturity of three months or less. Renewals are generally renewed at the same term. The Company had no cash equivalents as of December 31, 2024 and 2023.

Concentration of risk – Occasionally the Company maintains cash balances in excess of the FDIC insurance limit of \$250,000. The Company does not believe that it is exposed to significant credit risk as deposits are maintained in high quality financial institution. At December 31, 2024 and 2023, the Company's uninsured cash balances totaled \$68,869 and \$-0, respectively.

Use of estimates – Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Reclassification – Certain reclassifications have been made to the prior year's comparative information to conform to the presentation of the current year financial statements. The reclassification have no effect on net income for the prior year.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Standard – The Company adopted FASB ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and all related subsequent amendments thereto. This ASU replaced the incurred loss method of measuring financial assets with an expected loss method, which is referred to as the current expected credit loss (CECL) method. CECL requires an estimate of credit losses over the life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts. For the Company, the ASU applies to the measurement of its trade receivables. Trade receivables are presented by using an allowance for credit losses to reduce the receivables balance to the net amount expected to be collected over the lives of the receivables. The Company adopted the new standard using the modified retrospective approach. For the Company, there was no transition adjustment related to the adoption of CECL.

Accounts receivable – Accounts receivable owed to the Company consists of royalty fees resulting from franchise sales. Accounts receivable are presented net of an allowance for credit losses. Interest income is recognized when charged. The allowance for credit losses is estimated based on expected losses, aging of accounts receivable, financial condition of customers, forecasted future economic conditions, and historical experience. Receivables are considered impaired and written-off when they are determined to be uncollectible.

Accounts receivable are considered past due when payments are not received within 30 days of the due date.

Accounts receivable at December, 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Accounts receivable	<u>\$ 32,144</u>	<u>\$ 18,451</u>

Property and equipment – Property and equipment is stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which is five to seven years. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewal are charged to expenses as incurred.

Depreciation expense on property and equipment for the years ended December 31, 2024 and 2023 was \$3,414 and \$2,842, respectively.

Inventories – Inventories consist of promotional products and is stated at the lower of cost or market. At December 31, 2024 and 2023, inventories totaled \$4,455 and \$5,982, respectively.

Advertising and Marketing Costs – Advertising and marketing costs are expensed when incurred. Advertising and marketing costs represent the expense for advertising and marketing systems under the terms of the franchise agreements. At December 31, 2024 and 2023, advertising expenses totaled \$129,866 and \$146,547, respectively.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes – The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under federal and most state laws, taxes based on income of S corporations are payable by the Company's stockholders to the extent the stockholders are subject to income tax. Accordingly, no provision for current federal income taxes has been provided in the accompanying financial statements for the year ended December 31, 2024. Some states may impose certain franchise taxes; if imposed such provision for state income taxes was included in the operating expenses in the accompanying statement of income.

The federal income tax returns of the Company are subject to examination by the IRS, generally for a period of three years from the date filed.

In accordance with generally accepted accounting principles, the Company accounts for uncertainty in income taxes by recognizing tax positions in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

As of December 31, 2024, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2024 and 2023, no interest or penalties were incurred.

Leases

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases (Topic 840). The ASU is effective for fiscal year beginning after December 15, 2021.

The Company determines if an arrangement is a lease at inception of the arrangement to lease office space under operating leases. The lease has a term of five years and includes options to extend the lease for additional two five-year periods. The lease commitments include a prorated share of common area maintenance costs and real estate taxes. These costs are not included in the measurement of lease assets and liabilities.

The lease liabilities are measured at the lease commencement date and determined using the present value. In determining the present value of lease payments not yet paid, the Company estimates incremental secured borrowing rates corresponding to the maturities of the lease. The Company estimates this rate based on prevailing financial market conditions, comparable company and credit analysis, and management judgement. The lease typically contains rent escalations over the lease term and lease expense is recognized on a straight-line basis over the lease term.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Maturities of lease liabilities are as follows as of December 31, 2024:

	<u>Operating Lease</u>
2025	\$ 62,424
2026	63,672
2027	64,944
	<u>-</u>
Total future lease payments	191,040
Less: Imputed interest	<u>(23,054)</u>
Present value of lease liabilities	<u>\$ 167,986</u>

The operating lease liabilities of \$167,986 as of December 31, 2024, represents the discounted (at a 6.67% estimated incremental borrowing rate) value of the future lease payments. For the years ended December 31, 2024 and 2023, rent expense attributed to the operating lease totaled \$84,711 and \$74,861, respectively.

Right -of-Use Assets and Lease Liabilities – The Company determines if an arrangement contains a lease at inception of a contract. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from lease. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease based on the present value of the remaining future minimum lease payments. As the interest rate implicit in the Company's lease is not readily determinable, the Company utilizes its incremental borrowing rate, determined by class of underlying asset, to discount the lease payments.

Revenue recognition

The Company adopted Topic 606 "Revenue from Contracts with Customers" for revenue recognition related to contracts with customers. Under the new guidance, revenue is recognized in accordance with a five-step revenue model, as follows: (i) identifying the contract with the customer; (ii) identifying the performance obligations in the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations; and (v) recognizing revenue when (or as) the entity satisfies a performance obligation. In applying this five-step model, the Company made significant judgements in identifying the promised goods or services in their contracts with franchisees that are distinct, and which represent separate performance obligations, which is satisfied by providing a right to use our intellectual property over the estimated life of the franchise. The Company recognize initial and renewal franchise fees as revenue on a straight-line basis over the life of the related franchise agreements and any exercised renewal periods.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Royalties are calculated based on sale or lease of a property by Real Estate Agents (as listing or selling agent) operating at or from Real estate Office a "Royalty" equal to \$150 per transaction side.

In addition, franchisee must pay monthly marketing, advertising and promotion fee up to \$250 and an Agent Fee of \$17 for each of real estate agents listed on the master website over the term of the franchise agreement. The marketing, advertising and promotion fee collected will be expensed (i) for supporting national or local advertising, market research, public relations and promotional campaigns designed to promote and enhance the value of the brand, less (ii) an administrative fee of 15% of the annual aggregate marketing, advertising and promotion fees. The franchise agreement also requires franchisees to spend \$125 per month on local marketing, advertising and promotion of the franchised business.

Revenue consists of sales of franchise, franchise royalties and fees, and marketing/advertising fees and recognized as follows:

- **Franchise fees** – The Company collects initial franchise fees when franchise agreements are signed. The Company has determined that the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation; therefore, initial franchise fees received from franchisees are recognized as revenue over the term of each respective franchise agreement, which is typically 5 years.

Franchise fees and development fees, portions of which are collected in advance, are nonrefundable and are recognized in income ratably over the term of the related franchise agreement or recognized upon the termination of the agreement between the Company and the franchisee.

The Company recognizes franchise fee beginning with the opening of the franchise, which is when the Company has performed substantially all initial services required by the franchise agreement and the franchisee benefits from the rights afforded by the franchise agreement. Amounts recognized for franchise fees were \$98,199 and \$69,500 at December 31, 2024 and 2023, respectively.

- **Royalties** – The Company collects royalties from each retail estate office based upon a real estate transaction fees up to \$150 per transaction side. The Company recognizes royalties as revenue when earned. Royalties earned at December 31, 2024 and 2023 were \$1,225,783 and \$920,618, respectively.
- **Deferred finders fee** – The Company capitalizes material incremental finders fees paid as a result of obtaining franchise agreement contracts. Capitalized finders fee are amortized over the term of the franchise agreement. Deferred finders fee at December 31, 2024 and 2023 were \$4,100 and \$8,200, respectively.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

- **Marketing, advertising and promotion fees** – The Company bills and collects marketing/advertising fees up to \$250 and an “Agent website fee” of \$17 for each real estate agents listed on IVRE master website. The Company recognizes marketing/advertising fee as revenue when earned. At December 31, 2024 and 2023, marketing, advertising and promotion fees recognized by the Company was \$25,850 and \$28,007, respectively.
- **Contract Liabilities/Deferred Revenue** – Contract liabilities consist primarily of deferred revenue resulting from initial and renewal franchise fees and area development agreement (“ADA”) fees paid by franchisees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement, and billed in advance of satisfaction of the Company’s performance obligation. The Company classify these contract liabilities as deferred revenue in the balance sheets.

The following table reflects the change in contract liabilities between December 31, 2024 and 2023:

	2024	2023
Balance at beginning of year	\$ 292,501	\$ 237,001
Revenue recognized during the year	(87,748)	(69,500)
New deferred revenue during the year	49,717	125,000
Balance at end of year	<u>\$ 254,470</u>	<u>\$ 292,501</u>

Contract Liabilities/Deferred Revenue - The following table illustrates estimated deferred revenues expected to be recognized as future revenue which is being amortized over the term of the franchise agreement.

Future revenue to be recognized in:	Amount
Remainder of 2024	\$ 6,000
2025	82,000
2026	72,750
2027	48,417
2028	43,304
Thereafter	2,000
Total	<u>\$ 254,470</u>

NOTE 2 – ACCOUNTS PAYABLE

The Company has payment terms with its various vendors and suppliers and, accordingly, records trade payables as those liabilities are incurred. At December 31, 2024 and 2023, the Company had recorded trade payables in the amount of \$4,542 and \$-0, respectively.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 3 – CREDIT CARDS PAYABLE

The Company has credit cards payable in the amount of \$1,641 and \$6,796 at December 31, 2024 and 2023, respectively from Wells Fargo Bank and was subsequently paid.

NOTE 4 - LEASE COMMITMENTS

The Company entered into lease agreement for its business premises on May 1, 2022 that expires through April, 2027. The lease required monthly rental of \$5,000 with a 2% annual increase each year. The Company has the option to renew the lease for two additional terms of five years each. The lease commitments include a prorated share of common area maintenance costs and real estate taxes. Security deposit for the space was \$5,000. For the years ended December 31, 2024 and 2023, rent expense totaled \$84,711 and \$74,861, respectively.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying value that approximate fair value because of the short-term nature of the instrument. The recorded value of these financial instruments approximated fair value at December 31, 2024 and 2023.

NOTE 6 – RETIREMENT PLAN

The Company established a 401(K) Plan that features ADP test safe harbor contributions. The employees may elect to defer amounts according to the maximum allowed under Federal guidelines. Total employer matching contributions expensed in the statements of income were \$59,438 and \$38,423 for the years ended December 31, 2024 and 2023, respectively.

NOTE 7 – FRANCHISE OPERATIONS

In general, the Company updates and/or revises franchise agreements on annual basis and, as a result, the agreements with individual franchisees may vary. Currently, the franchise agreements typically require the franchisee to pay an initial, non-refundable fee of \$15,000 and continuing fees based upon sales for a single franchised outlet. If a franchise has entered into a second or additional real estate office, the initial franchise fee for the second or additional real estate office is \$5,000 for each outlet or real estate office in the same county.

Under the current standard franchise agreement, each franchisee is required to pay marketing/advertising fees up to \$250 and an "Agent website fee" of \$17 for each real estate agents listed on IVRE master website. These funds are managed by the Company and are primarily used to create advertising content and promotional materials. The franchise agreement also requires franchisees to spend at least \$125 per month on local marketing, advertising and promotion of the franchised business.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7 – FRANCHISE OPERATIONS (CONTINUED)

Franchisees are generally granted the right to operate an outlet or real estate office in a particular location, typically providing for a 5-year initial term, with an opportunity to enter into one or more renewal franchise agreements subject to certain conditions; such as a renewal fee which maybe up to \$5,000. The Company recognizes renewal fees in income on a straight-line basis over the life of the franchise agreement when a renewal agreement becomes effective.

NOTE 7 – LITIGATIONS

In the normal course of business, the Company is subject to various complaints, legal proceedings, claims and litigations. Defending lawsuits requires significant management attention and financial resources and the outcome of any litigation is inherently uncertain. In the opinion of management and the Company's legal counsel, such matters are currently not expected to have a material impact on the Company's financial statements. The Company expenses legal fees as incurred.

NOTE 8 – SUBSEQUENT EVENTS

Date of management review – The Company has evaluated subsequent events through March 7, 2025, the date of which the financial statements were available to be issued. Through that date, management has determined that the Company did not have any material recognizable or non-recognizable subsequent events.



CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To Whom It May Concern:

Schild & Co., Inc. consents to the use in the Franchise Disclosure Document issued by Iron Valley Real Estate, LLC ("Franchisor") on March 7, 2025, as it may be amended, of our report dated March 7, 2025, relating to the financial statements of Franchisor for the year and period ended December 31, 2024 and 2023.

Fountain Valley, California
March 7, 2025



IRON VALLEY, LLC

REAL ESTATE[®]

Independent Auditor's Report and
Financial Statements

December 31, 2023 and 2022



IRON VALLEY REAL ESTATE, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Managing Members of
Iron Valley Real Estate, LLC

Opinion

We have audited the accompanying financial statements of Iron Valley Real Estate, LLC (a Pennsylvania Limited Liability Company) (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Iron Valley Real Estate, LLC as of December 31, 2023 and 2022, 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. 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 Iron Valley Real Estate, LLC 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 these 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 from 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 Iron Valley Real Estate, LLC's ability to continue as a going concern within 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 from 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Iron Valley Real Estate, LLC'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 Iron Valley Real Estate, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in blue ink, appearing to read "A. D. & Co. Inc.", is written over a light blue rectangular background.

Fountain Valley, California
March 6, 2024

IRON VALLEY REAL ESTATE, LLC

Balance Sheets

December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets:		
Cash	\$ 188,130	\$ 67,043
Accounts receivable	18,451	7,423
Inventories	5,982	5,043
Total current assets	212,563	79,509
Property and equipment:		
Furniture and fixtures	17,609	16,957
Office equipment	4,121	2,002
Less: Accumulated depreciation	(8,478)	(5,636)
Net property and equipment	13,252	13,323
Other noncurrent assets		
Due from members	-	80,400
Deferred finders fees	8,200	10,600
Prepaid rent	6,220	-
Right-of-use asset for operating lease, net	214,855	257,669
Security deposit	5,000	5,000
Total other assets	234,275	353,669
TOTAL ASSETS	\$ 460,090	\$ 446,501
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Credit card payable	\$ 6,796	\$ 12,375
Deferred franchise revenue, current	85,583	67,833
Current operating lease liabilities	46,869	56,248
Total current liabilities	139,248	136,456
Long-term liabilities:		
Operating lease liabilities	167,986	201,421
Deferred franchise revenue, non-current	206,918	169,168
Total long-term liabilities	374,904	370,589
TOTAL LIABILITIES	514,152	507,045
MEMBERS' EQUITY (DEFICIT)	(54,062)	(60,544)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 460,090	\$ 446,501

IRON VALLEY REAL ESTATE, LLC

Statements of Income

For the Years Ended December 31, 2023 and 2022

	2023	2022
REVENUES		
Franchise fees	\$ 69,500	\$ 56,500
Royalties	920,618	743,821
Marketing fees	28,007	14,900
Technology fees	353,880	165,415
Product sales	867	35,161
Total revenues	1,372,872	1,015,797
Cost of sales	300	4,924
Gross profit	1,372,572	1,010,873
Operating expenses:		
Payroll expenses	488,200	465,365
Technology provider expenses	349,945	174,394
Advertising	146,547	182,155
Legal and professional fees	97,881	61,791
Rent expense	74,861	54,784
Office expenses	61,269	61,316
Retirement plan contribution	38,423	67,435
Travel, meals and entertainment	22,822	39,679
Depreciation	2,842	2,372
Amortization expense	2,400	2,400
Finders Fee	500	2,500
Total operating expenses	1,285,690	1,114,191
Income (loss) from operations	86,882	(103,318)
Other income (expense)		
Interest income	-	3,277
Total other income (expense)	-	3,277
Income (loss) before taxes	86,882	(100,041)
Provision for Income taxes	-	-
NET INCOME (LOSS)	\$ 86,882	\$ (100,041)

IRON VALLEY REAL ESTATE, LLC

Statements of Changes in Members' Equity

For the Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Members' equity, beginning of year	\$ (60,544)	\$ 24,497
Contributions	-	15,000
Distributions	(80,400)	-
Net income (loss)	<u>86,882</u>	<u>(100,041)</u>
Members' equity (deficit), end of year	<u>\$ (54,062)</u>	<u>\$ (60,544)</u>

IRON VALLEY REAL ESTATE, LLC

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 86,882	\$ (100,041)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operations:		
Amortization	2,400	2,400
Depreciation	2,842	2,372
<u>(Increase) decrease in:</u>		
Accounts receivable	(11,028)	2,807
Other receivable	(939)	(5,043)
Prepaid expenses	(6,220)	1,600
Deposits	-	(3,500)
Due from members	80,400	(80,400)
<u>Increase (decrease) in:</u>		
Accrued expenses	-	(3,957)
Credit card payable	(5,579)	(8,066)
Deferred revenue	55,500	53,835
Net cash provided (used) by operating activities	204,258	(137,993)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,771)	(3,531)
Net cash provided (used) by investing activities	(2,771)	(3,531)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions	-	15,000
Capital distributions to members	(80,400)	-
Net cash provided (used) by financing activities	(80,400)	15,000
NET INCREASE (DECREASE) IN CASH	121,087	(126,524)
CASH - beginning	67,043	193,567
CASH - ending	\$ 188,130	\$ 67,043
SUPPLEMENTAL INFORMATION		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -

IRON VALLEY REAL ESTATE, LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Iron Valley Real Estate, LLC (the Company) is presented to assist in the understanding of the Company's financial statements. The financial statements and notes are representations of the Company's management, who is responsible for their integrity and objectivity.

History and organization – Iron Valley Real Estate, LLC was organized in Pennsylvania on May 21, 2018 and maintains its corporate office in Hershey, Pennsylvania. The Company was organized for the purpose of selling Iron Valley real estate franchises and related business purposes.

Iron Valley Real Estate, LLC (IVREL) is engaged in the administration, development, operation, and licensing of businesses that operate offices offering the sale of IVREL services and related business.

As of December 31, 2023, there were 42 operating locations franchised by IVREL.

Franchise operations are regulated by the Federal Trade Commission (FTC) and various state laws regulating the offer and sale of franchises. The FTC's franchise rule and various state laws require that the Company furnish a franchise disclosure document ("FDD") containing certain information to prospective franchisees. The Company must also complete franchise registration, pursuant to state law, in those states where franchises are planned to be sold. The Company is currently going through the registration process.

Basis of accounting – The accompanying financial statements have been prepared using the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Cash and cash equivalents – For purposes of reporting cash flows, cash includes amounts on hand and amounts on deposit at financial institutions. The Company defines cash equivalents as short-term, liquid investments with initial maturity of three months or less. Renewals are generally renewed at the same term. The Company had no cash equivalents as of December 31, 2023 and 2022.

Use of estimates – Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenses during the reporting period. Actual results could vary from the estimates that were used.

Reclassification – Certain reclassifications have been made to the prior year's comparative information to conform to the presentation of the current year financial statements. The reclassification have no effect on net income for the prior year.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable – Accounts receivable represent amounts due from franchisees. The Company considers accounts receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

At December 31, 2023 and 2022, accounts receivables totaled \$18,451 and \$7,423, respectively.

Property and equipment – Property and equipment is stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets, which is five to seven years. Significant additions and betterments are capitalized. Expenditures for maintenance, repairs and minor renewal are charged to expenses as incurred.

Depreciation expense on property and equipment for the years ended December 31, 2023 and 2022 was \$2,842 and \$2,372, respectively.

Inventories – Inventories consist of promotional products and is stated at the lower of cost or market. At December 31, 2023 and 2022, inventories totaled \$5,982 and \$5,043, respectively.

Advertising and Marketing Costs – Advertising and marketing costs are expensed when incurred. Advertising and marketing costs represent the expense for advertising and marketing systems under the terms of the franchise agreements. At December 31, 2023 and 2022, advertising expenses totaled \$146,547 and \$182,155, respectively.

Income taxes – The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under federal and most state laws, taxes based on income of S corporations are payable by the Company's stockholders to the extent the stockholders are subject to income tax. Accordingly, no provision for current federal income taxes has been provided in the accompanying financial statements for the year ended December 31, 2023. Some states may impose certain franchise taxes; such provision for state income taxes was included in the operating expenses in the accompanying statement of income.

The federal income tax returns of the Company are subject to examination by the IRS, generally for a period of three years from the date filed.

In accordance with generally accepted accounting principles, the Company accounts for uncertainty in income taxes by recognizing tax positions in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities.

As of December 31, 2023, the Company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the years ended December 31, 2023 and 2022, no interest or penalties were incurred.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), which among other things, requires the recognition of right-of-use lease assets and liabilities on the balance sheet of lessees for operating leases, along with the disclosure of key information about leasing arrangements. A lessee is required to record lease assets and lease liabilities for all leases with a term of greater than 12 months. Leases with a term of 12 months or less will be accounted for in a manner similar to existing guidance for operating leases (Topic 840). The ASU is effective for fiscal year beginning after December 15, 2021.

The Company determines if an arrangement is a lease at inception of the arrangement to lease office space under operating leases. The lease has a term of five years and includes options to extend the lease for additional two five-year periods. The lease commitments include a prorated share of common area maintenance costs and real estate taxes. These costs are not included in the measurement of lease assets and liabilities.

Maturities of lease liabilities are as follows as of December 31, 2023:

	<u>Operating Lease</u>
2024	\$ 61,200
2025	62,424
2026	63,672
Thereafter	<u>64,944</u>
Total future lease payments	252,240
Less: Imputed interest	<u>(37,385)</u>
Present value of lease liabilities	<u><u>\$ 214,855</u></u>

Right-of-Use Assets and Lease Liabilities – The Company determines if an arrangement contains a lease at inception of a contract. Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from lease. Right-of-use assets and lease liabilities are recognized at the commencement date of the lease based on the present value of the remaining future minimum lease payments. As the interest rate implicit in the Company's lease is not readily determinable, the Company utilizes its incremental borrowing rate, determined by class of underlying asset, to discount the lease payments.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company adopted Topic 606 "Revenue from Contracts with Customers" for revenue recognition related to contracts with customers. Under the new guidance, revenue is recognized in accordance with a five-step revenue model, as follows: (i) identifying the contract with the customer; (ii) identifying the performance obligations in the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations; and (v) recognizing revenue when (or as) the entity satisfies a performance obligation. In applying this five-step model, the Company made significant judgements in identifying the promised goods or services in their contracts with franchisees that are distinct, and which represent separate performance obligations, which is satisfied by providing a right to use our intellectual property over the estimated life of the franchise. The Company recognize initial and renewal franchise fees as revenue on a straight-line basis over the life of the related franchise agreements and any exercised renewal periods.

Royalties are calculated based on sale or lease of a property by Real Estate Agents (as listing or selling agent) operating at or from Real estate Office a "Royalty" equal to \$150 per transaction side.

In addition, franchisee must pay monthly marketing, advertising and promotion fee of \$50 and an Agent Fee of \$16 for each of real estate agents listed on the master website over the term of the franchise agreement. The marketing, advertising and promotion fee collected will be expensed (i) for supporting national or local advertising, market research, public relations and promotional campaigns designed to promote and enhance the value of the brand, less (ii) an administrative fee of 15% of the annual aggregate marketing, advertising and promotion fees. The franchise agreement also requires franchisees to spend \$125 per month on local marketing, advertising and promotion of the franchised business.

Revenue consists of sales of franchise, franchise royalties and fees, and marketing/advertising fees and recognized as follows:

- **Franchise fees** – The Company collects initial franchise fees when franchise agreements are signed. The Company has determined that the initial franchise services are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation; therefore, initial franchise fees received from franchisees are recognized as revenue over the term of each respective franchise agreement, which is typically 5 years.

Franchise fees and development fees, portions of which are collected in advance, are nonrefundable and are recognized in income ratably over the term of the related franchise agreement or recognized upon the termination of the agreement between the Company and the franchisee.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Company recognizes franchise fee beginning with the opening of the franchise, which is when the Company has performed substantially all initial services required by the franchise agreement and the franchisee benefits from the rights afforded by the franchise agreement. Amounts recognized for franchise fees were \$69,500 and \$56,500 at December 31, 2023 and 2022, respectively.

- **Royalties** – The Company collects royalties from each retail estate office based upon a real estate transaction fees up to \$150 per transaction site. The Company recognizes royalties as revenue when earned. Royalties earned at December 31, 2023 and 2022 were \$920,618 and \$743,821, respectively.
- **Deferred finders fee** – The Company capitalizes material incremental finders fees paid as a result of obtaining franchise agreement contracts. Capitalized finders fee are amortized over the term of the franchise agreement. Deferred finders fee at December 31, 2023 and 2022 were \$8,200 and \$10,600, respectively.
- **Marketing, advertising and promotion fees** – The Company bills and collects marketing/advertising fees of \$50 and an "Agent website fee" of \$16 for each real estate agents listed on IVRE master website. The Company recognizes marketing/advertising fee as revenue when earned. At December 31, 2023 and 2022, marketing, advertising and promotion fees recognized by the Company was \$28,007 and \$14,900, respectively.

Contract Liabilities/Deferred Revenue – Contract liabilities consist primarily of deferred revenue resulting from initial and renewal franchise fees and area development agreement ("ADA") fees paid by franchisees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement, and billed in advance of satisfaction of the Company's performance obligation. The Company classify these contract liabilities as deferred revenue in the balance sheets.

The following table reflects the change in contract liabilities between December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	\$ 237,001	\$ 183,166
Revenue recognized during the year	(69,500)	(56,500)
New deferred revenue during the year	125,000	110,335
Balance at end of year	<u>\$ 292,501</u>	<u>\$ 237,001</u>

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Liabilities/Deferred Revenue

The following table illustrates estimated deferred revenues expected to be recognized as future revenue which is being amortized over the term of the franchise agreement.

Future revenue to be recognized in:	Amount
Remainder of 2023	\$ 6,582
2024	85,583
2025	72,000
2026	64,750
2027	48,585
Thereafter	14,665
Total	<u>\$ 292,501</u>

NOTE 2 - CREDIT CARDS PAYABLE

The Company has credit cards payable in the amount of \$6,796 and \$12,375 at December 31, 2023 and 2022, respectively from Wells Fargo Bank and was subsequently paid.

NOTE 3 - LEASE COMMITMENTS

The Company entered into lease agreement for its business premises on May 1, 2022 that expires through April, 2027. The lease required monthly rental of \$5,000 with a 2% annual increase each year. The Company has the option to renew the lease for two additional terms of five years each. The lease commitments include a prorated share of common area maintenance costs and real estate taxes. Security deposit for the space was \$5,000. For the years ended December 31, 2023 and 2022, rent expense totaled \$74,861 and \$54,784, respectively.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Substantially all of the Company's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying value that approximate fair value because of the short-term nature of the instrument. The recorded value of these financial instruments approximated fair value at December 31, 2023 and 2022.

NOTE 5 - RELATED PARTY TRANSACTION

From time to time, the Company advances funds to members. At December 31, 2023 and 2022, the Company has a due from members of \$-0 and \$80,400, respectively. The advances are non-interest bearing and are due on demand.

IRON VALLEY REAL ESTATE, LLC
NOTES TO FINANCIAL STATEMENTS
December 31, 2023 and 2022

NOTE 6 – RETIREMENT PLAN

The Company established a 401(K) Plan that features ADP test safe harbor contributions. The employees may elect to defer amounts according to the maximum allowed under Federal guidelines. Total employer matching contributions expensed in the statements of income were \$38,423 and \$67,435 for the years ended December 31, 2023 and 2022, respectively.

NOTE 7 – FRANCHISE OPERATIONS

In general, the Company updates and/or revises franchise agreements on annual basis and, as a result, the agreements with individual franchisees may vary. Currently, the franchise agreements typically require the franchisee to pay an initial, non-refundable fee of \$15,000 and continuing fees based upon sales for a single franchised outlet. If a franchise has entered into a second or additional real estate office, the initial franchise fee for the second or additional real estate office is \$5,000 for each outlet or real estate office in the same county.

Under the current standard franchise agreement, each franchisee is required to pay marketing/advertising fees of \$50 and an "Agent website fee" of \$16 for each real estate agents listed on IVRE master website. These funds are managed by the Company and are primarily used to create advertising content and promotional materials. The franchise agreement also requires franchisees to spend at least \$125 per month on local marketing, advertising and promotion of the franchised business.

Franchisees are generally granted the right to operate an outlet or real estate office in a particular location, typically providing for a 5-year initial term, with an opportunity to enter into one or more renewal franchise agreements subject to certain conditions; such as a renewal fee which maybe up to \$5,000. The Company recognizes renewal fees in income on a straight-line basis over the life of the franchise agreement when a renewal agreement becomes effective.

NOTE 8 – LITIGATIONS

In the normal course of business, the Company is subject to various complaints, legal proceedings, claims and litigations. Defending lawsuits requires significant management attention and financial resources and the outcome of any litigation is inherently uncertain. In the opinion of management and the Company's legal counsel, such matters are currently not expected to have a material impact on the Company's financial statements. The Company expenses legal fees as incurred.

NOTE 9 – SUBSEQUENT EVENTS

Date of management review – The Company has evaluated subsequent events through March 6, 2024, the date of which the financial statements were available to be issued. Through that date, management has determined that the Company did not have any material recognizable or non-recognizable subsequent events.



CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

To Whom It May Concern:

Schild & Co., Inc. consents to the use in the Franchise Disclosure Document issued by Iron Valley Real Estate, LLC ("Franchisor") on March 6, 2024, as it may be amended, of our report dated March 6, 2024, relating to the financial statements of Franchisor for the year and period ended December 31, 2023 and 2022.

Fountain Valley, California
March 6, 2024

IRON VALLEY REAL ESTATE

LIST OF FRANCHISE OUTLETS

EXHIBIT C

LIST OF FRANCHISE OUTLETS

The following franchised outlets were open and operating on December 31, 2024:

STATE	CONTACT NAME	ADDRESS	PHONE NO.
DELAWARE	Roger Bradley (BPM Holdings, LLC)	250 Beisser Blvd., Ste. 201, Dover, DE 19904	302-741-4545
	Roger Bradley (BPM Holdings, LLC)	28437 Dupont Blvd., Millsboro, DE 19966	302-741-4545
	Sherri Custodio (Brightside Properties, LLC)	19323 Lighthouse Plaza Blvd., Rehoboth Beach, DE 19971	302-541-8787
	Sherri Custodio (Brightside Properties, LLC)	3101 Limestone Rd., Wilmington, DE 19808	484-294-8185
FLORIDA	Cherie Gottshall (Space Coast Group, LLC)	840 N. Cocoa Blvd., Unit C, Cocoa, FL 32922	321-305-5193
	Monica Kapp (DL Assets, LLC)	2031 Saxon Blvd., Ste. 101, Deltona, FL 32765	386-944-9464
	Vivian Hilmer (Rare85, LLC)	7680 Universal Blvd, Suite 300, Orlando, FL 32819	407-203-9595
	Tiffany Licata (TNT Capital Investments, LLC)	707 13th St., Saint Cloud, FL 34769	407-617-7515
	Amy Matthews (100% Florida, LLC)	206 Ashourian Ave, Unit 210, Saint Augustine, FL 32092	904-583-2153
	Amy Matthews (100% Florida, LLC)	76000-2 William Burgess Blvd., Yulee, FL 32097	904-583-2153
MARYLAND	Dawn Friend (BBS Ventures, LLC)	622 W. Patrick St., Frederick, MD 21701	240-397-9292
	Sherri Custodio (Midnight Show, LLC)	12720 Ocean Gateway, Unit 3, Ocean City, MD 21842	443-205-4007
	Dawn Friend (BBS Ventures, LLC)	1 E. Main St., Westminster, MD 21157	410-989-9896
NORTH CAROLINA	Michael Little (Savage 2.5 Inc.)	103 Tanglewood Pkwy., Ste. E, Elizabeth City, NC 27909	252-510-4873
PENNSYLVANIA	Chris Deardorff (Titan, IV, LLC)	2260 Spring Rd., Ste. 1, Carlisle, PA 17013	717-344-5950
	Josh Mummert (Ivroness Holdings, LLC)	653 Wayne Ave., Chambersburg, PA 17201	717-210-5500
	Zac Rank (Maschi Rank Real Estate, LLC)	405 Farm Ln., Doylestown, PA 18901	215-622-3580
	Jolen Brennan (C2K realty LLC)	201 E. Dinker St., Dunmore, PA 18512	570-300-4766
	Jennifer Ace (Platform Property Partners, LLC)	46 S. Crystal St., East Stroudsburg, PA 18301	570-424-0926
	Sherri Custodio (IVRE Enterprises, LLC)	686 Wharton Blvd., Exton, PA 19341	610-561-1111
	Chris Deardorff (Titan, IV, LLC)	224 Court Alley, Gettysburg, PA 17325	717-398-0220
	Chris Deardorff (Titan, IV, LLC)	918 N. River Rd., Halifax, PA 17403	717-996-4060

STATE	CONTACT NAME	ADDRESS	PHONE NO.
PENNSYLVANIA	Chris Deardorff (Titan, IV, LLC)	1000 Carlisle St., Ste. 1650, Hanover, PA 17331	717-344-5950
	Andrew Smith (Andrew Smith Real Estate LLC)	1201 N. Church St., Ste. 213A, Hazle Township, PA 18202	570-929-4873
	Taylor Hoover (Raystown Investments, LLC)	9048 William Penn Hwy., Ste. 5, Huntingdon, PA 16652	814-808-5300
	Zac Rank (Lea Land Rank Real Estate, LLC)	545 N. Bethlehem Pike, Ste. 103, Lower Gwynedd, PA 19002	215-622-3580
	Jolen Brennan (J&J Tri-State Realty)	311 Broad St., Milford, PA 18337	570-559-4766
	Joseph Salerno (Mountainside Spirited Real Estate LLC)	3286 Route 940, Ste. 118, Mount Pocono, PA 18344	570-243-1999
	Kristen Obert (Packing House Properties, LLC)	3295 Forest Inn Rd., Ste. 8, Palmerton, PA 18071	610-826-2232
	Zac Rank (No Rank Real Estate, LLC)	414 Pottstown Ave., Ste. B, Pennsburg, PA 18073	215-690-7200
	Zac Rank (No Rank Real Estate, LLC)	93 S. West End Blvd., Ste. 102, Quakertown, PA 18951	215-622-3580
	Guy Julian (Schuylkill Realty Group LLC)	950 E. Main St., Ste. 104, Schuylkill Haven, PA 17972	570-593-0135
	Chris Deardorff (Titan, IV, LLC)	1018 N. Susquehanna Trail, Selinsgrove, PA 17870	570-884-8624
	Taylor Hoover (Raystown Investments, LLC)	958 Pennsylvania Ave., Tyrone, PA 16686	814-682-0103
	Josh Mummert (Iron Holdings, LLC)	47 W. Main St., Waynesboro, PA 17268	717-723-3351
	Julie Williams (Boom City Partners, LLC)	1020 Commerce Park Dr., Ste. 1-A, Williamsport, PA 17701	570-979-1002
	Brian Hartman (Berks County Group, LLC)	50 Berkshire Ct., Ste. 200, Wyomissing, PA 19610	484-450-8771
	Chris Deardorff (Titan, IV, LLC)	2641 Carnegie Road, York, PA 17402	717-344-5950
VIRGINIA	Michael Little (Savage 5, LLC)	555 Belaire Ave, Ste. 270, Chesapeake, VA 23320	757-432-4873
	Michael Little (Savage Three, Inc.)	11870 Merchants Walk, Ste. 110, Newport News, VA 23606	757-645-9700
	LJ Hunt (Steel Wave Corporation)	500 W. 21st St., Ste. 202, Norfolk, VA 23517	757-900-4873
	Michael Little (Savage Three, Inc.)	200 Bendix Rd., Ste. 270, Virginia Beach, VA 23452	757-645-9700
	Michael Little (Savage Three, Inc.)	1253 Nimmo Pkwy., Ste. 115, Virginia Beach, VA 23456	757-645-9700

As of December 31, 2024, no franchisee had signed Franchise Agreements but not yet opened its outlet.

On December 31, 2024, the following company related offices were open and operating:

STATE	ADDRESS	PHONE NO.
MARYLAND	2080 York Rd., Ste. 205, Timonium, MD 21093	410-816-0066
PENNSYLVANIA	1146 S. Cedar Crest Blvd., Ste. 302, Allentown, PA 18103	610-766-7200
	216 Nazareth Pike, Unit B3, Bethlehem, PA 18020	610-766-7200
	395 Saint Johns Rd., Ste. 302, Camp Hill, PA 17011	717-996-4600
	4785 Linglestown Rd., Ste 101, Harrisburg, PA 17112	717-745-2929
	131 W. Chocolate Ave., Ste. 123, Hershey, PA 17033	717-563-0008
	1834 Oregon Pike, Ste. 11, Lancaster, PA 17601	717-740-2221
	1958 Quentin Rd., Lebanon, PA 17042	717-769-2986

IRON VALLEY REAL ESTATE

LIST OF TERMINATED FRANCHISES

EXHIBIT D

LIST OF TERMINATED FRANCHISES

The following Iron Valley Real Estate franchisees had an outlet terminated, canceled or not renewed, or otherwise voluntarily or involuntarily ceased to do business under its franchise agreement in 2024:

STATE	NAME	CITY	LAST KNOWN PHONE NUMBER	REASON FOR TERMINATION
DELAWARE	Jay Lesko	Rehoboth Beach	302-541-8787	Transferred Equity Ownership
	Jay Lesko	Wilmington	484-294-8185	Transferred Equity Ownership
MARYLAND	Jay Lesko	Ocean City	443-205-4007	Transferred Equity Ownership
PENNSYLVANIA	Jay Lesko	Exton	610-561-1111	Transferred Equity Ownership
VIRGINIA	Joel Mack	Oakton	703-231-9785	Canceled Franchise Agreement by Mutual Consent

No franchisee has failed to communicate with us within the 10 weeks ending on the date of this disclosure document.

IRON VALLEY REAL ESTATE

**STATE FRANCHISE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS**

EXHIBIT E

STATE FRANCHISE ADMINISTRATORS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. The following are the state administrators responsible for the review, registration and oversight of franchises in these states:

California:

Commissioner of Financial Protection and Innovation
Dept. of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834
(866) 275-2677

Hawaii:

Business Registration Division
Dept. of Commerce and Consumer Affairs
335 Merchant St., Rm. 203
Honolulu, HI 96813
(808) 586-2722

Illinois:

Office of the Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:

Franchise Section
Securities Division
302 W. Washington St., Rm. E111
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Office of the Attorney General
Securities Division
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Bldg., 1st Flr.
525 W. Ottawa St.
Lansing, MI 48909
(517) 373-7117

Minnesota:

Department of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101
(651) 539-1600

New York:

NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21st Flr.
New York, NY 10005
(212) 416-8222

North Dakota:

Franchise Examiner
North Dakota Securities Department
600 E. Boulevard Ave.
State Capitol - 5th Flr., Dept. 414
Bismarck, ND 58505
(701) 328-4712

Rhode Island:

Securities Division
Dept. of Business Regulations
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:

Division of Insurance
Securities Regulation
124 S. Euclid Ave., Ste. 104
Pierre, SD 57501
(605) 773-3563

Virginia:

State Corporation Commission
Div. of Securities & Retail Franchising
1300 E. Main St., 9th Flr.
Richmond, VA 23219
(804) 371-9051

Washington:

Administrator
Dept. of Financial Institutions
Securities Division
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:

Franchise Administrator
Division of Securities
201 W. Washington Ave.
Madison, WI 53703
(608) 266-8557

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a franchise in some of or all the following states, in accordance with applicable state law. If we register the franchise (or otherwise comply with the franchise investment laws) in any of these states, we will designate the following state offices or officials as our agents for service of process in those states:

California:

Commissioner of Financial Protection and
Innovation
Dept. of Financial Protection and Innovation
2101 Arena Blvd.
Sacramento, CA 95834
(866) 275-2677

Hawaii:

Hawaii Commissioner of Securities,
Dept. of Commerce and Consumer
Affairs, Business Registration Div.
335 Merchant St., Rm. 205
Honolulu, HI 96813
(808) 586-2744

Illinois:

Illinois Attorney General
500 S. 2nd St.
Springfield, IL 62701
(217) 782-4465

Indiana:

Indiana Secretary of State
200 W. Washington St., Rm. 201
Indianapolis, IN 46204
(317) 232-6681

Maryland:

Maryland Securities Commissioner
200 Saint Paul Pl.
Baltimore, MD 21202
(410) 576-6360

Michigan:

Michigan Corporation & Securities Bureau
Department of Commerce
6546 Mercantile Way
Lansing, MI 48911
(517) 373-7117

Minnesota:

Minnesota Commissioner of Commerce
85 7th Pl. E., Ste. 280
Saint Paul, MN 55101
(651) 539-1600

New York:

Secretary of State
99 Washington Ave.
Albany, NY 12231
(518) 473-2492

North Dakota:

North Dakota Securities Commissioner
600 E. Boulevard Ave., 5th. Flr.
Bismarck, ND 58505
(701) 328-4712

Rhode Island:

Director
Rhode Island Dept. of Business Regulations
1511 Pontiac Ave., Bldg. 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota:

Division of Insurance
Securities Regulation
124 S. Euclid Ave., Ste. 104
Pierre, SD 57501-3168
(605) 773-3563

Virginia:

Clerk
Virginia State Corporation Commission
1300 E. Main St., 1st Flr.
Richmond, VA 23219
(804) 371-9733

Washington:

Dept. of Financial Institutions
Securities Division – 3rd Flr.
150 Israel Rd. SW
Tumwater, WA 98501
(360) 902-8760

Wisconsin:

Administrator
Wisconsin Division of Securities
345 W. Washington Ave.
Madison, WI 53703
(608) 261-9555

IRON VALLEY REAL ESTATE

STATE SPECIFIC ADDENDA

EXHIBIT F

CALIFORNIA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR CALIFORNIA FRANCHISEES

1. California Business and Professions Code sections 20000 through 20043 (the "Act") provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

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

3. The Franchise Agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California Law.

4. The agreements contain a liquidated damage clause, under Civil Code, Section 1671, certain liquidated damage clauses are enforceable.

5. The franchise agreement requires binding arbitration. The arbitration will occur at Philadelphia County, Pennsylvania with the costs being borne equally by both parties but reimbursable to the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code section 20040.5, Code of Civil Procedure section 1281, and the Federal Arbitration Act) to any provision of a franchise agreement that restricts venue to a forum outside the State of California.

6. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

7. Section 31125 of the California Corporations Code requires the franchisor to give you a disclosure document, in a form and containing information that the Commissioner of Financial Protection and Innovation may by rule or order require, before solicitation of a proposed material modification of an existing franchise.

8. The Franchise Agreement requires you to execute a general release of claims upon transfer of the Franchise Agreement. California Corporations Code section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (Corporations Code §§31000-31516). Business and Professions Code section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000-20043).

9. Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

10. Neither the franchisor, nor any person or franchise broker listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934 (15 U.S.C.A. §78A *et seq.*), suspending or expelling these persons from membership in such association or exchange.

11. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

12. The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

13. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM TO FRANCHISE AGREEMENT FOR CALIFORNIA FRANCHISEES

The Franchise Agreement is amended or clarified as follows:

1. Section 3.1(c) requires each Principal Equity Owner of Franchisee to sign the Guarantee of Franchise Agreement attached as Exhibit 3 of the Franchise Agreement, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.
2. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.
3. In sections 7.2(d), 13.1 and 13.3, "30 days" is amended to "60 days".
4. Under California law, Franchisor has the obligation under certain conditions to purchase assets of Franchisee's business if Franchisee does not continue to operate a real estate brokerage business at your location after the Franchise Agreement is terminated or not renewed.
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 in connection with the franchise.
6. 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.
7. Both the Governing Law and Choice of Law for Franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.

This Addendum to Franchise Agreement may be executed and delivered by facsimile, email with scanned attachment or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (including DocuSign) and, upon such execution and delivery, will have the same force and effect as an original.

Date: _____

FRANCHISEE:

BY: _____

ITS: _____

Date: _____

FRANCHISOR:

IRON VALLEY REAL ESTATE, LLC

BY: _____

Adam S. Gamble
CEO and Manager

MARYLAND

APPENDIX TO FRANCHISE DISCLOSURE DOCUMENT FOR MARYLAND FRANCHISEES

The Maryland Division of Securities requires the following specific disclosures to be made to residents of Maryland and franchises to be operated in this state:

1. Any general release required as a condition of renewal, sale, assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law and Item 17 of the disclosure document is amended accordingly.
2. Termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C Section 101 et seq.)
3. Any limitation on the period of time arbitration and/or litigation claims must be brought will not act to reduce the 3-year statute of limitations afforded you to bring a claim arising under the Maryland Franchise Registration and Disclosure Law, and Item 17(u) of the disclosure document is amended accordingly.
4. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable, and Item 17(v) of the disclosure document is amended accordingly.
5. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. Item 5 of the disclosure document is amended accordingly.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ADDENDUM FOR MARYLAND FRANCHISEES

The Franchise Agreement is amended as follows:

1. This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.
2. Section 14.2(b) of the Franchise Agreement is amended to provide that a franchisee may sue in Maryland for claims arising under the Maryland Franchise Regulation and Disclosure Law. Any claim arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
3. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
4. Any general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
5. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Date: _____

Date: _____

FRANCHISEE:

FRANCHISOR:

IRON VALLEY REAL ESTATE, LLC

BY: _____

BY: _____

ITS: _____

ITS: _____

MICHIGAN

ADDENDUM FOR MICHIGAN FRANCHISEES

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 that deprives a franchisee of rights and protection 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 to more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials that have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than five 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 six 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 that permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualification 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) of this Appendix, above.

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

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

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Consumer Protection Division
670 Law Building
Lansing, Michigan 48913
(517) 373-7117

NEW YORK

NEW YORK STATE ADDENDUM

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

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

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

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

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

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

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

VIRGINIA

APPENDIX FOR VIRGINIA FRANCHISEES

The Division of Securities and Retail Franchising of Virginia requires the following specific disclosures to be made to prospective Virginia franchisees.

In recognition of the restriction contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Iron Valley Real Estate, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do 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.

The Virginia State Corporation Commission's Division of Securities and Retail Franchising require us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

DATED: _____

FRANCHISOR: _____
(Signature)

DATED: _____

FRANCHISEE: _____
(Signature)

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AREA DEVELOPMENT AND RELATED AGREEMENTS

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

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decision which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site 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.

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

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

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

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

In lieu of an impound of franchise fees, the franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or franchise disclosure document, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and franchisee offer business with respect to each such location.

The franchisor may use the services of franchisor brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Carefully evaluate any information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Dated this _____ day of _____ 20_____.

FRANCHISOR:

FRANCHISEE:

IRON VALLEY REAL ESTATE, LLC

By _____
(Authorized Signature)

By _____
(Authorized Signature)

WISCONSIN

APPENDIX FOR WISCONSIN FRANCHISEES

The Wisconsin Franchise Investment Division requires the following specific disclosures to be made to prospective Wisconsin franchisees:

1. Notwithstanding Item 17c and Item 17f of this Disclosure Document, the Wisconsin Fair Dealership Law prohibits the termination, cancellation, nonrenewal or substantial change of the competitive circumstances of the franchise without good cause. Realty ONE Group Affiliates, Inc. must give you 90 days written notice of termination, cancellation, nonrenewal or substantial change of the competitive circumstances of the franchise. You have 60 days in which to cure the deficiency. The Wisconsin Fair Dealership Law supersedes any provisions contained in the franchise agreement that are not consistent with this law.

2. Notwithstanding Item 17v and Item 17w of this Disclosure Document, Wisconsin Statutes, specifically the Wisconsin Fair Dealership Law, Chapter 135, supersedes any provisions of the Franchise Agreement, if such provisions are in conflict with that law.

IRON VALLEY REAL ESTATE

STATE EFFECTIVE DATES

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

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

State	Effective Date
California	Pending
Maryland	Pending
Michigan	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	March 24, 2025

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.

IRON VALLEY REAL ESTATE

RECEIPTS

EXHIBIT H

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If Iron Valley Real Estate, LLC offers 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.

If Iron Valley Real Estate, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit E.

We have no franchise brokers. The name, address and telephone number of the franchise seller for this offering is either Adam S. Gamble, Robert Cleapor or Corey Kaplan, 121 Towne Square Drive, Suite 201, Hershey, Pennsylvania 17033, telephone (717) 995-3900.

Date of Issuance: March 7, 2025.

Iron Valley Real Estate, LLC authorizes the person identified in Item 1 to receive service of process for it in your state. I received a disclosure document dated March 7, 2025, that included the following Exhibits:

- "A-1" Franchise Agreement
 - Exhibits to Franchise Agreement:*
 - Exhibit 1: Location of Real Estate Office
 - Exhibit 2: Names and Addresses of Principal Equity Owners
 - Exhibit 3: Guarantee of Franchise Agreement
- "A-2" Area Development and Royalty Share Agreement
 - Exhibits to Area Development and Royalty Share Agreement:*
 - Exhibit 1: Development Area and Development Schedule
- "B" Financial Statements
- "C" List of Franchise Outlets
- "D" List of Terminated Franchises
- "E" State Franchise Administrators and Agents for Service of Process
- "F" State Specific Addenda
- "G" State Effective Dates
- "H" Receipts

DATED: _____
(Do not leave blank)

If a business entity:

(Name of Business Entity)

(Signature of Primary Contact Owner)

(Print Name and Title)

If an individual:

(Signature of Prospective Franchisee)

(Print Name)

Please date and sign this page and then keep it for your records.

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DATED: _____
(Do not leave blank)

If a business entity:

If an individual:

(Name of Business Entity)

(Signature of Prospective Franchisee)

(Signature of Primary Contact Owner)

(Print Name)

(Print Name and Title)

Please date and sign this page, and then return it to Corey Gardner, Iron Valley Real Estate, LLC, either by mail to 121 Towne Square Drive, Suite 201, Hershey, Pennsylvania 17033 or by e-mail to sales@ivrefranchise.com.