# FRANCHISE DISCLOSURE DOCUMENT

Coldwell Banker Real Estate LLC

A California Limited Liability Company

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The franchise is for a commercial real estate brokerage offering with defined real estate brokerage services from a specified location under the name Coldwell Banker Commercial®.

The total investment necessary to begin operation of a Coldwell Banker Commercial® real estate franchise is approximately $35,500 to $546,200 for a conversion real estate office, and $117,000 to $733,500 for a start-up real estate office. This includes $0 to $20,000 that must be paid to the franchisor or an affiliate, as an initial franchise fee. The initial franchise fee for a commercial franchise is $20,000 for the first office and $5,000 for each additional office.

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

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

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

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

Issued: March 30, 2023, as amended August 25, 2023

## 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 Item 20 or Exhibits G and H. |
| **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?** | Item 21 or Exhibit F 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 Coldwell Banker Commercial® 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 Coldwell Banker Commercial® franchisee?** | Item 20 or Exhibits G and H lists 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 B.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New Jersey. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New Jersey than in your own state.

2. **Spousal Guaranty**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

**NOTICE REQUIRED**
**BY**
**STATE OF MICHIGAN**

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

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

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, Consumer Protection Division (Attention: Franchise), P.O. Box 30213, Lansing, Michigan 48909, telephone (517) 373-7117.

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

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## ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this disclosure document, "we," "our," or "us" means Coldwell Banker Real Estate LLC, d/b/a Coldwell Banker Commercial Affiliates (our unincorporated division), the franchisor. "You" means the person or entity who buys the franchise, the franchisee. If the franchisee is a corporation, partnership or other entity, "you" includes the franchisee's owners.

**The Franchisor, its Parents and Affiliates.** We are a California limited liability company, originally incorporated on July 16, 1981, and converted to a limited liability company on July 2, 2007. We changed our legal name from Coldwell Banker Residential Affiliates, Inc. to Coldwell Banker Real Estate Corporation effective March 1, 1997, and then upon conversion to the limited liability company, we changed our name to Coldwell Banker Real Estate LLC as of July 3, 2007. Other than Coldwell Banker Commercial Affiliates and Coldwell Banker Real Estate LLC, we do not do business under any other name. We are a wholly owned subsidiary of Anywhere Real Estate Services Group LLC (f/k/a Realogy Services Group LLC) ("Anywhere Services Group"), a Delaware limited liability company, a direct wholly owned subsidiary of Anywhere Real Estate Group LLC, a Delaware limited liability company (f/k/a Realogy Group LLC) ("Anywhere Group"). Anywhere Group is a direct wholly owned subsidiary of Anywhere Intermediate Holdings LLC (f/k/a Realogy Intermediate Holdings LLC) ("Anywhere Intermediate"), a Delaware limited liability company, and a direct wholly owned subsidiary of Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.), a Delaware corporation ("Anywhere"). Anywhere Brands LLC (f/ka/ Realogy Franchise Group LLC) ("Anywhere Brands"), a Delaware limited liability company, which is a wholly owned subsidiary of Anywhere Services Group, provides to us administrative and other services and Anywhere Services Group and its subsidiaries provide certain shared services described below. Our principal business address, as well as the principal business address of Anywhere Brands, Anywhere Services Group, Anywhere Group, Anywhere Intermediate and Anywhere, is 175 Park Avenue, Madison, New Jersey 07940. There are no predecessors that need to be disclosed in this Item 1.

On October 12, 2012, Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.), consummated an initial public offering of shares of common stock and currently its shares are listed on The New York Stock Exchange under the symbol, "HOUS." Anywhere Group and Anywhere issue joint audited annual financial statements and continue to serve as our Guarantors.

We operate as a subsidiary of Anywhere Group and Anywhere (our parent companies), and Anywhere Group and Anywhere guarantee the performance of our obligations under the franchise agreements we sign with you and other franchisees. Anywhere Group and Anywhere own other subsidiaries, including franchisors of other real estate franchise systems (the "Real Estate Affiliates"), which may compete with your business. We share common management and oversight with the Real Estate Affiliates and Anywhere Advisors LLC (f/k/a Realogy Brokerage Group LLC or RBG, and NRT) ("Anywhere Advisors"), a direct subsidiary of Anywhere Services Group, which owns and operates real estate brokerages under our service marks and the service marks of certain Real Estate Affiliates and other service marks (as described below). Since January 1, 2020, we and Anywhere Advisors share leadership (as described in Item 2); however, we and Anywhere Advisors will continue to be operated as separate and distinct from one another under the shared oversight structure. Anywhere Services Group and Anywhere Brands provide dedicated teams in the fields of technology and data, marketing, product development, lead management, business consulting and learning. These teams may provide enhanced shared services to us, the Real Estate Affiliates and Anywhere Advisors. Personnel of Anywhere Brands, including its division Anywhere Franchise Brands, may exercise executive control and decision-making over the Real Estate Affiliates and us and have access to competitive and other information about us and the Real Estate Affiliates, as well as information about Anywhere Advisors. As the executive team of the ultimate parent company, the Anywhere executive team oversees all Anywhere subsidiaries; however, except as set forth in Item 2, they do not participate in the day-to-day management of us or the Real Estate Affiliates. Anywhere, Anywhere Group, Anywhere

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

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

**Business Experience of Franchisor and Franchises Offered.** We, through Coldwell Banker Commercial Affiliates, have been offering separate franchises for commercial real estate brokerage offices since December 31, 1998. We offer franchises for residential real estate brokerage offices through a separate disclosure document and franchise agreement, and have done so since January 1982, under the service mark "Coldwell Banker®". In the past we offered Coldwell Banker® residential franchisees the opportunity to conduct commercial brokerage services from their existing office under the Coldwell Banker Commercial® service mark and System through a commercial addendum to their franchise agreement. We no longer offer commercial addenda to new Coldwell Banker® residential franchisees.

We do not own or operate any real estate offices in the United States, although our Related Parties (defined below and in the Franchise Agreement) do operate such offices (as described below). We have never granted franchises in other lines of business.

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

We offer franchises for commercial real estate sales offices in the United States to owners of existing commercial real estate brokerage businesses and in certain situations we may offer a franchise to a newly formed commercial real estate brokerage (the "Franchise" or the "Business"). The Franchise authorizes you to operate a commercial real estate brokerage sales office using the Coldwell Banker Commercial® service mark and other trademarks, service marks, trade names, designs, logos and other commercial symbols we periodically designate (collectively, the "Marks") and using the system we have developed which includes access to brand specific systems, productivity resources, basic business development support, education, real estate referral and broker communications procedures, marketing and advertising services, products and other support funded by the Marketing Fund and various other items (the "System"), all in accordance with the terms of the commercial franchise agreement ("Franchise Agreement") and the mandatory provisions of our Policies and Procedures Manual ("P&P Manual").

If you meet our financial, professional, operational and other standards, operate in a market in which we seek to be represented, and agree to pay our initial franchise fee, we may grant you a Franchise. The Franchise permits you to offer commercial real estate brokerage services from a specified office location (the Main Office") and other authorized office locations (the Main Office and other authorized office locations collectively referred to as "Coldwell Banker Commercial® office" or "Office"), using the System.

You will be required to sign our Franchise Agreement (See Exhibit C), Guaranty of Payment and Performance (Exhibit B in the Franchise Agreement) and Security Agreement (Exhibit E to the Franchise Agreement). You will be able to offer only commercial real estate brokerage services, as described herein, at your franchised

location, unless we provide written approval of other real estate related excluded businesses that may be operated from the Office(s) subject to the restrictions of the Franchise Agreement. For additional Branch Offices (Offices other than the Main Office or a Limited Purpose Office (defined below)) that we approve, you will be required to sign our Location Addendum to Franchise Agreement (Exhibit C-1). The commercial real estate brokerage services you will offer from your Coldwell Banker Commercial® office are specifically described in Section 4 of the Franchise Agreement. You must follow the mandatory portions of our Policies and Procedures Manual (the "P&P Manual"). You are not permitted to act as a broker, agent or consultant in transactions involving residential property, defined as real property consisting of four or fewer residential lots.

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

We may from time to time introduce pilot programs to qualifying franchisees who operate at least one franchised office. These pilot programs may be offered in certain geographic markets or to certain franchisees to test new business strategies, operating models or products and services. These pilot programs may provide different fee structures, minimum production requirements or other terms. Terms and conditions of each pilot will vary depending upon the circumstances and the particular market.

We may also permit a qualifying existing franchisee with a Main Office to open a limited purpose office. Limited purpose offices are designed to accommodate special market conditions and related situations, and as of the issuance date of this disclosure document include an On-Site Property Management Office and Administrative Offices, as described in more detail in the P&P Manual ("Limited Purpose Offices"). The terms of each Limited Purpose Office will vary based on its particular function and other circumstances. We enter into a limited number of new Limited Purpose Office Addenda each year and rarely enter into one at the time a franchisee signs its franchise agreement.

To obtain a Limited Purpose Office, you must sign the applicable then-current "Limited Purpose Office Addendum" to your Franchise Agreement. While we reserve the right, at any time, to modify the terms of the Limited Purpose Office Addendum, they typically (i) will be for a one-year term (although we have the right to permit you to extend this period for one or more additional one-year terms), (ii) require the payment of a non-refundable initial franchise fee of $1,000 (except in the case of a Property Management Office there is no fee); (iii) contain a 30-day mutual termination right; (iv) prohibit or limit your ability to transfer your right to transfer your rights under the Limited Purpose Office Addendum, without our approval; (v) require all Gross Revenue (defined in Exhibit C to the Franchise Agreement) from the respective Limited Purpose Office to be reported through your Main Office and to be aggregated with the Main Office for all purposes under the Franchise Agreement; and (vi) will not hinder or prevent us from placing a new franchise location in close proximity to the Limited Purpose Office. Some Limited Purpose Office types prohibit signage and will not appear as locations on our website.

We reserve the right, at any time, to introduce pilot programs and to modify, discontinue or add to the Limited Purpose Offices. While Limited Purpose Offices are included as franchised outlets in Item 20, with the exception of Administrative and Team Offices, as of December 31, 2022, less than 1% of all franchised outlets were Limited Purpose Offices.

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

| Real Estate Affiliates | Began or will Begin Franchising | Predecessor Began Franchising |
|---|---|---|
| Century 21 Real Estate LLC[1] | 1995 | 1972 |
| ERA Franchise Systems LLC[2] | 1996 | 1972 |
| Sotheby's International Realty Affiliates LLC[3] | 2004 | N/A |
| Better Homes and Gardens Real Estate LLC[4] | 2008 | N/A |
| Corcoran Group LLC[5] | 2019 | N/A |

[1]**Century 21 Real Estate LLC ("Century 21").** Century 21 offers residential real estate brokerage franchises to be operated under the service mark "CENTURY 21®." Century 21 began granting real estate franchises directly to brokers in 1995. From 1972 until 1995, Century 21 only granted subfranchises. These subfranchises authorized the grantees, called subfranchisors, to offer CENTURY 21® franchises to real estate brokers within protected territories. In 1995, Century 21 merged with the United States subfranchisors and in 1996 began selling CENTURY 21® franchises directly. As of December 31, 2022, franchisees operated 1,870 CENTURY 21® real estate brokerage offices in the United States. Century 21 does not own or operate any real estate brokerage offices in the United States and has never granted franchises in other lines of business.

[2]**ERA Franchise Systems LLC ("ERA").** ERA offers residential real estate brokerage franchises to be operated under the service mark "ERA®." In 2010, ERA began offering franchises to be operated under the service mark "ERA Powered®," allowing certain qualified applicants to operate franchises using the ERA tools and systems and ERA service marks, including "ERA Powered®," while maintaining their own trade name as the prominent trade name in their company identity. References to ERA® Real Estate brokerage offices may also mean ERA Powered® brokerage offices, as applicable. ERA, directly and through its predecessor, has been offering real estate franchises since 1972. As of December 31, 2022, franchisees operated 470 ERA® Real Estate and ERA Powered® brokerage offices in the United States. ERA has never offered franchises in any other type of business or operated any other type of business.

[3]**Sotheby's International Realty Affiliates LLC ("SIR").** SIR offers residential real estate brokerage franchises to be operated under the service mark "Sotheby's International Realty®." SIR has been offering real estate franchises since 2004. As of December 31, 2022, franchisees operated 663 Sotheby's International Realty® brokerage offices in the United States. SIR has never offered franchises in any other type of business or operated any other type of business.

[4]**Better Homes and Gardens Real Estate LLC ("BHGRE").** BHGRE offers residential real estate brokerage franchises to be operated under the service mark "Better Homes and Gardens® Real Estate." BHGRE has been offering real estate franchises since 2008. As of December 31, 2022, franchisees operated 396 Better Homes and Gardens® Real Estate brokerage offices in the United States. BHGRE has never offered franchises in any other type of business or operated any other type of business.

[5]**Corcoran Group LLC ("Corcoran").** Corcoran began offering residential real estate brokerage franchises to be operated under the service mark "Corcoran®" in January 2019. As of December 31, 2022, franchisees operated 77 Corcoran® brokerage offices in the United States. Corcoran has never offered franchises in any other type of business or operated any other type of business.

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

As of December 31, 2023, there were approximately 20,500 real estate brokerage offices operating under our Marks and the marks of the Real Estate Affiliates worldwide.

**Business Experience of Certain Other Affiliates.** Anywhere Advisors, was originally formed as a Delaware corporation on August 29, 1997, and converted to a Delaware limited liability company on July 2, 2007, and changed its name from NRT to RBG on February 17, 2020, then changed its name from RBG to Anywhere Advisors LLC on July 13, 2022. Anywhere Advisors is a subsidiary of Anywhere Services Group and shares the same principal business address as ours. As of the issuance date of this disclosure document, Anywhere Advisors directly owns and operates real estate brokerage offices doing business as Coldwell Banker®, Coldwell Banker Commercial® and Sotheby's International Realty®. In addition, Anywhere Advisors indirectly owns and operates real estate brokerage offices doing business as Corcoran® and Corcoran Sunshine® through its direct wholly owned subsidiary NRT New York LLC, a Delaware limited liability company ("NRT NY"), whose principal place of business is 660 Madison Avenue, 12th Floor, New York, NY 10065.

As of December 31, 2022, Anywhere Advisors owned and operated 604 Coldwell Banker® residential real estate brokerage offices, 2 Coldwell Banker Commercial® real estate brokerage offices and 44 Sotheby's International Realty® real estate brokerage offices. In addition, as of December 31, 2022, NRT NY owned and operated a total of 29 Corcoran® real estate brokerage offices and 1 Corcoran Sunshine® office. Anywhere Advisors and NRT NY operate mainly in metropolitan areas and compete directly with franchisees in the areas in which they operate. Anywhere Advisors and NRT NY may compete with you and other franchisees in your market to solicit customers, independent sales associates, managers, employees, and other business, including relationships with title, mortgage, escrow and relocation services. There are no restrictions on Anywhere Advisors and NRT NY regarding competition with franchisees.

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

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

Cartus Corporation ("Cartus"), a wholly owned subsidiary of Anywhere Service Group, provides global relocation services to public and private sector employers and their employees. In addition to offering other services, Cartus refers relocating customers to brokers in the United States, including participating franchisees of the Real Estate Affiliates and Anywhere Advisors . Cartus' principal place of business is at 40 Apple Ridge Road, Danbury, Connecticut 06810.

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

Anywhere Integrated Services LLC (f/k/a Realogy Title Group) ("Anywhere Integrated Services"), a wholly owned subsidiary of Anywhere Services Group, offers title and settlement services to customers, real estate companies, affinity groups, corporations and financial institutions. Title Resource Group ("TRG"), a Texas corporation, in which Anywhere Integrated Services owns an indirect minority interest, offers insurance to protect the purchaser and/or the mortgage lender against loss or damage in the event that title is not transferred properly or a lender's lien is not recorded in proper priority position. Anywhere Integrated Services is also an indirect subsidiary of Anywhere Group. Anywhere Integrated Services and TRG offer products and services to our franchisees, to Anywhere Advisors and to the franchisees of the Real Estate Affiliates. Anywhere Integrated Service's principal business address is 3001 Leadenhall Road, Mt. Laurel, NJ 08054. TRG's principal business address is 8111 LBJ Freeway, Suite 1200, Dallas, TX 75251.

Anywhere Group through its indirect, wholly owned subsidiary, Anywhere Integrated Venture Partner LLC, a Delaware limited liability company ("Anywhere Mortgage Partner"), owns a 49.9% interest in and a subsidiary of Guaranteed Rate, Inc., a Delaware corporation ("Guaranteed Rate"), a wholly owned subsidiary of Guaranteed Rate, owns a 50.1% interest in Guaranteed Rate Affinity. Guaranteed Rate Affinity began doing business in August 2017. In addition to originating loans for Anywhere Advisors and NRT NY customers, Guaranteed Rate Affinity may market its mortgage lending services to our franchisees and to franchisees of the Real Estate Affiliates. All mortgage loans originated by the venture are sold to third party investors, and Guaranteed Rate Affinity does not hold any mortgages for investment purposes or perform servicing functions for any loans it originates. Anywhere Mortgage Partner's principal business address in 3001 Leadenhall Road, Mt. Laurel, NJ 08054, and Guaranteed Rate's principal business address is 3940 N. Ravenswood, Chicago, IL 60613. Guaranteed Rate Affinity's principal business address is 1800 W. Larchmont Ave., Chicago, IL 60613.

Anywhere Group, through Anywhere Advisors, owns a 49% interest in RealSure LLC, a Delaware limited liability company ("RealSure"). RealSure is a joint venture between Anywhere Advisors and RealSure JV Member LLC, a Delaware limited liability company ("HPA Member") and an indirect wholly owned subsidiary of Home Partners Holdings LLC, a Delaware limited liability company (f/k/a Home Partners of America, Inc.) ("HPA"), which owns a 51% interest. RealSure began doing business in October 2020. On January 10, 2023, Anywhere announced its intention to wind down RealSure, which is expected to be completed by March 31, 2023. RealSure and HPA's principal business address is 120 South Riverside Plaza, Suite 2000, Chicago, IL 60606.

Anywhere Group's wholly owned subsidiaries, RealVitalize LLC and RealVitalize Affiliates LLC, each a Delaware limited liability company (collectively "RealVitalize"), partnered with Angi, an operating business of Angi Inc., a Delaware corporation. Angi is the nation's largest network of pre-screened, homeowner-rated home service professionals to offer home sellers with home improvement resources during the home listing process. RealVitalize enables home sellers to make their property ready for sale by providing resources to fund staging and home improvements with no up-front cost via a consumer program

offered in partnership with Angi. The RealVitalize program began doing business in 2019 and as of December 31, 2021, RealVitalize is available nationally through participating Anywhere company-owned and franchise brokerages, with the exception of the States of Rhode Island, Delaware, Louisiana, North Dakota and South Dakota. RealVitalize LLC and RealVitalize Affiliates LLC shares a principal business address with us, at 175 Park Avenue, Madison, New Jersey 07940. Angi, Inc.'s principal business address is 3601 Walnut St. #81, Denver, Colorado 80205.

Anywhere Group, through Anywhere Service Group owns a 50% interest in RESO-CA JV LLC, a Delaware limited liability company ("RESO"), a joint venture formed on November 17, 2021, between Anywhere Service Group and Sotheby's, a privately held Delaware corporation, the world's largest marketplace for art and luxury, which owns a 50% interest. RESO owns an 80% indirect interest in Concierge Auctions, LLC, a New York limited liability company doing business as an online auction platform for luxury real estate. Concierge Auctions was founded in 2008 and serves as a global luxury real estate auction marketplace that partners with real estate agents to host luxury online auctions for clients. Concierge Auctions continues to operate independently, partnering with agents across the real estate industry, including agents affiliated with Anywhere brands. RESO shares its principal business address with Sotheby's at 1334 York Avenue, New York, NY 10021. Concierge Auctions LLC's principal business address is 228 Park Avenue S PMB 70835, New York, NY 10003.

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

**Competition.** The commercial real estate brokerage business is a mature industry. You will be competing with other unaffiliated and chain-affiliated commercial real estate brokerage offices in your market area. Some of those offices might be offices of the Real Estate Affiliates, or offices of Coldwell Banker® residential franchisees who executed commercial addenda to their residential franchise agreement, or offices of Anywhere Advisors and NRT NY. You may face competition for independent sales associates, customers (buyers and sellers), listings, property management, and related real estate business in your market area from other Coldwell Banker Commercial® and Coldwell Banker® franchisees, franchisees of the Real Estate Affiliates, Anywhere Advisors and NRT NY. We do not restrict your competition, although we encourage our franchisees to work collaboratively for the success of the System. You will provide services available to the general public in your market area and your franchise will operate all year with the exception of holidays and other closings you plan. We are not currently offering commercial addenda to new Coldwell Banker® residential franchisees. Current Coldwell Banker® residential franchisees or residential franchisees who currently operate under the commercial addendum and who are allowed to renew their residential franchise agreements may still be permitted to renew their commercial addenda to their residential franchise agreement. Moreover, Coldwell Banker residential franchises granted prior to March 2004 have the limited right to list, subject to our consent, certain types of commercial properties under the Coldwell Banker marks. The market for real estate services is typically the most developed in more populous areas. Your ability to compete may be affected by the quality of independent sales associates, the location of offices, the services provided to independent sales associates, the number of competing offices in the vicinity, including competing offices operating under different business models, affiliation with a recognized brand name, community reputation and other factors. Your success may also be affected by national, regional and local economic conditions.

**Laws Applicable to the Real Estate Brokerage Business.** Each of the states in which we grant franchises has laws and regulations governing the operation of a real estate brokerage office. You will be required by those laws and by your Franchise Agreement to comply with all regulatory requirements in your market area. An individual must be licensed by the state as a real estate broker before that person may provide real estate brokerage services. You should consult with the appropriate state licensing authority before entering into a

Franchise Agreement. There will also be other laws and regulations that may impact many important ways that you do business, including how you represent your clients and customers, your client agreement provisions, your real estate license, your relationship with your independent sales associates, how you handle your accounting and your revenues, what fees you may charge and with whom they can be split, if any, how you advertise and how you hold yourself and your independent sales associates out to the public. We urge you to familiarize yourself with these laws and regulations by asking a legal advisor or an appropriate state agency about them. Some states may have home protection, home warranty, residential service contract or insurance laws and regulations.

## ITEM 2. BUSINESS EXPERIENCE

**President and Chief Executive Officer, Anywhere Brands and Anywhere Advisors: Susan Elizabeth Yannaccone**

Ms. Yannaccone was appointed President and Chief Executive Officer of Anywhere Brands on November 30, 2020, and in January 2023, Ms. Yannaccone was also appointed President and Chief Executive Officer of Anywhere Advisors. In this combined role, Ms. Yannaccone is responsible for overseeing both company-owned brokerage and franchise operations for us and the Real Estate Affiliates. Prior to these appointments, Ms. Yannaccone served as Regional Executive Vice President for Anywhere Advisors from March 2018 to November 2020, and as President and Chief Executive Officer of ERA from September 2016 to March 2018.

**Chief Financial Officer, Anywhere Brands and Anywhere Advisors: Roger Favano**

Mr. Favano was appointed Chief Financial Officer of Anywhere Brands in February 2018. Prior to joining Anywhere Brands, Mr. Favano served, and continues to serve, as the Senior Vice President and Chief Financial Officer for Anywhere Advisors since August 2017. Mr. Favano is responsible for the financial operations, including collection, reporting, budgeting and various operational issues for us, Anywhere Advisors and the Real Estate Affiliates. Mr. Favano may also be appointed to hold the same position (or similar positions) with other of our Related Parties. From February 2016 to August 2017, Mr. Favano was Chief Financial Officer of DFC Global Corporation in Malvern, PA.

**Senior Vice President and Chief Operating Officer, Anywhere Brands and Anywhere Leads: Richard DeNicola**

Mr. DeNicola was appointed Senior Vice President and Chief Operating Officer of Anywhere Brands and Anywhere Leads in January 2023. Prior to this appointment, Mr. DeNicola served as Senior Vice President, Business Support Operations, Anywhere Brands from February 2022 to January 2023. Prior to this role, Mr. DeNicola served as Chief Operating Officer of Real Estate Affiliate, BHGRE from October 2017 to February 2022, and Chief Operating Officer of Real Estate Affiliate, ERA from September 2019 to February 2022.

**Vice President, Sales Strategy and Operations: James Corcoran**

Mr. Corcoran was appointed Vice President, Sales Strategy and Operations of Anywhere Brands in July 2021. Prior to joining Anywhere Brands, Mr. Corcoran served as Chief Financial Officer, Company Owned Operations for Engel & Volkers Americas in New York, NY from January 2020 to July 2021 and as Senior Vice President, Finance Franchise Operations for Engel & Volkers Americas from April 2015 to July 2021.

**Acting President and Chief Operating Officer: Elisabeth Gehringer**

Ms. Gehringer was appointed our President in December 2021 and retained the role of Chief Operating Officer, a position she has held since October 2018. In March 2023, Ms. Gehringer was appointed to an expanded role of President and Chief Executive Officer of Anywhere Franchise Brands division of Anywhere Brands, where she will also oversee the franchise operations of the Real Estate Affiliates of BHGRE, ERA and Century 21. Currently, Ms. Gehringer is our Acting President and Chief Operating

Officer until a successor is named. Prior to serving as our Chief Operating Officer position, Ms. Gehringer served as Chief Ethics and Compliance Officer for Anywhere from January 2006 to September 2018.

**Senior Vice President & Managing Director: Dan Spiegel**
Mr. Spiegel was appointed our Senior Vice President & Managing Director in December 2021. Prior to this position, Mr. Spiegel served as our Vice President & Managing Director from March 2019 to November 2021. Prior to joining Coldwell Banker Commercial Affiliates, Mr. Spiegel served as Executive Vice President, Operations at Colliers International in Chicago, IL from August 2008 to March 2019.

**Senior Director, Servicing & Growth: Matthew Kornfeind**
Mr. Kornfeind was appointed our Senior Director, Servicing & Growth in December 2021. Prior to this position, Mr. Kornfeind served as our Director, Servicing & Growth from July 2018 to November 2021, and Director, Business Development from March 2016 to July 2018.

**Senior Vice President of Affiliate Growth & Services: Ashley Dembowski**
Ms. Dembowski was appointed our Senior Vice President of Affiliate Growth & Services in December 2021. Prior to this position, Ms. Dembowski served as our National Vice President, Field Services from October 2016 to November 2021.

**Senior Vice President of Strategy & Implementation: Anna Visioli**
Ms. Visioli was appointed our Senior Vice President of Strategy & Implementation in December 2021. Prior to this position, Ms. Visioli served as our Vice President of Operations from October 2016 to November 2021.

**Senior Vice President, Marketing: David Christian Marine**
Mr. Marine was appointed our Senior Vice President, Marketing in May 2017. Prior to this position, Mr. Marine served as our Vice President, Brand Engagement from October 2013 to May 2017.

**Head of Client Success, Anywhere Brands: Bonnie-Sue Lovelace**
Ms. Lovelace was appointed Head of Client Success for Anywhere Brands in January 2022, where she serves as Head of Client Success for Anywhere Brands. Prior to this position, Ms. Lovelace served in various roles within Anywhere in Madison, NJ. From September 2022 to January 2023, Ms. Lovelace served as Vice President, Client Success, and as Vice President, Learning from August 2020 to September 2022. Prior to those roles, Ms. Lovelace served as Senior Director, Learning from August 2018 to August 2020 and Senior Director, Multimedia from July 2017 to December 2018.

## ITEM 3. LITIGATION

### A. Pending Litigation Against Us.

1. Coldwell Banker Real Estate LLC v. The Bellmarc Group LLC, AC Lawrence Real Estate LLC, Bellmarc Brokerage Midtown Inc., Bellmarc Downtown LLC, Bellmarc East LLC, Bellmarc West LLC, Bellmarc Simone Song Inc., Bellmarc Gramercy/Chelsea Inc., Neil Binder, Nice Idea LLC and All Enterprises, LLC, (Civil Action Number 2:14-cv-07926, USDC District of New Jersey). On December 19, 2014, we filed suit against the former franchisee (consisting of multiple entities) and its guarantor for trademark infringements and collection of amounts due. On February 9, 2015, we obtained an injunction directing former franchisee and guarantor to cease and desist all use of Coldwell Banker® marks, but they did not comply with the injunction. We obtained an order on May 19, 2015, finding the former franchisee in contempt, and awarding us sanctions of $5,000. On June 25, 2015, we filed a second contempt motion, which was denied on January 29, 2016. On September 30, 2015, former franchisee and guarantor filed an

amended answer that included counterclaims asserting fraud in the inducement, breach of implied covenant of good faith and fair dealing, breach of contract, and tortious interference. On January 14, 2016, we filed an answer to the counterclaim denying the material allegations. A court-ordered mediation on August 28, 2017 was unsuccessful. We filed a motion for summary judgment that was granted in part and denied in part on May 31, 2018, including that the Court dismissed three of the five counterclaims alleged by former franchisee and its guarantor. On April 9, 2019, the Court adjourned the bench trial previously scheduled for April 20, 2019, and ordered the parties to engage in a second mediation, which occurred on May 7, 2019, but was unsuccessful. On January 22, 2020, the Court held a pretrial conference and oral argument, at which the Court dismissed a fourth counterclaim, thus leaving breach of contract as the only remaining counterclaim against us. The Court also struck all three of the expert reports submitted by the former franchisee and its guarantor. After delays due to the COVID-19 pandemic, a two-day bench trial was conducted May 19-20, 2021. On September 9, 2021, the Court dismissed all of Defendants' counterclaims against us and ordered former franchisee and guarantor to pay to us $7,593,262.80, plus an additional $808,972.90 for attorneys' fees and $26,579.34 for costs, as per a second order entered on December 22, 2021. The Court found in our favor on all counts, but stated that we were not entitled to additional damages under the Security Agreements as duplicative and, on September 17, 2021, we filed a motion for reconsideration relating to the Security Agreement recovery, which was denied on February 23, 2022. On November 1, 2021, former franchisee and guarantors filed a Notice of Appeal to the Third Circuit but, on January 14, 2022, the appeal was dismissed as to all corporate defendants for failure to appear, and thus could proceed only on behalf of defendant Binder. On August 24, 2022, the Third Circuit affirmed the lower Court's judgment. On December 13, 2022, Binder filed a new Complaint as a related case, captioned Neil Binder v. Coldwell Banker Real Estate LLC (Civil Action Number 2:22-cv-07425, USDC District of New Jersey). In this related case, Binder again seeks to set aside the judgment against him and also seeks compensatory and punitive damages, claiming that we submitted fraudulent evidence in the original case. On March 14, 2023, Binder filed a motion seeking to recuse the judge assigned to the case, which we opposed. On March 20, 2023, we filed a motion to dismiss the case and the plaintiff filed his reply on March 24, 2023. On March 28, 2023, plaintiff filed a motion for summary judgment. On April 4, 2023, we filed a letter with the court asking that the motion for summary judgment be dismissed. On April 6, the plaintiff filed an objection to that request. On April 7, we filed a motion in further support of our motion to dismiss the complaint with prejudice. On April 27, 2023, the court ordered termination of plaintiff's motion for summary judgment without prejudice. On June 9, 2023, the plaintiff filed a motion for a status conference, which we filed an opposition on June 20, 2023. The plaintiff filed his rebuttal on June 25, 2023. On August 8, 2023, the plaintiff filed a motion to compel discovery. On August 8, 2023, we filed a request with the court to have the case transferred back to Judge Madeline Cox Arleo. On August 14, 2023, the court terminated the motion for a status conference and motion to compel discovery without prejudice. The court granted our request to have the case reassigned to Judge Madeline Cox Arleo and our motion to dismiss the complaint is still pending. We will continue to vigorously defend this action.

**B. Resolved Litigation Against Us.**

1. Bradley Larsen, as Trustee of the Brad and Cindy Larsen Living Trust; Jimmy R. Bunch, Jr., Stephen J. Woodward, Sun Holdings, LLC, Daniel Todd v. Coldwell Banker Real Estate Corporation; doing business as Coldwell Banker Commercial Affiliates, Inc.; Coldwell Banker Real Estate LLC, (United States Central District Court, California). Plaintiffs sued us on behalf of a purported class of investors for negligence, fraud, negligent misrepresentation, unfair business practices, false advertising and aiding and abetting. Plaintiffs allege that our former franchisee, Coldwell Banker Commercial REP, participated in a scheme to defraud approximately 1,600 investors, using the Coldwell Banker® trademark on marketing materials to sell unregistered securities in certain investment funds offered by the franchisee's now-bankrupt shareholder, Real Estate Partners, Inc. ("REP"). Plaintiffs allege that they were told their investment would be used to acquire and manage real estate investment properties throughout the United States. Plaintiffs allege they were defrauded out of $55,000,000.00. Plaintiffs allege that we benefited

from the proceeds of the investments from, among other things, the payment of franchise fees from Coldwell Banker Commercial REP to us. We were served with the complaint on July 29, 2010. On August 19, 2010, we filed a motion to dismiss for failure to state a claim. We filed another motion to dismiss on October 8, 2010, which the Court granted with prejudice on December 6, 2010, and stayed the action until REP's bankruptcy reorganization plan was confirmed. Plaintiffs filed a Motion for Class Certification on August 22, 2011, and on March 26, 2012, the Court granted plaintiffs' motion to certify a class as to all claims except for false advertising. On July 18, 2012, the parties reached a settlement agreement in the amount of $9,250,000.00 to be paid on the following schedule: 30% by September 30, 2012; 35% by June 30, 2013; and 35% by September 30, 2013, for which the Court granted preliminary approval on September 17, 2012. On August 21, 2012, we entered into a Confidential Settlement Agreement with ACE, our insurer, regarding coverage for this matter. Plaintiffs filed a motion for final approval which the Court granted by Order dated March 5, 2013. Our first payment of $2,775,000.00 was funded on September 27, 2012, the second payment of $3,237,500.00 was funded on June 27, 2013, and the final payment of $3,237,500.00 was funded on September 28, 2013.

2. Coldwell Banker Real Estate LLC v. Joly, McAbee & Weinert, LLC, f/d/b/a Coldwell Banker Joly, McAbee & Weinert Realty, Ross Joly, and Crystal Weinert. Two collection actions were filed in New Jersey against this former franchisee and its guarantors. In the first action, (Docket No. MRS-L-1905-12, Superior Court of New Jersey; Law Division: Morris County), on July 25, 2012, we filed a Motion to Enter Judgment by Confession in the amount of $99,192.66, which former franchisee confessed to on June 30, 2010, in connection with a settlement agreement for royalty fees, advertising fees and other past due fees. On August 17, 2012, the Court entered the judgment. We proceeded to take steps to collect, including domesticating the judgment in Massachusetts, where former franchisee and its guarantors are located. Accordingly, on October 22, 2012, we filed a Complaint in Massachusetts (C.A. No. 12-0625, Commonwealth of Massachusetts, Superior Court), to domesticate the $99,192.66 judgment. On October 23, 2012, we filed a second action in New Jersey (Docket No. MRS-L-2631-12, Superior Court of New Jersey; Law Division: Morris County) against the same parties for breach of contract by failing to pay additional royalty fees, advertising fees and other fees in the total amount of $726,689.90, and $50,000.00 owed pursuant to Development Advance (Promissory) Notes signed in conjunction with the franchise agreement. In January 2013, former franchisee and its guarantors filed substantially similar Answers and Third-Party Complaints in the second New Jersey action and the Massachusetts action alleging that we, Realogy Holdings, NRT and SIR, among other things, engaged in breach of contract, breach of the implied covenant of good faith and fair dealing, unfair or deceptive practices, civil conspiracy, interference with prospective economic advantage and/or a contractual relationship, and that they are owed monies pursuant to the terms of the Development Advance (Promissory) Notes. We filed a motion to dismiss the counterclaims and third-party complaint in the New Jersey action on February 6, 2013, and a motion to dismiss in the Massachusetts action on February 8, 2013. On April 30, 2013, the Court entered an Order and Decision granting in part and denying in part our motion to dismiss. On August 29, 2013, the Court entered an order dismissing the Third-Party Complaint and striking defendants' Answer without prejudice. This matter was settled on December 30, 2013, under which the former franchisee and guarantors agreed to pay $200,000.00 to us over time.

3. Coldwell Banker Real Estate LLC v. At the Jersey Shore Agency, LLC d/b/a Coldwell Banker At The Shore and Brian V. Musto, (Case No. MRS-L-2729-13, Superior Court of New Jersey, Law Division: Morris County). On October 15, 2013, we filed a complaint against this former franchisee and guarantor for breach of contract, unjust enrichment and trademark violations. We amended our complaint on November 26, 2013, to include claims of trademark infringement, trademark dilution, false advertising and unfair competition. On or about November 25, 2013, former franchisee and guarantor filed an answer to the original complaint and then subsequently filed an answer to the amended complaint on December 18, 2013. Each answer contained identical counterclaims against us, alleging breach of contract, tortious interference, and additional unknown claims sounding in negligence and/or misrepresentation. On

December 15, 2013, we filed an Order to Show Cause seeking a preliminary injunction requiring former franchisee and guarantor to cease their unauthorized use of the Coldwell Banker® trademarks and trade name, among other injunctive relief. The court entered the Order to Show Cause on December 20, 2013, scheduling a cause hearing for January 21, 2014, and setting a deadline of January 13, 2014, for former franchisee and guarantor to file an opposition. In advance of the cause hearing, the parties reached an agreement on a Consent Injunction Order, which was filed with the court on January 17, 2014, and entered on January 21, 2014. On January 14, 2014, we filed a motion to dismiss former franchisee's and guarantor's counterclaims, but the case was stayed to allow the parties to agree upon a final settlement of all claims. This matter settled on March 18, 2014, with the former franchisee and guarantor agreeing to pay us $65,000.

4. Coldwell Banker Real Estate LLC v. New Alliance Properties, Inc. and Eliazar Felix, (Case No. 2:17-cv-01505-VAP-SK, United States District Court, Central District of California). On February 23, 2017, we filed a complaint against this former franchisee and guarantor for trademark infringement and breaches of contract, promissory note and personal guaranty for a total amount of $716,417.35 with additional damages. On April 20, 2017, former franchisee and guarantor answered the complaint and filed a counterclaim for breach of contract, monies paid under duress, and fraud, seeking at least $300,000 in damages. We filed a motion to dismiss the counterclaims for monies paid under duress and fraud, and on June 15, 2017, the Court granted our motion dismissing the claims without prejudice. On June 30, 2017, former franchisee and guarantor filed an amended answer and amended counterclaims reasserting their original claims with more specificity and additional facts. We filed our answer to the amended counterclaims on July 21, 2017. The parties reached a settlement agreement whereby the former franchisee paid us $50,000 in four installments through August 31, 2018.

5. Jorge Valdes, individually and on behalf of all others similarly situated v. Coldwell Banker Real Estate LLC, (Case No. 2:19-cv-02822, United States District Court for the Central District of California). On April 11, 2019, plaintiff filed a putative class action against us on behalf of himself and others similarly situated who allegedly received unsolicited autodialed calls without express written consent, and unsolicited telephone sales calls from agents affiliated with COLDWELL BANKER® franchisees, while those telephone numbers were on the National Do Not Call Registry. Plaintiff specifically claims that we violated the Telephone Consumer Protection Act ("TCPA") through the leads, learning materials and preferred vendor relationships we provide to our franchise system members. Plaintiff amended his complaint on August 8, 2019; and asserts claims on behalf of an autodialed no consent class, a Do Not Call registry class, and an Internal Do Not Call class. Plaintiff seeks class certification, an award of actual and/or statutory damages under the TCPA for himself and the classes, costs, a declaration that our actions violate the TCPA, and injunctive relief. On December 29, 2020, the parties entered into a settlement with the individual plaintiff in both this action, and the Valdes action filed against our affiliated company, Century 21 (Jorge Valdes, individually and on behalf of all others similarly situated v. Century 21 Real Estate LLC (Case No. 2:19-cv-05411, United States District Court for the District of New Jersey), for a combined amount of $200,000. The settlement was paid on December 30, 2020 and the court entered the order of dismissal on January 28, 2021.

**C. Other Pending Litigation.**

1. Christopher Moehrl, individually and on behalf of others similarly situated v. The National Association of Realtors, Realogy Holdings Corp., HomeServices of America, Inc., Re/Max Holdings, Inc., and Keller Williams Realty, Inc., (Case No. 1:19-cv-01610, United States District Court for the Northern District of Illinois). On March 6, 2019, plaintiff filed a putative class action against Anywhere and the other named defendants. Plaintiff claims that the defendants engaged in a continuing contract, combination, or conspiracy to unreasonably restrain trade and commerce in violation of Section 1 of the Sherman Act, because defendant The National Association of Realtors ("NAR"), established mandatory anticompetitive policies for the MLSs and its member brokers regarding the setting and payment of the buyer broker commission. Plaintiff further alleges that the defendant franchisors conspired with NAR by requiring their

respective franchisees to comply with NAR's policies and Code of Ethics. Plaintiff seeks a permanent injunction enjoining the defendants from requiring sellers to pay the buyer broker or to otherwise restrict competition among buyer brokers, an award of damages and/or restitution, , including treble damages with joint and several liability, attorneys' fees and costs of suit. Anywhere denies all allegations and will vigorously defend this action. On April 15, 2019, a related case was filed in the same district against the same defendants, making similar claims and seeking similar relief on behalf of the same potential class. The related case is captioned Sawbill Strategic, Inc. v. The National Association of Realtors, HomeServices of America, Inc., Keller Williams Realty, Inc., Realogy Holdings Corp., and Re/Max Holdings, Inc. (Case No. 1:19-cv-02544, United States District Court for the Northern District of Illinois). On May 17, 2019, Anywhere and the other defendants filed Motions to Dismiss the Moehrl matter. On June 14, 2019, plaintiffs filed a Consolidated Amended Class Action Complaint, which consolidated the two Illinois actions and added certain additional plaintiffs and defendants. On August 9, 2019, Anywhere and the other defendants filed Motions to Dismiss the consolidated complaint and on October 2, 2020, the Court denied NAR's and the defendants' motions to dismiss, and the parties began conducting discovery. In a separate Department of Justice ("DOJ") investigation into NAR, on November 19, 2020, the DOJ simultaneously filed a complaint against NAR and a proposed equitable settlement that requires NAR to repeal and modify certain of its rules and policies, including certain MLS rules and policies that are the subject of plaintiffs' allegations. The defendant franchisors are not the subject of the DOJ investigation or defendants in the DOJ complaint. Plaintiffs' motion for class certification was filed on February 23, 2022, and on March 29, 2023, the Court granted the motion for class certification with two classes certified, a damages class and an injunctive class. The damages class covers sellers of residential real estate (with certain exemptions) who paid a commission to a brokerage affiliated with a defendant from March 6, 2015 through December 21, 2020 in 20 MLSs in various parts of the country that do not overlap with the Burnett MLSs and that include approximately five of the country's ten largest MLSs, estimated to cover approximately 3.5 million transactions. The injunctive class covers current and future sellers of residential real estate (with certain exceptions) who are presently listing or will in the future list their home for sale in one of the 20 MLSs. Defendants filed their opposition on June 14, 2022, plaintiffs filed their reply on August 22, 2022, and the motion is pending. Fact discovery was completed on December 9, 2022. On April 12, 2023, Anywhere and the other defendants filed a petition with the United States Court of Appeals for the Seventh Circuit (the "Seventh Circuit") to pursue an interlocutory appeal of the decision on class certification, which the Seventh Circuit denied on May 24, 2023. Merit expert discovery in the case is ongoing. There could potentially be other cases filed which would also be related to the Moehrl claims. Anywhere denies all allegations and will continue to vigorously defend this action.

2. Scott and Rhonda Burnett, Ryan Hendrickson, Jarod Breit, Scott Trupiano, and Jeremy Keel, on behalf of themselves and all others similarly situated v. National Association of Realtors, Realogy Holdings Corp., HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, Re/Max LLC and Keller Williams Realty, Inc., (Case No. 4:19-cv-00332-SRB, United States District Court for the Western District of Missouri). On April 29, 2019, this related case was filed in the United States District Court for the Western District of Missouri, against the same defendants, making similar claims and seeking similar relief, including an award of damages and/or restitution, including treble damages, with joint and several liability, attorneys' fees and costs of suit on behalf of plaintiffs in Missouri and Kansas. On June 21, 2019, plaintiffs filed an amended Complaint. In addition to the Sherman Act federal claims asserted in the Moehrl litigation, the Burnett plaintiffs also allege violations of the Missouri Merchandising Practices Act and state antitrust laws and seek an award of damages and/or restitution, punitive damages, attorneys' fees and costs of suit, and a permanent injunction enjoining the defendants from requiring home sellers to pay buyer-broker commissions or from otherwise restricting competition among brokers. On July 10, 2019, defendants in the Missouri case filed two Motions to Transfer to the Northern District of Illinois. Those motions were denied on August 19, 2019, and August 22, 2019, respectively. On August 5, 2019, Anywhere and the other defendants filed Motions to Dismiss, which were denied on October 16, 2019. On November 13, 2019, defendants' Answers were filed and the parties began conducting discovery. On April 1, 2020,

defendants filed a Motion to Stay Proceedings for 60 days due to COVID-19, but the court denied the motion on April 7. In a separate DOJ investigation into NAR, on November 19, 2020, the DOJ simultaneously filed a complaint against NAR and a proposed equitable settlement that requires NAR to repeal and modify certain of its rules and policies, including certain MLS rules and policies that are the subject of plaintiffs' allegations. The defendant franchisors are not the subject of the DOJ investigation or defendants in the DOJ complaint. Plaintiffs filed their motion for class certification on May 24, 2021. Mediation took place on June 29, 2021, but was unsuccessful. On June 30, 2021, plaintiffs filed a Second Amended Complaint, dropping one of the original named defendants, The Long & Foster Companies, Inc., two of the original named plaintiffs, Joshua Sitzer and Amy Winger, and adding three new proposed class representatives. Plaintiffs also revised the class definition by limiting it to sellers who used a listing broker affiliated with one of the defendants. On November 12, 2021, defendants filed opposition to the class certification; and plaintiffs' reply was filed on January 28, 2022. On April 22, 2022, the Court granted class certification of home sellers who from April 29, 2015 to present, used a listing broker affiliated with one of the defendants in four MLSs that primarily serve the State of Missouri, estimated to cover over 310,000 transactions. The class for the alleged violations of the Missouri Merchandising Practices Act includes Missouri residents only commencing on April 29, 2014. On May 6, 2022, plaintiffs filed a Third Amended Complaint which adds plaintiffs for the MLSs where there previously was no named representative, and defendants filed their answers on May 20, 2022. Defendants filed their motions for summary judgment on August 29, 2022, plaintiffs filed their consolidated opposition on October 10, 2022, defendants filed their replies on November 7, 2022, and the motions were heard at oral argument on November 17, 2022. The Court denied Defendants' motions for summary judgment on December 16, 2022. On December 30, 2022, defendants petitioned the Court to certify the order for immediate appeal. Plaintiffs filed their opposition to the motion to certify on January 13, 2023, and defendants filed their reply on January 27, 2022. The Court denied the motion to certify on January 27, 2023. On December 1, 2022, Anywhere filed a motion for continuance of the scheduled February 21, 2023 trial date, which was granted by the Court on December 13, 2022. There could potentially be other cases filed which would also be related to the Burnett claims. The Court has set a new trial date for October 16, 2023. Anywhere denies all allegations and will continue to vigorously defend this action.

3. Jennifer Nosalek, Randy Hirschorn, and Tracey Hirschorn, individually and on behalf of all other similarly situated, v. MLS Property Information Network, Inc., Anywhere Real Estate, Inc. (f/k/a Realogy Holdings Corp.), Century 21 Real Estate LLC, Coldwell Banker Real Estate LLC, Sotheby's International Realty Affiliates LLC, Better Homes and Gardens Real Estate LLC, ERA Franchise Systems LLC, HomeServices of America, Inc. BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC and Keller Williams Realty, Inc. (Case 1:20-cv-12244, U.S. District Court for the District of Massachusetts). On December 17, 2020, plaintiffs filed a purported class action against MLS Property Information Network, Inc., Anywhere, HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc., wherein the plaintiffs take issue with NAR policies and rules similar to those at issue in the Moehrl and Burnett matters, but rather than objecting to the national policies and rules published by NAR, this lawsuit specifically objects to the alleged policies and rules of an MLS that is owned by realtors, including in part by one of Anywhere's company owned brokerages. The plaintiffs allege that defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and seek a permanent injunction, enjoining the defendants from continuing conduct determined to be unlawful. Anywhere was served on December 24, 2020. On March 1, 2021, Anywhere and each of the other defendants filed separate motions to dismiss. On April 15, 2021, the plaintiffs filed a consolidated opposition to the defendants' motions to dismiss, and the defendants filed their respective replies on May 17, 2021. The motion to dismiss was denied on December 10, 2021. On February 1, 2022, defendants' Answers were filed. On March 1, 2022, plaintiffs filed an Amended Complaint, dropping two named plaintiffs, Gary and Mary Jane Bauman, and adding two new proposed class representatives, Randy Hirschorn and Tracey Hirschorn. The Amended Complaint modifies the proposed class definition to exclude certain persons related to the court or defendants. The Amended Complaint is otherwise identical

to the original Complaint Plaintiffs' unopposed motion for leave to file a second amended complaint was granted on January 9, 2023. The Second Amended Complaint, among other things, substituted Anywhere Real Estate Inc. for Realogy Holdings Corp. and added certain entities as defendants, including certain Anywhere wholly-owned franchisor subsidiaries, namely Century 21 Real Estate LLC, Coldwell Banker Real Estate LLC, Sotheby's International Realty Affiliates LLC, Better Homes and Gardens Real Estate LLC, and ERA Franchise Systems LLC; removed the Count II state law claims that the plaintiffs voluntarily dismissed; and redefined the covered area as limited to home sales in Massachusetts, and removing sales in New Hampshire and Rhode Island. On January 23, 2023, MLS Property Information Network, Inc., HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc. filed their answer to the Second Amended Complaint. The Anywhere defendants filed their answer to the Second Amended Complaint on February 21, 2023. Discovery is ongoing. On June 30, 2023, MLS Property Information Network, Inc. filed a motion for preliminary approval of a proposed settlement between MLS Property Information Network, Inc. (only) and plaintiffs. No other defendants are included in the proposed settlement. A preliminary approval hearing was held on August 9, 2023, at which time the Court raised certain concerns about the terms of the proposed settlement. The settling parties must submit additional substantiation or amend the terms of the settlement by September 5, 2023. All Anywhere defendants deny all allegations and will continue to vigorously defend this action.

4. Batton, Bolton, Brace, Kim, James, Mullis, Bisbicos and Parsons v. The National Association of Realtors, Realogy Holdings Corp., HomeServices of America, Inc. BHH Affiliates, LLC, HSF Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC and Keller Williams Realty, Inc. (Case No. 1:21-cv-430, U.S. District Court, Northern District of Illinois) (formerly captioned *Leeder*). On January 25, 2021, plaintiff filed a purported class action against NAR, Anywhere, HomeServices of America, Inc. BHH Affiliates, LLC, HSF Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC and Keller Williams Realty, Inc., wherein the plaintiff raises claims regarding the NAR policies and rules similar to those at issue in the Moehrl, Burnett and Nosalek matters (and plaintiff filed a related claim in the same district court where the Moehrl case is pending), plus NAR's policy regarding access to lockboxes. However, the plaintiff brings this claim on behalf of himself and other buyers of real estate rather than on behalf of sellers, and claims that buyers were harmed due to inflated commissions that resulted in inflated home prices. Plaintiff further alleges that buyers are harmed by NAR's policy that allows buyer agents to market their services as free when the buyer agent receives a portion of the sell-side commission, and thus the buy-side commission is allegedly embedded in the inflated purchase price. In addition, plaintiff alleges a nationwide class including real estate transactions listed on all MLSs controlled by NAR rather than a specific subset of MLSs. The plaintiff alleges that defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and that defendants were unjustly enriched, and seeks a permanent injunction, enjoining the defendants from continuing conduct determined to be unlawful. Anywhere was served on January 28, 2021. On April 20, 2021, defendants filed a joint motion to dismiss. On June 4, 2021, plaintiff filed an opposition to the motion to dismiss. Defendants' reply was filed on July 6, 2021. On May 2, 2022, the Court granted defendants' motion to dismiss without prejudice. On July 6, 2022, the plaintiff filed an Amended Class Action Complaint. The amended complaint is substantially similar to the original complaint but, in addition to the federal Sherman Act and unjust enrichment claims, plaintiffs have added two claims based on certain state antitrust statutes and consumer protection statutes. On September 7, 2022, the defendants filed a motion to dismiss. Plaintiffs filed their opposition on October 21, 2022. Defendants filed their reply on November 22, 2022.Anywhere denies all allegations and will continue to vigorously defend this action.

5. Ronald Chinitz, Sarah Bumpus, David Gritz, Micheline Peker, Nathan Rowan, Cheryl Rowan, Daniel Caruso, and Paramjit Lalli, individually and on behalf of a class of similarly situated persons v. Realogy Holdings Corp., Realogy Intermediate Holdings LLC, Realogy Group LLC, Realogy Services Group LLC, Realogy Brokerage Group LLC (f/k/a NRT LLC), and Mojo Dialing Solutions, LLC, (Case No. 3:19-cv-03309-JD, U.S. District Court, Northern District of California, San Francisco Division). This

is a putative class action originally filed against Anywhere Advisors on June 11, 2019. On April 13, 2020, plaintiffs filed a Second Amended Putative Class Action Complaint adding the other Anywhere defendants. Anywhere Advisors and the other Anywhere defendants submitted a combined motion to dismiss in July 2020. Plaintiffs filed a Third Amended Putative Class Action Complaint on February 12, 2021 adding additional plaintiffs. Plaintiffs allege that Anywhere Advisors' affiliated agents violated the Telephone Consumer Protection Act (TCPA) by contacting consumers on the National Do Not Call registry, by not maintaining an internal Do Not Call registry, and by using a prerecorded message to contact consumers without their consent. Plaintiffs further allege that Anywhere Advisors and the Anywhere defendants permit affiliated agents to partner with autodialing companies such as defendant Mojo. Plaintiffs seek relief on behalf of National Do Not Call Registry class, an Internal Do Not Call class, an Artificial or Prerecorded Message class, and a California Business & Professional Code sec. 17200 class for California cell phone users. Anywhere Advisors' motion to dismiss was denied. Discovery is complete. Plaintiffs filed a motion for class certification on August 20, 2021, and the Anywhere defendants filed opposition on September 24, 2021. The parties participated in mediation, which terminated without resolution. On March 23, 2022, the Court certified the National Do Not Call Registry Nationwide class, and the National Artificial or Prerecorded Message class. The Court also certified the National Internal Do Not Call class. Certification was denied for the Artificial or Prerecorded Message Mojo class. The Anywhere defendants filed a Petition for Permission to Appeal in the Ninth Circuit Court of Appeals on April 6, 2022. The Petition for Permission to Appeal was denied. Class notices were sent out in July 2022. On March 29, 2023, plaintiffs filed a motion to narrow the classes. On April 12, 2023, Anywhere opposed Plaintiffs' motion to modify the classes and sought to decertify them. On April 24, 2023, the Court vacated the April 27, 2023 hearing and pretrial conference and the jury trial set to commence on May 15, 2023, and on May 25, 2023 set a jury trial date for January 29, 2024 and a pretrial conference for January 11, 2024. Plaintiffs' motion to narrow the classes, Anywhere's opposition to such motion and request to decertify the classes, as well as other pre-trial motions, are pending. All of the Anywhere defendants deny all allegations and will continue to vigorously defend this action.

**D. Other Resolved Litigation.**

1. Phillip J. Yeager, Peggy Yeager, Master Greater Europe LLC and Master South America LLC v. Cendant Corporation, Cendant Global Services B.V., Avis Budget Group, Inc., Realogy Corporation and Domus Holdings Corp., (Case No. MRS-L-299-12, Superior Court of New Jersey, Law Division, Morris County.) On February 3, 2012, plaintiffs filed suit against Cendant, Cendant Global Services B.V., Avis Budget Group, Inc., Realogy Corporation (now known as Realogy Group LLC) and Domus Holdings Corp. (now known as Realogy Holdings Corp.) (the "Realogy entities"), alleging that the Realogy entities breached a settlement agreement that was reached with plaintiffs in 2002 concerning CENTURY 21® Greater Europe. The suit sought an interpretation of the payments due under the agreement, as well as an audit of the monies earned by the Realogy entities since the settlement and payment of any outstanding amounts. The parties agreed to a settlement of $1.6 million to be paid to Yeager for any amounts claimed due through December 31, 2012, for existing sales, a buyout of future rights for any resale of the remaining territories and an amendment of procedures concerning future royalty payments. The settlement was funded on June 4, 2013.

2. Christopher Bulen and Janith Martinez v. Realogy Corporation, Realogy Operations, Realogy Franchise Group LLC, Realogy Services Group LLC, (Case No. 3:10-CV-00755-RCJ-VPC, United States District Court, District of Nevada). This litigation concerns the Preferred Alliance Agreement between RSG and Townsend Hoffman Corporation initially effective June 18, 2007, in which Townsend Hoffman acted as a broker selling medical insurance products to franchisees and their agents. Plaintiffs, Bulen and Martinez, were sales associates with Century 21 Mountain Properties and Coldwell Banker Select Realty, filed a class action lawsuit on December 3, 2010, alleging that Realogy Group sponsored major medical

and limited-benefit health insurance programs to market to CENTURY 21®, Coldwell Banker®, ERA®, Sotheby's International Realty® and Better Homes and Gardens® Real Estate franchisees, brokers, sales associates and their families. Bulen and Martinez further alleged that Realogy Group represented that insurance programs were available in all 50 states, but that the three companies who were providing insurance policies, HM Insurance Group, AIM and AFID LLC, were not licensed to sell these policies in every state. They sought to have a nationwide class certified that would include any broker or agent who bought a medical policy that was ultimately invalidated and who had unpaid medical claims. Realogy Group filed its motion to dismiss the complaint on February 18, 2011, which was granted on May 16, 2011. Bulen and Martinez filed an amended complaint on May 31, 2011, which the court dismissed without prejudice on October 24, 2011. On November 7, 2011, Bulen and Martinez filed their second amended complaint, inserting a RICO count and enumerating the various state insurance statutes. Realogy Group's motion to dismiss the second amended complaint was filed on November 30, 2011. Following oral argument on February 21, 2012, the court denied Realogy Group's motion. Bulen and Martinez filed their third amended complaint on May 16, 2012, and Realogy Group filed its answer on May 30, 2012. Mediation took place in November 2012, and the matter with Bulen settled with payment to him of $120,000 in January 2013. A settlement was reached with Martinez, where Realogy Group agreed to certify a class and to give partial refunds to any class members who paid premiums for an AFID policy between January 2007 and May 2010, provided they provide proof of premiums paid. By order dated October 29, 2013, the court denied plaintiffs' motion for preliminary approval of the settlement. The parties thereafter modified certain terms of the settlement to address issues raised by the court in its October 9, 2013 order. On February 21, 2014, plaintiffs filed a renewed motion for preliminary approval of the settlement. On March 14, 2014, in order to avoid missing then current deadlines for class certification while the settlement awaited court review and approval, plaintiff filed a motion for certification of class action and appointment of class counsel. By order dated May 30, 2014, the court preliminarily approved the settlement and vacated the motion for class certification. Notice to the class members was mailed on June 27, 2014. The settlement was approved at the Fairness Hearing on October 6, 2014. There were no objections or opt outs. The time to appeal expired on November 10, 2014, and the settlement became final. Realogy Group dismissed its Third-Party Claims without prejudice on December 12, 2014. The settlement was funded on November 17, 2014, in the amount of $530,630.42.

3. Sheri Dodge and Neil Dodge and Ram Agrawal and Sarita Agrawal, individually and on behalf of all others similarly situated v. PHH Corporation, Realogy Holdings Corp., PHH Home Loans LLC, PHH Mortgage Corporation, RMR Financial, LLC, NE Moves Mortgage LLC, PHH Broker Partner Corporation, Realogy Group LLC, Realogy Intermediate Holdings LLC, Title Resource Group LLC, West Coast Escrow Company, TRG Services Escrow, Inc., Equity Title Company, NRT LLC, Realogy Services Group LLC and Realogy Services Venture Partner LLC *formerly captioned as:* Timothy L. Strader, Sr. and Lester L. Hall, Jr., individually and on behalf of all others similarly situated v. PHH Corporation, Realogy Holdings Corp., PHH Mortgage Corporation, PHH Home Loans LLC, RMR Financial, LLC, NE Moves Mortgage LLC, PHH Broker Partner Corporation, Realogy Group LLC, Realogy Intermediate Holdings LLC, Title Resource Group LLC, West Coast Escrow Company, TRG Services Escrow, Inc., NRT LLC, Realogy Services Group LLC and Realogy Services Venture Partner LLC, (Case No. 8:15-CV-01973, United States District Court, Central District of California). This is a purported class action filed on November 25, 2015 by four California residents against 15 defendants, including Realogy Holdings and certain of its subsidiaries, PHH and PHH Home Loans, alleging violations of Section 8(a) of RESPA. Plaintiffs seek to represent two subclasses comprised of all persons in the United States who, since January 31, 2005, (1) obtained a RESPA-covered mortgage loan from either (a) PHH Home Loans or one of its subsidiaries, or (b) one of the mortgage services managed by PHH for other lenders, and (2) paid a fee for title insurance or settlement services to TRG or one of its subsidiaries. Plaintiffs allege, among other things, that PHH Home Loans operates in violation of RESPA and that the other defendants violate RESPA by referring business to one another under agreements or arrangements that are prohibited by RESPA. Plaintiffs seek treble damages and an award of attorneys' fees, costs and disbursements. The amended class action

complaint was filed on December 10, 2015, and served on the Realogy and TRG entities on December 18, 2015. On February 5, 2016, defendants filed a motion to dismiss the case claiming that not only do the claims lack merit, but they are time-barred under RESPA's one-year statute of limitations. On April 5, 2016, the Court granted defendants' motion to dismiss with leave for the plaintiffs to amend their complaint. Plaintiffs filed a second amended complaint on April 21, 2016, and a third amended complaint on May 12, 2016, without material modifications to address the original complaint's deficiencies. On October 6, 2016, the Court denied defendants' May 26, 2016, motion to dismiss the plaintiffs' third amended complaint, without prejudice to defendants' ability to move for summary judgment after discovery. Defendants filed an answer to the third amended complaint on October 20, 2016. On May 19, 2017, the parties held a mediation session, at which they agreed in principle to a settlement of $17M, pursuant to which the Realogy defendants would pay approximately $8.5 million (or one-half of the settlement) and the PHH defendants would pay the remaining $8.5M. Realogy and PHH agreed to pay $5,000 each to plaintiffs Hall and Strader in exchange for a dismissal of their claims, which occurred outside the class settlement. The individual settlement agreements with plaintiffs Hall and Strader are fully executed and settlement payments to Hall and Strader were funded in August 2017. On July 31, 2017, a Fourth Amended Complaint was filed, dismissing Hall and Strader and adding Sheri Dodge, Neil Dodge, Ram Agrawal and Sarita Agrawal as plaintiffs. At a hearing on the plaintiffs' motion for preliminary approval of the settlement held October 19, 2017, the Court indicated that if certain modest revisions were made to the settlement agreement and an amended motion for preliminary approval filed, the Court would grant preliminary approval. On January 29, 2018, the Court issued an order granting preliminary approval of the settlement and class notices were sent out in February 2018. The hearing on final approval of the settlement occurred on August 16, 2018, and the Court granted final approval of the settlement. Final judgment was entered on August 27, 2018, and the matter was dismissed. On September 10, 2018, Realogy paid its portion of the settlement in the amount of $8,375,000.

**E. Regulatory Proceedings.**

The Department of Housing and Urban Development ("HUD") and the FTC conducted a joint regulatory investigation of the activities of Property I.D. Associates, LLC ("Associates"), a joint venture between Property I.D. Corporation, Cendant Real Estate Services Group LLC and Coldwell Banker Residential Brokerage Corporation. The regulatory investigation also included predecessor joint ventures of Associates, as well as other joint ventures formed by Property I.D. Corporation. Associates and its predecessors provide hazard reports in the California market. HUD and the FTC issued subpoenas seeking documents and information from Cendant, Coldwell Banker Residential Brokerage Corporation, Coldwell Banker Residential Brokerage, Century 21 and us. According to these subpoenas, the investigation concerned whether the activities of Associates violated RESPA, 12 U.S.C. § 2607 et seq. (which governs the mortgage process for federally funded loans) and Section 5 of the Trade Commission Act, 12 U.S.C. §45 (which regulates antitrust matters and anti-competitive behavior) for allegedly receiving compensation for referrals by operating a sham joint venture. Cendant cooperated in the investigation and responded to requests for information and document requests from HUD, and document requests from the FTC. On October 24, 2006, the FTC issued a letter advising that it had closed its investigation.

On May 23, 2007, HUD filed a lawsuit in the Central District of California, United States District Court, against Realogy Group, NRT, Coldwell Banker Residential Brokerage (collectively, the "Realogy parties"), Property I.D., several Prudential Real Estate franchisees, and the joint venture companies between Property I.D. and these former joint venture partners. The lawsuit alleges that Natural Hazard Disclosure Reports ("NHD Reports") are settlement services under RESPA, although acknowledges that NHD Reports are not an enumerated service identified in that statute, or identified in the regulations. Because NHD Reports are allegedly settlement services, HUD further alleges that the defendants violated RESPA in their operation of the various joint ventures. In July 2007, the Realogy parties filed a motion to dismiss the lawsuit on the grounds that there is no statutory basis to seek disgorgement under RESPA, and no basis for seeking

injunctive relief as the allegedly unlawful Realogy Group joint venture was terminated on June 30, 2006. On August 8, 2007, the Court entered a Stipulation extending the briefing on the motions to dismiss. On January 18, 2008, HUD filed an opposition to the motions to dismiss filed by all defendants. On February 15, 2008, the Realogy parties filed their reply to HUD's opposition, which was denied on April 28, 2008. In May 2008, HUD and the Realogy parties agreed to settle the matter with no imposition of fines or penalties and a permanent injunction to refrain from future joint ventures for hazard disclosure reports operated in violation of RESPA. The Settlement Agreement has been fully executed and the Consent Decree and Release were filed with the Court on February 9, 2009. The Court dismissed the case on July 14, 2009.

**F. Franchisor – Initiated Actions.**

None

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

## ITEM 4. BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

## ITEM 5. INITIAL FEES

If you are purchasing a franchise from us, you will pay us an initial franchise fee of $20,000 for the Main Office when you sign the Franchise Agreement. If we approve you for a Coldwell Banker Commercial® franchise, we will countersign your Franchise Agreement. The initial franchise fee is non-refundable and is fully earned by us upon our countersignature. As further described in Item 1, we have a diversity and veteran program under which we may waive or reduce the initial franchise fee for eligible franchisees As of the issuance date of this disclosure document, the initial franchise fee for the Main Office under this program is waived and we provide other business benefits.

The initial franchise fee for additional Branch Offices will be $5,000, and due when the Branch Office is added to the Franchise Agreement. If you are an existing franchisee and acquire another qualifying commercial real estate brokerage business that you combine into your Office(s), without adding a new Branch Office, we will not charge you an additional initial franchise fee. If you are approved to open additional Coldwell Banker Commercial® real estate Branch Office(s), you will sign a Location Addendum to your Franchise Agreement to amend it to reflect the existence and location of the additional Branch Office(s) (See Location Addendum, Exhibit C-1). We may condition the approval of additional offices on certain other terms and conditions, including minimum annual royalty fees, which terms will be included in a Location Addendum.

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

If we permit you to open a Limited Purpose Office, we will charge you a one-time, non-refundable fee of $1,000, and you will be required to sign a Limited Purpose Office Addendum. As of the issuance date of this disclosure document, no fee is charged for an On-Site Property Management Office. See Item 1.

In 2022, initial franchise fees paid by franchisees ranged from $0 to $20,000 for a Main Office, and $0 to $5,000 for a Branch Office.

## ITEM 6. OTHER FEES [1]

| Type of Fee [2] [3] | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fees | 6% of the aggregate "Gross Revenue" for all your offices up to $1,000,000 per calendar year for which payments were timely made and 3% of the aggregate Gross Revenue in excess of $1,000,000 per calendar year. | Our fees are due when earned. This is commonly upon settlement or close of escrow of each transaction. | See Section 7.1.1 of the Franchise Agreement |
| Minimum Standard Fees | If Royalty Fees paid each quarter are less than $7,500, difference between Royalty Fees paid and $7,500 | At end of quarter for any quarter we place you on probation. | Minimum performance of $125,000 in Gross Revenue is required quarterly. Minimum standard can be increased annually by 20% (See Item 12 and Section 16.2.7 of the Franchise Agreement). |
| Minimum Annual Royalty Fees | Will vary | We reserve the right to charge a Minimum Annual Royalty Fee for new Branch Offices opened in certain markets, which fee will vary based upon the market and specific circumstances. Such fee will be payable by January 10th of the following calendar year, but only if your Royalty Fee payments for the calendar year are less than the Minimum Annual Royalty Fee. | Minimum Annual Royalty Fees are subject to adjustment as negotiated and set forth in your Franchise Agreement or addenda thereto. |
| Holding Over – Royalty Fee | The Royalty Fee due during any Holdover Period will be equal to twice the Royalty Fee otherwise due. | Upon close of each transaction | See Section 16.1.2 of the Franchise Agreement. |

| Type of Fee [2] [3] | Amount | Due Date | Remarks |
|---|---|---|---|
| Commercial Property Management Fees | 1.5% of Gross Revenues from Commercial Property Management Services [4] | Upon close of each transaction | See Section 7.1.3 of the Franchise Agreement. |
| Commercial Marketing Fund ("CMF") Fees | 2% of Gross Revenue monthly with a minimum of $582 and a maximum of $1,614 per office, per month as of January 1, 2023. | Within 20 days after being invoiced [5] | CMF minimums and maximums are subject to adjustment by us each year by the greater of the increase in the Consumer Price Index plus 3% or the yield to maturity on 10-year U.S. Treasury Bonds plus 3% or the US Average Existing Single-Family Home Sales Price annual increase as quoted by the National Association of Realtors® plus 3%. We have the right to decrease the CMF Fees and later reduce the CMF fees as we deem appropriate, with at least thirty (30) days' notice to you. |
| Transfer Fees | $5,000 | Prior to completion of transfer | Payable when the Franchise Agreement or an interest 50% or greater of franchisee's equity is transferred. No charge if Franchise Agreement is transferred from you to an entity 100% owned by you, or if the transfer meets certain other criteria, as described in the Franchise Agreement. |
| Liquidated Damages | See remarks | Upon "early termination" | Upon "early termination" of the Franchise Agreement (that is, any termination before the Expiration Date, other than a mutual termination or a termination by you under Section 16.2.5), you must immediately pay us liquidated damages. Liquidated damages will be equal to the combined monthly average of Royalty Fees, CMF contributions, and any other fees under this Agreement (without regard to any fee waivers, rebate or other reductions) payable from the Opening Date through the date of early termination, multiplied by the lesser of (i) 36 or (ii) the number of full months remaining in the Term. |

| Type of Fee [2] [3] | Amount | Due Date | Remarks |
|---|---|---|---|
| Audit Fees | See remarks | Upon receipt of the audit report | You must immediately pay us any fees that the audit reveals were due during the audit period but not paid, plus interest at Prime plus 2%. If you fail to cooperate on a timely basis with an audit, fail to keep auditable records, cancel or reschedule the audit, or if the audit exposes a deficiency of 5% or more in amounts due for any consecutive 3 month period, you must also pay all of our audit costs plus fees past due, interest, late charges and costs. As of the issuance date of this disclosure document, the estimated cost for an audit is $450 per day; however, the per diem rate is subject to change. For existing franchisees, the criteria that may require payment of audit fees may vary according to the terms of their franchise agreement. |
| Late Charges and Interest | See remarks | Upon demand | All past due payments will bear interest at the highest legal rate (not to exceed 1.5% per month) plus the highest allowable legal late charge |
| Testing/Inspection Fees to Approve Supplier | See remarks | To be determined | We do not currently charge fees for approval of a supplier, but we have the right to charge reasonable testing and inspection fees. |
| Other Educational Fees and Expenses | See remarks | Before attendance at the program | Education may be available on an optional basis. If you elect to attend any optional learning courses, you will be responsible for course fees, if any, and all travel, lodging, meals and other expenses. (See Items 7 and 11) |
| Special Assistance | As negotiated | When assistance is provided | We may provide special assistance upon your request. Charges will be based upon the assistance needed. |
| Global Conference Fee | $449-$549 per registrant for Global Conference. A discount may be available depending upon registration date | At or before attendance | Your attendance or a commercial representative is recommended, but not required at the Coldwell Banker Commercial® Global Conference. Fee subject to adjustment each time Conference is held. Costs for transportation, lodging and other incidental expenses are additional. |
| Costs and Attorney Fees | Will vary | Payable when we invoice you. | Reimbursement of our costs for enforcing the Franchise Agreement if you breach it. |

| Type of Fee [2] [3] | Amount | Due Date | Remarks |
|---|---|---|---|
| Indemnification | Will vary | Upon demand | You must reimburse us, our related companies and certain persons named in the Franchise Agreement if any losses or costs are incurred because of your operation of the Business or any Excluded Businesses you operate and any acts and omissions of you, your Owners, employees, brokers or your independent sales associates. |
| Taxes | Will vary | Payable when we invoice you. | Payable in the event we have to pay value added taxes on the fees you pay us. |
| Relocation/Improve-ment Fees | Will vary | Payable to third parties as incurred | If your Office(s) do not meet our current minimum office appearance standards, we may require you to upgrade or relocate such Office(s). Costs and terms will be established by your suppliers. |
| Insurance | Cost of insurance | On demand after payment | If you fail to obtain and maintain required insurance, we may obtain insurance on your behalf, and you must promptly reimburse us for the cost of that insurance. (See Items 7 and 8) |

| Type of Fee [2] [3] | Amount | Due Date | Remarks |
|---|---|---|---|
| Product/Service Fees [6] | Will vary | Due when ordered or used | We have the right, but not the obligation, to introduce and make available real estate related services and products, including but not limited to, mortgage origination, escrow, property management, insurance, software, technology, and communications systems for a fee.<br><br>Essential Services and Products. If we advise you through written notice that a service or product is an essential element of the System and must be utilized, you will, at your sole expense: (i) obtain all necessary equipment, technology, services or products which we advise you are necessary to use the essential element service or product; and (ii) begin using such service or product within 90 days after your receipt of the written notice.<br><br>Optional Services or Products. If you voluntarily elect to use an optional service or product, you will pay us, our Related Party or any Approved Supplier any fees and costs associated with such service or product.<br><br>We may offer various programs through our Related Parties, third parties or Approved Suppliers in which you may elect to participate. Programs may include professional certification programs, special advertising programs, succession planning and on-line services. |
| Computer Hardware and Software Maintenance and Support | $1,000 to $2,000 or more per year | As incurred | As of the issuance date of this disclosure document, we do not charge for software upgrades and updates, but we have the right to do so in the future and require reasonable payment to us or an affiliate. This range estimates those fees. |

**Notes to Item 6 table above:**

[1] As of the issuance date of this disclosure document, the only acceptable payment procedure to us is through the use of a designated web-based, self-service application for electronic payment.

[2] All fees are imposed by, and payable to, us or a Related Party, without offset, unless we have stated otherwise in the table. We uniformly impose the fees described in this table; however, we have the

right to negotiate increases or decreases in, vary or waive, cap or alter the amount, form or calculation of any of the fees. We have in the past, reduced, waived or capped fees on certain transactions, and we have the right, but not the obligation, to do so again.

[3] All fees paid to us or our Related Parties, or to the BMF are non-refundable, except that we will refund your initial franchise fee if we do not accept you as a franchisee. Unless otherwise negotiated with us, you must start paying Royalty Fees on all transactions that occur on or after the Opening Date of your Franchise Agreement. After termination of your Franchise Agreement, Royalty Fees remain payable for all transactions entered into before termination.

[4] "Gross Revenue" and "Commercial Property Management Services" are defined in Exhibit C of the Franchise Agreement.

[5] You must start paying CMF contributions on the first full calendar month following the Opening Date.

[6] Although we do not currently assess any of these charges, we have the right to do so in the future for products and services which we deem to be essential to the operation and quality of the franchise, and you will be required to pay them to comply with your Franchise Agreement. We have the right to require you to purchase equipment, products or services that will allow your Office(s) to offer or use the required product or service. You may also incur fees and costs like these for services or products we offer that are available, but not required. See Item 8 and Section 6.2 of the Franchise Agreement for more information.

## ITEM 7. ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT – CONVERSION OFFICE [1]

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is to Be Made [2] |
|---|---|---|---|---|
| Initial Franchise Fee [3] | $0 - $20,000 | Lump sum | Upon signing the Franchise Agreement | Us |
| Real Estate [4] | Not included in total | Lump sum or open account | As incurred | Suppliers, Landlord |
| Leasehold Improvements [5] | $0 - $400,000 | As incurred | Before Opening | Landlord, Contractors |
| Office identity signs [6] | $700 - $20,000 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Property signs [7] | $8,000 - $20,000 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Printed materials [8] | $1,500 - $3,000 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Orientation [9] | $800 - $2,700 | As incurred | Generally, within 90 days of the Opening Date (as defined in the Franchise Agreement) | Airlines, restaurants, hotels, etc. |
| Legal Expenses [10] | $0 - $4,000 | As incurred | Before Opening | Attorneys |

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is to Be Made [2] |
|---|---|---|---|---|
| Insurance [11] | $1,500 - $11,500 | Lump sum or open account | Before Opening | Rated carriers |
| Other Advertising (local)/Grand Opening Promotion | $3,000 - $5,000 | As incurred | When incurred | Advertising agency, media and entertainment |
| Computer Equipment and Electronic Data System [12] | $5,000 - $10,000 | Lump sum or an open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Website [13] | $0 - $10,000 | As incurred | Within 30 days of the Franchise Agreement | Suppliers |
| Additional funds (3 months) [14] | $15,000 - $40,000 | As incurred | As incurred | Employees, Suppliers, Utilities |
| **Total Investment for Conversion Office** | **$35,500 - $546,200** | | | |

## YOUR ESTIMATED INITIAL INVESTMENT – START-UP OFFICE [1]

On a limited basis, we may grant a Franchise to a newly formed commercial real estate brokerage, provided the business is, or will be comprised of, independent sales associates substantially all of whom, immediately before the granting of the Franchise were affiliated with a licensed commercial real estate brokerage. If you are a start-up franchisee, we estimate that you will make the investment identified on the table below, which includes the costs identified on the table above, as well as other costs.

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is to Be Made [2] |
|---|---|---|---|---|
| Initial Franchise Fee [3] | $0 - $20,000 | Lump sum | Upon signing the Franchise Agreement | Us |
| Real Estate [4] | Not included in total | Lump sum or open account | As incurred | Suppliers, Landlord |
| Leasehold Improvements [5] | $0 - $400,000 | As incurred | Before Opening | Landlord, Contractors |
| Office identity signs [6] | $700 - $20,000 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Property signs [7] | $8,000 - $20,000 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Printed materials [8] | $1,500 - $3,000 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Orientation [9] | $800 - $2,700 | As incurred | Generally, within 90 days of the Opening Date (as defined in the Franchise Agreement) | Airlines, restaurants, hotels, etc. |
| Legal Expenses [10] | $0 - $4,000 | As incurred | Before Opening | Attorneys |
| Insurance [11] | $1,500 - $11,500 | Lump sum or open account | Within 30 days of signing the Franchise Agreement | Rated carriers |
| Advertising (local)/Grand Opening promotion | $3,000 - $5,000 | As incurred | Before Opening | Advertising agency, media, entertainment |

| Type of Expenditure | Amount | Method of Payment | When Due | To Whom Payment Is to Be Made [2] |
|---|---|---|---|---|
| Computer Equipment and Electronic Data System [12] | $5,000 - $10,000 | Lump sum or an open account | Within 30 days of signing the Franchise Agreement | Suppliers |
| Website [13] | $0 - $10,000 | As incurred | Within 30 days of the Franchise Agreement | Suppliers |
| Facility and space planning [15] | $9,000 - $17,500 | As incurred | Before Opening | Architects, Consultants |
| Furnishings and Communications equipment [6] | $27,000 -$87,500 | As incurred | Before Opening | Suppliers |
| Security and other deposits [17] | $7,500 - $17,700 | As incurred | Before Opening | Landlord, Utilities |
| Prepaid business expenses [18] | $3,000 - $4,600 | As incurred | Before Opening | Suppliers |
| Additional funds (3 months) [19] | $50,000 - $100,000 | As incurred | After Opening | Suppliers |
| **Total Investment for New Start-Up Office** | **$117,000 - $733,500** | | | |

**Notes to Item 7 tables above:**

[1] The two tables included in this Item 7 estimate the initial investment necessary to open a single Coldwell Banker Commercial® office. The first table estimates the expenditures which may be needed to open a conversion office, and the second table estimates the expenditures which may be needed to open a start-up office. The estimates are based on the assumption that the Office will be between 3,000 to 5,000 square feet for up to 30 people (including employees and independent sales associates). We generally offer franchises to established commercial real estate businesses with at least one existing office.

Our goal is to meet the highest professional standards of appearance and functionality in each Coldwell Banker Commercial® office. However, we do not impose requirements as to equipment (except for electronic data processing and reporting), fixtures or other fixed assets. If the appearance of your office does not meet our current standards, we have the right to require you to repaint or refurbish the office before opening your business under the Coldwell Banker Commercial® name. We are unable to estimate the cost, if any, of refurbishing your office since it will depend upon its existing condition.

[2] All payments you make to us or our Related Parties are non-refundable and are not financed, unless otherwise stated. Payments you make to parties other than us or our Related Parties may be refundable and/or financed at the option of the other party. We or a Related Party may offer financing to assist you in paying certain conversion or opening costs associated with your affiliation with the System or offer financing to you for acquisition or recruitment opportunities or other business-related expenses, if you are an existing franchisee. Financed amounts will vary under the circumstances. Any financing will be offered through our applicable form of promissory note. See Item 10 for our current financing terms.

[3] These fees are negotiable by us. We have the right to vary, negotiate or waive (in whole or in part) the initial franchise fee. The initial franchise fee for your Main Office is $20,000 and the initial franchise fee for each additional office is $5,000. We have the right to reduce or waive the initial

franchise fee for eligible franchisees who qualify pursuant to our diversity and veteran program. As of the issuance date of this disclosure document, the initial franchise fee for your Main Office under this program is waived. See Item 5.

[4] If you do not own adequate office space, you must lease an office from which you can operate your Coldwell Banker Commercial® franchise. A range of $0 to $50,000 per year is estimated to cover occupancy costs incurred by franchisees dispersed over a broad geographical area, some of whom own their own real estate and some of whom lease their office space.

[5] In many instances a tenant may be able to negotiate a lease that provides for the landlord to bear most or all of the cost of tenant improvements. However, as a tenant you may have to incur leasehold improvement costs. The length of the lease may have a bearing on tenant or leasehold improvement costs you must pay. Typical build-out costs are generally between $35 to $75 per square foot when significant construction and tenant improvements are necessary, depending on the type of structure. Leasehold improvements may be higher for a start-up franchisee who does not already have a commercial real estate brokerage office that will serve as the Office.

[6] Office identity signs are estimated at $700 for simple single face box signs to $20,000 for large complex signs (excluding installation costs).

[7] Property signs (sale, lease and property management) are estimated at $100 per sign, excluding posts.

[8] Includes business cards at $30 per thousand, envelopes, stationery, assorted brochures and miscellaneous display materials.

[9] Shortly after your Opening Date (as defined in the Franchise Agreement), you, your Responsible Broker or a Designee must attend our "Orientation" program. We do not charge tuition for Orientation; however, if Orientation is offered at a location other than your Main Office, you must pay for travel, lodging and other expenses related to your attendees' attendance at the Orientation. We estimate that travel, lodging and meals for Orientation will range between $800 and $2,700. See Item 11.

[10] Your legal expenses will vary depending upon numerous factors, including your jurisdiction, market prices and whether you retain legal counsel to review this disclosure document and/or the Franchise Agreement and to what extent you seek guidance from legal counsel

[11] You are required to obtain and maintain the insurance coverage we periodically prescribe, as further described in Item 8. The lower end of this estimated range assumes you are a conversion franchisee who already has basic insurance in place, while the higher end of this estimated range assumes you are a start-up franchisee purchasing insurance for the first time. The insurance deposits and premiums may vary by state and depending upon your Franchise may be higher or lower than this range. You may have additional costs as a result of the size of your Franchise or number of Offices, the types of coverage and policies you carry, your claim history, or if you elect to purchase more than the minimum coverage limits required under the Franchise Agreement (See Section 17.2 of the Franchise Agreement).

[12] We estimate the costs for a computer hardware and software system meeting our minimum requirements for an office of 30 people (including employees and/or independent sales associates) ranges from $5,000 to $10,000.

[13] We provide you with a brand consumer website at www.cbcworldwide.com at no additional cost. We also provide you with a brokerage website through a third-party marketing suite focused on commercial business, which can be accessed through CBCDesk, which enables your company, listings and independent sales associates to be displayed and searchable on www.cbcworldwide.com and other brand-provided websites or subdomains, and for you to receive any leads generated via our national marketing efforts. You may also maintain your own website for your Franchise, provided this use of your own website is in compliance with brand standards and with the mandatory provisions of the Identity Standards Manual and the P&P Manual. Implementation and maintenance cost of your own website may vary or increase depending upon the complexity of the functionality on your website, enhancements or other necessary technical requirements.

[14] This is an estimated range of costs you may incur through your first 3 months of operation as a Coldwell Banker Commercial® Real Estate franchisee, including Royalty Fees, Property Management Fees, CMF contributions, utilities, employee salaries and benefits, communications related expenses, general administrative expenses and organizational costs. As a conversion franchisee, you may incur additional miscellaneous expenses in the first 3 months of operation as a Coldwell Banker Commercial® office, including promotional costs announcing your affiliation with Coldwell Banker Commercial Affiliates, the cost of sending additional managers to our training program and the cost of consulting an accountant or other professional advisor. You may incur additional legal expenses for advice on new or evolving federal or state laws associated with brokerage or general business obligations during your first 3 months of operation. Since you are already operating an existing commercial real estate brokerage business, however, you will be best suited to determine the additional funds you will need to operate the office during the first 3 months after conversion. We do not guarantee that you will not have additional expenses converting the business. No financial performance representation is made or implied.

These cost estimates will increase proportionally, if you convert more than one Office. These estimates may also be reduced in some situations, if we exercise our right to negotiate with you certain assistance, allowances, credits and/or other financial accommodations. In some cases, the assistance may include various financing arrangements. See Item 10.

[15] As a start-up franchisee, you may be required to purchase a variety of services to design and plan the Office including space layout, office theme design, remodeling, furnishing, equipment and accessory specification, budgets and financing. The fee for such services will vary depending on your needs and on the size of the office; however, we estimate that costs are generally between $5 to $8 per square foot, depending on layout and design plans.

[16] Furnishings and communications equipment costs can range significantly depending on the requirements of your business. You may also be able to lease or rent these items.

[17] These figures include deposits for rent and utilities. Leasehold deposits and other monthly rental costs may exceed these estimates in certain areas.

[18] Includes estimated expenses to establish accounts, license fees and potential deposits and other miscellaneous expenses.

[19] This is an estimated range of costs you may incur through your first 3 months of operation as a Coldwell Banker Commercial® Real Estate franchisee, including Royalty Fees, Property Management Fees, CMF contributions, utilities, employee salaries and benefits, communications related expenses, general administrative expenses and organizational costs.

As a start-up company and office, you should plan to have a total of $50,000 to $100,000 in working capital for your first 3 months after opening. You should discuss your cash flow needs and capital budgets with a professional accountant or advisor knowledgeable in planning new business enterprises. You may incur additional miscellaneous expenses in the first 3 months, including promotional costs announcing your affiliation with us, the cost of sending additional managers to our transition program and the cost of consulting an accountant or other professional advisor. You may incur additional legal expenses for advice on new or evolving federal or state laws associated with brokerage or general business obligations during your first 3 months of operation. We do not guarantee that you will not have additional expenses starting the business. No financial performance representation is made or implied.

The additional funds figures described in the tables above are estimates only, and we cannot guarantee you will not have additional expenses during the initial 3-month period after you open your Coldwell Banker Commercial® office. Your costs will depend on factors such as: your management skill, experience, and business acumen; local economic conditions; the local market for real estate brokerage services; your agreement regarding commission splits with agents; competition; and your revenues during the initial period.

The estimates in the tables above are based on our estimate of national average costs, market conditions prevailing as of the issuance date of this disclosure document, and our and our Related Parties' experience in the real estate brokerage business, specifically the experience of our affiliate, Anywhere Advisors, which has operated company owned brokerages under our marks and marks of certain of the Real Estate Affiliates since 1997. We strongly recommend that you review the figures and estimates in Items 6 and 7 carefully with a business advisor before you sign the Franchise Agreement.

You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item 7 or estimates that we give during any phase of the conversion or development process.

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

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

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

We do not have specific standards or specifications for the furniture, fixtures and equipment that you use in your Office(s), except that we have minimum computer requirements you must comply with in order to access our reporting system, as further described in Item 11. However, you may purchase computer equipment that

meets these requirements from any source. All furniture, fixtures and equipment you use in your Office(s) must be in good condition and create an overall professional image for your Office(s).

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

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

Except for our reporting system (as described in Item 11), neither we nor any of our Related Parties, require franchisees to use any product or service we or our Related Parties provide

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

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

We and our Related Parties have the right to receive fees, payments, rebates, commissions or other consideration (collectively "Consideration") from Approved Suppliers, vendors affiliated with the Strategic Alliance Program, or other vendors from which you opt to purchase products, services and other items to be used in your real estate business (collectively the "Vendors"), which may or may not be based on sales to franchisees or reasonably related to services we or our Related Parties provide to these Vendors. For any required purchases of products and services by you or other franchisees from Vendors, we and our Related Parties have the right to receive Consideration from Vendors that is generally 0% to 5% of the price you and other franchisees pay to Vendors for these items. We and our Related Parties have the right to increase or decrease this percentage in the future. We and our Related Parties will retain and use any Consideration we receive from Vendors as we deem appropriate.

In 2022, total net revenues of Anywhere Group were approximately $6.9 billion. Of this amount, gross revenue of $1,683,393 or 0.02% of total 2022 Anywhere revenue was from required purchases or leases, or purchases or leases subject to our mandatory standards, specifications and other requirements by the franchisees of the Real Estate Affiliates and us.

You must obtain and maintain for the term of the Franchise Agreement, at your expense, all of the insurance coverage we periodically prescribe, as outlined in the P&P Manual or other communication to you. All policies must be in form and content satisfactory to us and must be issued by an insurer(s) rated A-VIII or better in Class X by Alfred M. Best and Company Inc., or comparably rated by Moody's and/or Standard and Poor's or similarly reliable rating services acceptable to us. Coverage shall be written on a primary and non-contributory basis, and any insurance carried by Franchisor shall be excess. We have the right to change the minimum acceptable rating requirement. In addition, all insurance coverage (excluding workers compensation insurance, cyber insurance and Employment Practices Liability Insurance) must name us, Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.) and their subsidiaries, successors and assigns as additional insureds, and provide that we will receive 30 days' advance written notice of a cancellation of any policy.

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

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

## ITEM 9. FRANCHISEE'S OBLIGATIONS

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

KEY:
- Franchise Agreement: Exhibit C
- Location Addendum: Exhibit C-1
- Term Extension Addendum: Exhibit C-2
- Property Management Office Agreement: Exhibit C-3

| Obligations of Franchisee | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|
| a. Site selection and acquisition/lease | Section 5 of the Franchise Agreement; Section 1 of the Location Addenda | Items 6, 7, 11 and 12 |
| b. Pre-opening purchases/leases | Sections 4 and 9 of the Franchise Agreement | Items 7 and 8 |
| c. Site development and other pre-opening requirements | Sections 2.1–2.4, 4.6–4.8, 9 and 11 of the Franchise Agreement; Section 3 of the Property Management Office Agreement | Items 6, 7, 8 and 11 |
| d. Initial and ongoing training | Section 6 of the Franchise Agreement | Items 11 and 15 |
| e. Opening | Sections 1.7, 4.9, 16.2.3.8 and 16.2.4.7 of the Franchise Agreement | Items 7 and 11 |
| f. Fees | Sections 1.6, 6–9, 11–14 and 15.6 of the Franchise Agreement; Section 1 of the Location Addendum; Section 2 of the Property Management Office Agreement; Section 1 of the Term Extension Addendum | Items 5, 6, 7, 8 and 11 |
| g. Compliance with standards and policies/operating manual | Sections 2.1, 2.3, 4–6, 9–11, 13, 14, 16.2.6, 16.2.7, and 22.2 of the Franchise Agreement; Sections 1, 3–5, and 8–10 of the Property Management Office Agreement | Items 8, 9, 11, 13, 14 and 16 |
| h. Trademarks and proprietary information | Sections 1.7, 2.1.2, 4, 5.3.2, 5.3.3, 10.3, 13, 14 and 16 of the Franchise Agreement | Items 13 and 14 |
| i. Restrictions on products/ services offered | Sections 4, 5.1, 6.4, 9.3, 9.5 11.1 and 14 of the Franchise Agreement; Sections 1, 5 and 11 of the Property Management Office Agreement | Items 8, 11 and 16 |

| Obligations of Franchisee | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|
| j. Warranty and customer service requirements | Sections 10 and 21.2 of the Franchise Agreement | Item 11 and 16 |
| k. Territorial development and sales quotas | Sections 5 and 16.2.7 of the Franchise Agreement | Item 12 |
| l. Ongoing product/service purchases | Sections 4, 6.3, 9 and 11.1 of the Franchise Agreement | Item 8 |
| m. Maintenance, appearance and remodeling requirements | Sections 4.6 – 4.8, 9 and 16.2.6 of the Franchise Agreement; Section 3 of the Property Management Office Agreement | Items 6, 7 and 12 |
| n. Insurance | Section 17.2 of the Franchise Agreement | Items 6 and 8 |
| o. Advertising | Sections 2.1, 4.5, 4.12, 4.13, 8 and 11.1 of the Franchise Agreement; Section 13 of the Property Management Office Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum | Items 6, 7 and 11 |
| p. Indemnification | Sections 11.7 and 17 of the Franchise Agreement | Item 6 |
| q. Owner's participation/ management/staffing | Sections 1.4, 2.3, 10, 13.4 and 2.1 of the Franchise Agreement | Items 11 and 15 |
| r. Records and reports | Sections 9.1 and 13 of the Franchise Agreement; Sections 14 and 15 of the Property Management Office Agreement | Items 6, 8, 11 and |
| s. Inspections and audits | Sections 4.2.2, 4.2.4 and 13 of the Franchise Agreement; Section 15 of the Property Management Office Agreement | Items 6, 11 and 17 |
| t. Transfer | Sections 13.3, 15 and 20.2 of the Franchise Agreement; Section 6 of the Property Management Office Agreement | Items 6 and 17 |
| u. Renewal | Section 16.1 of the Franchise Agreement; Section 1 of the Location Addendum; Section 7 of the Property Management Office Agreement; Section 1 of the Term Extension Addendum | Items 6 and 17 |
| v. Post-termination obligations | Sections 16.4, 16.7 and 20.4 of the Franchise Agreement; | Item 17 |

| Obligations of Franchisee | Section in Franchise Agreement | Disclosure Document Item |
|---|---|---|
| w. Non-competition covenants | Section 20 of the Franchise Agreement; Section 11 of the of the Property Management Office Agreement | Item 17 |
| x. Dispute resolution | Sections 16.6, 16.8,19 and 22.5–22.10 of the Franchise Agreement | Item 17 and cover page |
| y. Other: Guaranty of Payment and Performance of Franchisee's Obligations [1] | Section 1.4 and Exhibit B of the Franchise Agreement | Item 15 |

**Notes to Item 9 table above:**

[1] Each of your "Owners" (and their members, shareholders, partners and spouses, as applicable) must sign a Guaranty guaranteeing your obligations under the Franchise Agreement. If we provide funding, we may require the Owners' spouses to sign a Guaranty as well, depending on the laws of your state.

## ITEM 10. FINANCING

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

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

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

**Notes to Item 10 table above**:

[1] Except as specified herein, we do not impose finance charges in connection with these financing arrangements except for interest charged upon a payment default in the amount of 18% per annum or the highest rate allowed by law.

[2] We may offer a Conversion Promissory Note ("CPN") to assist you in paying certain conversion or opening costs associated with your affiliation with the System, which may include costs for signage, materials, advertising and marketing programs, transitional expenses, acquisition opportunities, recruiting or other business related expenses, provided the funds are used for the Franchise. If we finance these costs, you must execute a CPN, substantially in the form of Exhibit D-1, and an addendum to your Agreement reflecting the terms of the CPN and a General Release in the form of Exhibit C-4, as a condition for funding. The CPN provides for an annual opportunity to achieve forgiveness of a portion of the principal upon satisfaction of certain annual Gross Revenues thresholds. In this event, we will reduce the outstanding balance, by a specified percentage each year until the CPN is effectively forgiven provided you are: (i) in compliance with your Franchise Agreement and any other agreements with us and our Related Parties, including all Notes; and (ii) you maintain certain levels of annual Gross Revenue. The CPN has a maturity date of 9 years from January 1st of the first full calendar year after execution of the CPN. If your Franchise Agreement expires or otherwise terminates prior to the CPN maturity date, any outstanding unamortized principal balance remaining on the CPN will be owed on the expiration or termination date of your Franchise Agreement.

We may condition your receipt of the funding on you signing the CPN within 3 months of the grant of funding.

[3] If you fail to meet the required level of annual Gross Revenue in any calendar year or otherwise fail to meet the requirements for forgiveness under the CPN, we have the right to bill you the agreed upon amount of the annual principal for immediate payment.

[4] We may offer financing opportunities to existing franchisees for acquisition opportunities or other business-related expenses under an interest-bearing Expansion Promissory Note ("Expansion Note") substantially in the form of Exhibit D-2. Expansion Notes are offered in our discretion based on certain criteria, including the length of time remaining in the Term, your credit worthiness and your business operations. The principal amount must be repaid in full 6 months prior to the expiration date of the Agreement. There is no opportunity to achieve forgiveness of the loan.

[5] All Notes must be guaranteed by the Franchisee as well as personally guaranteed by all shareholders, partners, interest holders and their respective spouses, as required by us. You must sign a security agreement for all the Business' assets, including after acquired property. We will file a UCC-1 financing statement with the appropriate governmental authority. (See Exhibit F to the Franchise Agreement or Exhibit D-3.) We have the right to require additional forms of security.

[6] For all Notes, the payments are non-refundable. If you are in default under any Note (which includes without limitation defaults under your Franchise Agreements or other agreements with us and our Related Parties) or your Franchise Agreement is otherwise terminated for any reason while any Note is outstanding, all principal and accrued interest payments are accelerated, and you are obligated to pay immediately the entire amount due as well as any collection costs that may be incurred, including court costs and attorneys' fees. Your failure to pay all amounts when due under any Note may constitute: (i) a default under the Franchise Agreement that may lead to termination of the Franchise Agreement; and (ii) a default under other agreements with us or our Related Parties. Under every Note, you waive various notices, rights and defenses, including your rights to diligence, demand, presentment for payment, notice of nonpayment and protest, and notice of amendments or modifications. You also waive any defense under the statute of limitations and allow that a confessed judgment may be taken against you. (See Exhibits D-1 and D-2.)

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

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

We have the right to offer various financing programs to help franchisees with agent recruiting or other business related expenses. We may also offer various financing programs as part of our diversity and veteran program. We may or may not require you to sign a CPN and have the right to require you to sign a General Release, in the form of Exhibit C-4, as a condition of financing, whether or not you are required to sign a CPN. Where we grant financial incentives as part of our diversity and veteran program, other financing may not be available.

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

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

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

### SITE SELECTION AND TIME TO OPEN

Many franchisees operate a real estate brokerage business before joining the Coldwell Banker Commercial® System and already have an office. If you do not already have an office, you must purchase or lease one. Although we must approve your location, you will need to select your office space, negotiate the purchase agreement or lease, obtain necessary permits, conform the office space to local ordinances and building codes, and construct, remodel or decorate it. We will not handle these tasks for you. However, we have the right to determine that your site does not meet minimum standards and require you to obtain an appropriate site. If we deny approval of a proposed site, you must submit a new location for approval. You may not open an office unless we have approved the site.

Our approval of a site means that, based on the information you provided to us, the site meets our then-current minimum standards. We do not generally own property leased to franchisees for office locations. We will work with you and with suppliers to adapt Coldwell Banker Commercial® signs to local ordinances if they conflict with our Coldwell Banker Commercial® system requirements.

You must obtain our advance written approval for each proposed office location and execute a Franchise Agreement and/or a Location Addendum before you exhibit the Coldwell Banker Commercial® trademarks or offer Coldwell Banker Commercial® services at them. You may not change the location of an office without our prior written permission. If we deny approval of a proposed site, you must submit a new location for approval. You may not open an office unless we have approved the site.

### TIME TO OPEN

Most franchisees convert an existing real estate brokerage office. We estimate that the typical length of time between your signing your Franchise Agreement and opening your office under the Coldwell Banker Commercial® system will be between 30 and 90 days. The factors that affect this time are mostly within your control or the control of suppliers you select. Factors which may affect the time period to open your office include without limitation: your ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures, and signs. If we do not approve your proposed location or if you do not open the Office by the Opening Date in your Franchise Agreement, then we can terminate the Franchise Agreement (Franchise Agreement Sections 1.7 and 16.2.3.8).

### MANUAL AND MARKS

We will provide you with access to the P&P Manual that we furnish to Franchisees for use in operating an Office under the Coldwell Banker Commercial® system. You may view the P&P Manual before you sign a Coldwell Banker Commercial® Franchise Agreement if you sign the Confidentiality Agreement attached to this disclosure document as Exhibit E. The P&P Manual is made up of other manuals, including without

limitation our Identity Standards Manual. The P&P Manual includes mandatory and suggested specifications, standards, trademark and identity standards for use of our Marks, and a wide scope of operating procedures and rules that we have the right to periodically establish. The P&P Manual and its updates may be made available to you through our intranet site, www.mycbcdesk.com. As of the issuance date of this disclosure document, the P&P Manual contained 63 pages and its table of contents is included in Exhibit H. We have the right to make changes to the P&P Manual from time to time which we will provide to you. You will have 90 days to comply with any changes to mandatory provisions that we change in the P&P Manual and you will be responsible for costs associated such changes (Franchise Agreement, Section 10.2.) We do not impose requirements as to equipment, fixtures or other fixed assets (except for computers and signage), or for constructions, remodeling, leasehold improvements or decorating costs. We will provide written specifications for the computer and signage requirements in the P&P Manual. The minimum hardware and software requirements are also outlined in this disclosure document. We may also offer resources and services described in the P&P Manual or otherwise for use by the System. We reserve the right to change or modify the P&P Manual at any time, and to discontinue or add resources and/or services offered to the System at any time. We have the right to provide tools (marketing, sales and productivity) and services funded by us directly, provided for a fee, or funding in party or entirely by the CMF.

**ORIENTATION AND TRAINING**

Orientation is available generally within the first year after you open your Coldwell Banker Commercial® office. (Franchise Agreement, Section 6.1.1.) The orientation consists of an initial welcome to the System following the Opening Date of your office and breakout sessions as set forth in the table below. In addition, following the Opening Date of your office, we will deliver a fully integrated on-boarding program focused on driving immediate incremental business by incorporating the brand in day-to-day business activities. One Responsible Broker (defined in the Franchise Agreement as "your licensed real estate broker as required under the laws of the state in which the Office is located"), or their designee from each Coldwell Banker Commercial® office you license must attend this mandatory orientation program. Attendance by your Responsible Broker or designee is all that we require for that person to be deemed to have completed the orientation program to our satisfaction. We do not currently charge tuition for the orientation. If travel is required you must pay for all travel, lodging, meals and other expenses incurred relating to the attendance of your personnel at the orientation, if any. The cost of travel is approximately $1,500 to $2,000 for each attendee, which includes travel, lodging, meals and other expenses. If you acquire a Coldwell Banker Commercial® office through a transfer of an existing franchise, or if you change commercial managers, attendance of this session is mandatory, and where travel is required, you are responsible for paying your commercial manager's travel, lodging, meals and other expenses in attending the orientation. Following orientation, we provide ongoing support during which a transition team will partner with you for additional training on an as needed basis.

As of the issuance date of this disclosure document, orientation covers the subjects listed in the table below and, we intend to hold orientation self-paced, virtually, or at your Coldwell Banker Commercial® office but reserve the right to hold it at or near our offices in New Jersey. The orientation is conducted by our executives and staff with varying degrees of experience with Coldwell Banker Commercial Affiliates and general expertise in the industry.

## ORIENTATION PROGRAM

| Subject | Hours of Classroom Training | Hours of On-The-Job Training | Location |
|---|---|---|---|
| Overview of Online Tools | 3 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Opening and Office Conversion | 3 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Professional Development | 1 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Marketing Development | 1 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| AGC Reporting and dash Internet based system | 2 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Coldwell Banker Commercial Brand Events and other Commercial Related Real Estate and Industry Events | 1 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Awards and Recognition Programs | 1 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Product Development, Public Relations and Marketing Programs | 2 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| Review Identity Standards | 1 | 0 | Franchisee location, near our Headquarters in New Jersey, or virtually offered |
| **TOTAL** | **15** | | |

We will provide you with materials, which may include materials posted to our intranet site, handouts and other related materials during orientation. All of these materials are and will remain our sole property. (See Item 14.) We do not provide any on the job training. We have the right to change, discontinue or add any learning program for the Coldwell Banker Commercial® system at any time.

## TRAINING

Josh Best, our Director of Learning, supervises our development programs. Mr. Best has held this position since 2022. Each instructor, including outside consultants we may engage to assist in providing training, will generally have at least one year of experience in the real estate industry or in the industry related to the course topic and, unless an outside consultant, will have at least 6 months of experience working with us or our Related Parties. The course materials are compiled by the Director of Learning or Learning Team and will follow the agenda set forth below. These materials are updated for each session to include new products and technology, as appropriate. We have the right to substitute instructors and course content.

During the operation of your franchised Coldwell Banker Commercial® office, we will provide continuing assistance to you with respect to improvements and changes to the Coldwell Banker Commercial® system. Guidance may be in the form of bulletins or other written materials, electronic communication, consultation by telephone or in person at your office, or by other means. (Franchise Agreement, Section 6.2.2.). We will also conduct ongoing education courses, seminars or conferences either at our corporate office, online, in your area, or elsewhere; although we have the right to determine if and/or when these courses may be offered, as well as their duration and content. You must pay for any fees we charge, including fees incurred by us to provide an on-site class at your office, and all your costs of travel, lodging, meals and other expenses. Your attendance at these courses is voluntary. (Franchise Agreement, Section 6.2.) These courses may be face-to-face at various locations, via live Zoom, via telephone, or pre-corded videos/webinars or podcasts. We do not provide any on the job training.

**TRAINING PROGRAM**

| Subject | Hours of Classroom Training | Hours of On-The-Job Training | Location |
|---|---|---|---|
| Junior/Emerging Sales Professional | 45 – virtual classroom | | Location varies; either at or near Franchisee location or our Headquarters in New Jersey or via online or self-paced |
| Regional Meeting – Educational Seminars. Various topics | 4-8 | 0 | Location varies by applicable training locations |
| New Hire | Self-paced online Staged over a 90-day period | 0 | Self-Paced |
| Preconference Seminars - Various topics | 4-8 | 0 | Location varies by applicable training locations |
| Conference Seminars - Various topics | 1-8 | 0 | Location varies by applicable training locations |
| Virtual seminars. Various topics | 4 | 0 | via Virtual Classroom |
| Leadership Development | 24-Classroom | 0 | Classroom – various applicable training locations; or via Virtual Classroom |

| | | | |
|---|---|---|---|
| Seasoned Sales Professional | 25- virtual classroom | 0 | Various applicable training locations |
| Video replays on Various topics | 30-60 minutes each | 0 | Online |

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

**MARKETING AND ADVERTISING**

During the term of your Franchise Agreement, we will provide development, implementation, production, payment and other costs of advertising, marketing and related services and programs through the Commercial Marketing Fund ("CMF") to promote and enhance the awareness level and value of the Coldwell Banker Commercial® service mark and the Coldwell Banker Commercial® brand. (Franchise Agreement, Section 8.) We have the right to use up to 5% of the CMF for advertising that is principally a solicitation of the sale of franchises to grow the System and increase the goodwill of the brand for the benefit of all franchisees.

We manage and administer the CMF pursuant to our franchise agreements. The CMF is a contractually generated fund. It is not a trust and we have no fiduciary or implied duties. CMF contributions are limited to those made by you, other franchisees and Anywhere Advisors, as applicable. We use the CMF for the development, implementation, production, placement, payment and costs of national and regional (as defined by us) advertising, marketing, promotions, public relations and/or other programs, which may include direct mail (and email), market research, social media, customer surveys and test marketing to promote and further the recognition of the Marks, the System and franchisees generally. The CMF may also be used for other purposes, such as website development, online marketing and maintenance for the brand consumer website and accompanying consumer websites and blogs and the System intranet site, search engine marketing and search engine optimization, customer service support, real estate listing enhancement costs and subsidies, listing distribution arrangements, regional and national Coldwell Banker Commercial® system events and related activities, social media development and education, awards, leads management system development, maintenance and updates, lead generation, customer loyalty programs, marketing related to agent or broker productivity or other learning resources, system communications, identity standards and website compliance, brand extension development and marketing, talent attraction initiatives, resources and marketing, software development and distribution and other related activities in support of the Coldwell Banker Commercial® brand and the Coldwell Banker Commercial® system. All CMF funds are deposited into our general operating account and are commingled with our general operating funds. (Franchise Agreement, Section 8.4.) We have the right to use part of the CMF fund for joint or collective advertising campaigns with Related Parties.

You, and all other franchisees, are required to make the monthly contribution to the CMF as described in Item 6. (Franchise Agreement, Sections 8.1 and 8.2.) Other franchisees may pay different amounts based on the language of their franchise agreements. Although the CMF expenditures are intended to maximize general recognition and customer support for all Coldwell Banker Commercial® offices, we cannot assure you that your office will benefit directly from the placement of any advertising and we have no obligation under the Franchise Agreement to place advertising or marketing to directly affect particular markets or regions, including the markets or regions where your Offices are located. The Coldwell Banker Commercial® offices owned and operated by Anywhere Advisors contribute to the CMF on a different basis than other Coldwell Banker Commercial® franchisees.

Each stand-alone Coldwell Banker Commercial® office operated by Anywhere Advisors, and each Coldwell Banker® residential office operated by Anywhere Advisors that is permitted by agreement to use the Coldwell Banker Commercial® Marks, are subject to CMF contributions of a percentage of Gross Revenue on commercial transactions up to a maximum amount on a monthly basis

We may charge all costs for formulation, development and placement of advertising, marketing, promotional and public relations materials to the CMF. This cost will include marketing staff compensation, travel expenses, and a proportionate share of the compensation for our senior management who devote time and render services for advertising, marketing and promotion or the administration of the CMF. The CMF also compensates us or our Related Parties for out-of-pocket costs on behalf of the CMF, and for reasonable expenses incurred for rent, overhead, accounting, collection, reporting, technology system support, marketing product development, legal, human resources, finance, operations, management and other services, which we or our Related Parties provide to, or which relate to the administration of or services provided to, the CMF and its programs (collectively "Corporate Services"). We and our Related Parties may provide certain products and/or services to the CMF, including the Corporate Services outlined above, which would otherwise be provided by unaffiliated third parties, and we and our Related Parties will be entitled to compensation by the CMF for such products and/or services. Any products and/or services provided by us or our Related Parties will be provided at a cost comparable to those costs that the CMF would otherwise incur if the products or services were obtained from unaffiliated third parties. We determine the Corporate Services expenses to be charged the CMF using a combination of direct cost calculations in the case of certain Corporate Services expenses directly attributable to Anywhere Brands as a whole, and where Corporate Services expenses are shared among us and the Real Estate Affiliates, an allocation methodology. In those cases where Corporate Services costs are shared, we and our Related Parties determine how much of the overall expenses incurred for Corporate Services for a calendar year are reasonably attributable to services provided to the CMF and the advertising/marketing funds of the Real Estate Affiliates. These expenses are allocated based on revenue, headcount, usage and similar bases, as we deem appropriate for the specific Corporate Service. The portion of the expense for Corporate Services is then further allocated to the CMF based on the total amount of revenue collected by the CMF in the calendar year as a percentage of the aggregate revenue collected by the CMF and the advertising/marketing funds of the Real Estate Affiliates for the same calendar year. We have the right to periodically modify the allocation process and the methodology described in this paragraph. Specifically, we reserve the right to adjust our method for charging the CMF for Corporate Services to a reasonable management fee calculated as a percentage of the total CMF contributions made by us and our Related Parties, as applicable, and our franchisees for the applicable year according to the following formula: 6% of all CMF revenue up to $7,000,000 and 3% of all CMF revenue over $7,000,000. If implemented, this fee will include the Corporate Services described above and will specifically exclude marketing staff compensation and senior management compensation.

We develop the strategy and implementation for brand campaigns with oversight and input from Anywhere Brands and Anywhere Group senior management personnel. We currently use professional advertising and public relations agencies for the creation, development and placement of the marketing collateral and promotional materials produced for the CMF. We have the right to change agencies at any time without notice to you. We may engage third party vendors or our Related Parties to provide other various products and services to the franchise system and the brand for overall marketing, advertising and other related activities in support of the Coldwell Banker Commercial® brand and the Coldwell Banker Commercial® system, and these vendors and Related Parties will be paid from CMF funds based either directly on invoices charged to us or on an allocation methodology (generally based on usage, headcount or similar bases) for products and services shared among Related Parties. We may target internet-based advertising vehicles, events and on-site promotions for CMF expenditures on a national, regional and local level, although that may change in the future.

In addition to efforts supported by the CMF, you will also incur certain expenses for marketing, promotional and sales expenses, including tools to provide marketing and sales support for your business. The CMF may focus heavily on national marketing and brand recognition. As a result, you will have other marketing and sales expenses for products and services in your local market. You are permitted to create your own marketing materials so long as they comply with the Franchise Agreement and the P&P Manual, including, without limitation the Coldwell Banker Commercial® Identity Standards Manual supplied to you after you become a franchisee.

Upon your written request, we will provide you a financial report on the CMF, which is usually available on or about April 30 of each year. We are not required to cause the CMF to be audited or reviewed by an independent certified public accounting firm. Any CMF revenues not disbursed in the year in which received are carried forward to fund CMF activities in the following year. We anticipate certain funds will be carried from one year to the next to support efforts early in the calendar year before annual contributions accumulate. The CMF may borrow from us or other lenders to cover its deficits or invest any of its surplus for future use.

We anticipate that all of our franchisees will contribute to the CMF, although there is no prohibition against us charging a higher or lower rate for future franchisees. Except as provided in Section 8 of the Franchise Agreement, we assume no liability or obligations for collecting amounts due to the CMF or to administering or maintaining the CMF. We have no implied or fiduciary duties, through course of conduct or otherwise, with respect to our administration and/or management of the CMF. We may pursue franchisees for CMF contributions if we deem such action to be in our best interest. We may also forgive, waive, settle or compromise claims made on behalf of or against the CMF. If we proceed against a franchisee for CMF contributions and other amounts due (including Royalty Fees), we will apply a pro-rata portion of any judgment or settlement amount we receive to the CMF based on the CMF claim's proportionate share of the total amount owed to us and the CMF by the franchisee (excluding any lost profits or liquidated damages amounts). We charge the CMF 30% of the attorneys' fees and other collection costs incurred in any action seeking past due recovery of CMF funds. We may defer or reduce a franchisee's CMF contribution.

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

As of the issuance date of this disclosure document, there is no council composed of franchisees that advises us on advertising policies. We have the right, however, to form, change or dissolve advertising councils. In addition, as of the issuance date of this disclosure document, there are no advertising cooperatives for Coldwell Banker Commercial® franchisees. We have the right, however, to form, change, dissolve or merge advertising cooperatives, and require franchisees to participate in them at a local or regional level.

In 2022, cash disbursements of the CMF were distributed in the following manner: 35% - internet marketing, 43% - marketing, advertising and public relations, 14% - other marketing and 8% - administration.

**COMPUTERS AND ELECTRONIC DEVICES**

We and our Related Parties have developed technology systems, consisting of proprietary software and non-proprietary operating programs, that enable you to transmit required listing information and transaction reporting information and other relevant reporting data via the internet (the reporting system). The reporting system allows a franchisee to access its business data from any computer connected to the internet with no additional software. With the reporting system, a franchisee can maintain listing information and photos, employee rosters, office contact information and download and sort this information for its specific needs. We do not have independent access to the data in your office system, except such data that you transmit to us or enter into the reporting system, and except for MLS data we receive through third-parties. There are no contractual limitations on our right to access this data. We provide the reporting system to you without charge;

however, you must obtain appropriate connectivity and browser software for this application as well as any platform upgrades that may be necessary. You are responsible for purchasing compatible hardware from a vendor you select. We have the right to require you to utilize hardware or additional software from a particular provider (Section 9 of the Franchise Agreement). You can acquire any computer hardware that meets our minimum memory and other standards.

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

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

**Operating Systems:**

| Supported | Recommended |
|---|---|
| Windows 7 and later | Windows 11 |
| Mac OS X 10.10 (Yosemite) and later | Mac OS X 13 (Ventura) |
| Android Red Velvet Cake (11) and later | Android 14 (Upside Down Cake) |
| iOS 14 and later | iOS 16 |

**Windows Browsers:**

| Supported | Recommended |
|---|---|
| Chrome (99) and later | Chrome – automatic updates |
| Edge (99) and later | Edge – automatic updates |
| Firefox (99) and later | Firefox – automatic updates |

**Mac Browsers:**

| Supported | Recommended |
|---|---|
| Safari (13) and later | Safari – automatic updates |
| Chrome (99) and later | Chrome – automatic updates |

**PC System Requirements:**

We are constantly evolving and upgrading tools, platforms, systems and websites (collectively our "Tech Resources") and we expect our franchisees to provide the appropriate hardware, software and internet connectivity that allows the Tech Resources to be fully supported and utilized in your Office(s) over the term of your Franchise Agreement. We design our Tech Resources to work correctly with technology that is widely available, accessible and in broad use.

We will not provide maintenance for your computer hardware. It is recommended that you obtain a service agreement if repair and support are not covered under the warranty that accompanied the various components of your office infrastructure ("technology", "hardware" or other "software"). We have the right to periodically change our standards. While a computer with the technology that is widely available, accessible and in broad use may be able to handle other software applications related to the operation of a Coldwell Banker Commercial® office, we do not represent that the above computer specifications or widely available technology for which we base our Tech Resources on will be sufficient to run any additional

software. Our standards are simply the minimum requirements to operate a Coldwell Banker Commercial® office.

The costs of the minimum hardware and software components required above will vary based on the size of the office and number of independent agents. We estimate the costs for a system that meets these minimum requirements for an office of 30 people (including employees and independent agents) ranges from $5,000 to $10,000. We further estimate the costs for any optional or required maintenance updates, upgrading or support contracts for an office of 30 people (including employees and independent sales associates) will range between $1,000 and $2,000 or more per year.

We and our Related Parties have the right, but not the obligation, to develop further enhancements to the technology system and software packages, some or all of which may result in an access fee or other charges. In addition, we have the right to require you, at your cost, to update, replace or add to your computer equipment (including hardware, software, services, data protection and other related components) during the term of the Franchise Agreement, and there are no contractual limitations on the frequency or cost of this obligation. (Franchise Agreement, Section 9.2.).

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

We offer two online services: www.cbcworldwide.com and www.cbcdesk.com. Cbcworldwide.com® is a publicly accessible brand website that allows us, our Related Parties, you and your independent sales associates to post listings on the internet for consumers worldwide, who can search for listings by geographic regions, price range, size, product type and other pertinent criteria.

Our private intranet site, www.cbcdesk.com is accessible to franchisees and sales associates who subscribe to the System and there is no fee for its use. The site provides various enhancements including expanded industry news, Coldwell Banker Commercial® news and systems, and supplier information. Your main source of electronic Coldwell Banker Commercial® tools and systems is www.cbcdesk.com.

Presently, there are no mandatory fees directly associated with participation in our online site or intranet site. However, you must obtain appropriate connectivity and browser software for this application as well as any platform upgrades that may be necessary.

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

**ANCILLARY SERVICES**

We also may offer ancillary services, directly or through Related Parties, or other companies for a fee, to assist you in enhancing your Franchise. Ancillary services may include loan brokerage, escrow services, title searches, insurance and the like, related to a real estate brokerage operation. We have the right, but not the obligation, to provide you with referrals. We currently do not charge a referral fee for transactions you close with a referred client. The above services may not be available in all markets, and we have the right to add, change or discontinue any ancillary service at any time.

## ITEM 12. TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You must operate your Franchise only from the Office(s) identified in your Franchise Agreement. You must promote your services within the market served by your Office(s). Except as described below, you, and your affiliated agents, may solicit clients from anywhere that your real estate license permits, and in accordance with state and local real estate rules and regulations. Additionally, subject to your real estate license limitations, you may solicit clients using alternative channels of distribution, including the internet, catalog sales, telemarketing or other direct marketing sales.

At any time, we and our Related Parties have the right, without compensation to you, to own, operate, franchise or license others to operate residential or commercial real estate brokerage businesses, including without limitation Coldwell Banker Commercial® offices, and other businesses anywhere within or outside the market area where your Office(s) are located, including locations in immediate proximity to your Office(s). Franchise outlets operating under the trademarks of other Real Estate Affiliates, including those using the Coldwell Banker® marks, that do not principally conduct a commercial real estate business, may also provide services in your general market area related to commercial real estate.

The Real Estate Affiliates grant similar real estate brokerage franchises to operate under the CENTURY 21®, Sotheby's International Realty®, Better Homes and Gardens® Real Estate, ERA® and Corcoran® service marks. Each Real Estate Affiliate is operated separately and distinctly from the others; therefore, we do not resolve conflicts between franchisees of the Real Estate Affiliates regarding territory, customers and franchisor support. We do, however, work with our franchisees to collaboratively resolve conflicts between us and them regarding territory, customers and franchisor support.

Anywhere Advisors currently operates real estate brokerage businesses under the Coldwell Banker®, Coldwell Banker Commercial®, and Sotheby's International Realty® service marks. NRT NY currently operates real estate brokerage businesses under Corcoran® and Corcoran Sunshine® service marks. There is no restriction under the Franchise Agreement that prevents us, the Real Estate Affiliates, Anywhere Advisors, NRT NY or any other present or future Related Party from owning, operating, or franchising or licensing others to operate, real estate brokerages or other businesses under the Coldwell Banker Commercial®, Coldwell Banker®, CENTURY 21®, ERA®, Sotheby's International Realty®, Better Homes and Gardens® Real Estate, and Corcoran® service marks, or any other service marks, anywhere within or outside your market area. Except for real estate license limitations, there are no restrictions on us or our Related Parties, or our or our Related Parties' franchisees, that would prevent us or our Related Parties, or our or our Related Parties' franchisees, from accepting clients or listings within the area in which you operate. You are not entitled to receive any compensation from us or others for any business generated by us or our affiliates, or our or our Related Parties' franchisees, from clients in any market area, including clients in your market area. Further, we and our Related Parties have the right to use and allow our and our Related Parties' franchisees to use, without any compensation to you, alternative channels of distribution, including the internet, catalog sales, telemarketing or other direct

marketing sales, to make sales anywhere within or outside your market area using the Marks or any other service marks.

As further described in Item 1, we and the Real Estate Affiliates subcontract with Anywhere Group and its Related Parties for support services and share office facilities with them in Madison, New Jersey. Except as described in Item 2, each Real Estate Affiliate is operated as a separate company with its own management and marketing personnel and distinct business strategies and objectives. Owning a Franchise does not give you the right to receive a referral from other Coldwell Banker Commercial® offices or those of our Real Estate Affiliates. We do not currently charge a fee for referrals sent through our referral system.

You must not operate your Franchise at any site other than the Office(s) identified in your Franchise Agreement without our prior written approval. If you want to change an Office location within the same general vicinity as your current Office(s), you must request our approval in writing (and submit other relevant information that we request to evaluate your proposal) at least 30 days before the proposed change. We may impose conditions on a location change, including:

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

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

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

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

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

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

We require Minimum Operating Standards in order for you to continue to operate your Coldwell Banker Commercial® Office(s). Commencing with the first full calendar month beginning six months after the Effective Date of the Franchise Agreement, if quarterly Gross Revenues fall below a minimum, we have the right to place you on probation and, if you do not make up the deficiency during the probationary period, we have the right to terminate the Franchise Agreement. The minimum quarterly standard for 2023 is $125,000.00. The minimum quarterly standard can be increased annually by an amount not to exceed 20% of the prior year's amount. During any probationary period, you shall pay a minimum quarterly fee, which is currently $7,500. See Section 16.2.7 of the Franchise Agreement regarding the Minimum Operating Standards.

Generally, we neither grant an area license nor exclusive territorial rights. There is no minimum area of protection or territory granted to franchisees under the Franchise Agreement. However, we have the right to grant to franchisees limited protected areas in which no new franchises will be granted for a period of

time determined by us if we think that local market conditions or other economic factors merit such a decision. We have the right to enter into Franchise Agreements, which may contain materially different terms than those in your Franchise Agreement and may include favorable modifications to any number of standard provisions (including the royalty fees, CMF contribution, term and the granting of certain limited and conditional protected areas or markets). Any grant of limited protected areas must be in writing and will have a specified term. We have the right to terminate such limited areas of protection if a franchisee fails to maintain a level of annual Gross Revenues or other conditions that we determine are appropriate for the maintenance of the protected area granted or otherwise are in default of the Franchise Agreement.

## ITEM 13. TRADEMARKS

You are required to operate under the name "Coldwell Banker Commercial" with a suffix that identifies your Office. According to our P&P Manual, your trade name may be displayed in standard text as well as in a logo format. The specific font type, style, proportions and other specific details of the logo formats are described in specific detail in the Identity Standards and may not be altered by you.

You may also use other current or future "Marks" that we license to you. By Marks, we mean the Coldwell Banker Commercial® service mark and other trademarks, service marks, trade names, designs, logos and other commercial symbols and slogans we periodically designate to use in connection with your Franchise, including the following primary Marks which are registered on the United States Patent and Trademark Office Principal Register:

| Service Mark | Registration No. [Application No.] | Registration Date [Application No.] |
|---|---|---|
| COLDWELL BANKER COMMERCIAL | 1598908 | May 29, 1990 |
| CB Star Logo in a box w/COLDWELL BANKER COMMERCIAL (stacked on right) | 6965494 | January 24, 2023 |
| CB Star Logo in a box w/COLDWELL BANKER COMMERCIAL (stacked below) | [90795228] | [June 25, 2021] |

Under your Franchise Agreement, you also are granted a license to use the CB Star Logo in a box with COLDWELL BANKER COMMERCIAL CB & Design logo (which appears on the front of this disclosure document) with your trade name centered below it or to the right of it after a vertical line. The newly created CB & Star logo was introduced to the System in mid-2021 and will be fully integrated throughout the System by the end of 2023.

We own all of the Marks and the above registrations and pending registrations. All registrations have been renewed on a timely basis and all appropriate maintenance affidavits have been filed. As of the issuance date of this disclosure document, there are no agreements currently in effect which could significantly limit our right to use or to license the Marks in a manner material to you.

We must ensure that all franchisees utilizing the Marks meet our standards. You must follow our rules when you use the Marks. You may only use the Marks in the operation of your Franchise and only in accordance

with the Franchise Agreement, the Brand Identity Standards Manual and the P&P Manual, which contain detailed instructions for use of the Marks. We have incorporated various quality control provisions into the Franchise Agreement. You must fully comply with each and all of the mandatory provisions and standards. You must use the Marks in combination with your trade name, which is the name you must operate the Business solely under. You must identify yourself as the independent owner of the Franchise. You may not use any of the Marks as part of your entity name. You also may not use the Marks on the internet or any similar communications network, including your URL, except in compliance with our guidelines or as otherwise authorized by us. We have the right to apply for and own trade names, trademarks and service marks relating to Improvements (as defined in Section 14.2 of the Franchise Agreement) and such Improvements will be our property.

You are not permitted to use any derivative of the Marks or any confusingly similar mark as a mark by itself or with any other name, brand, design, trademark, service mark, trade dress, logo, domain name, or corporate, trade or business name. You must not directly or indirectly contest our rights to our trademarks (including the Marks).

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

You must notify us promptly if you learn about any unauthorized or improper use of the Marks or if anyone challenges your right to use them. We will take the action we think appropriate. You cannot commence any investigation, complaint or legal action, or communicate with any other person concerning these matters without our prior written consent. You are required by the Franchise Agreement to cooperate with us and our attorneys in handling any complaint or legal action regarding the Marks. We will require you to incur any unreasonable costs in connection with your cooperation related to any complaint or legal action regarding the Marks. Except as required by law, we are not obligated under the Franchise Agreement to protect the Marks or your right to use the Marks or to protect you against claims of infringement or unfair competition arising out of your use of the Marks. We have the right to conduct and control any legal actions or administrative proceedings regarding the Marks. Except as required by state law or state addendum to the Franchise Agreement, we are not obligated by the Franchise Agreement to participate in or indemnify you for litigation or administrative proceedings in which you are named as a party and that involve the license of the Marks to you, regardless of whether the outcome of the proceeding is resolved unfavorably to you.

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

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

## ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

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

We regard various proprietary information used in our business and supplied to you as valuable trade secrets. This proprietary information includes the P&P Manual, information concerning our System, our referral system, education and operational materials, business and marketing plans and resources, computer software programs, technology tools, including the proprietary consumer website, and other technology, and other confidential aspects of our business. You must exert reasonably prudent efforts to maintain the confidentiality of this proprietary information during the term of the Franchise Agreement, as well as after its termination or expiration. This includes informing your Responsible Broker, Office manager(s), independent sales associates and other personnel that these materials are proprietary and supervising their use of the materials. You may not use any confidential, proprietary or trade secret information that we

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

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

You must notify us promptly if you learn about any unauthorized or improper use of our copyrighted materials, trade secrets or other proprietary information, or if anyone challenges your right to use them. We will take the action we think appropriate and have the right to control any administrative proceedings or litigation. We are not obligated, however, to take any action in response to the unauthorized or improper use of our copyrighted materials or trade secrets. You cannot commence any investigation, complaint or legal action, or communicate with any other person concerning these matters without our prior written consent. You are required by the Franchise Agreement to cooperate with us and our attorneys in handling any complaint or legal action relating to our copyrights and trade secrets. Except as required by state law or state addendum to the Franchise Agreement, we are not obligated by the Franchise Agreement to participate in or indemnify you for litigation or administrative proceedings, in which you are named as a party and that involve your use of any proprietary information covered by our copyrights or trade secrets, regardless of whether the proceeding is resolved unfavorably to you.

You must not directly or indirectly contest our rights to our copyrights, copyrighted materials, trade secrets or other proprietary information.

As of the issuance date of this disclosure document, there are no currently effective material determinations of the United States Patent and Trademark Office, the United States Copyright Office, or a court regarding our copyrighted materials, trade secrets or other proprietary information. We have not been notified of any infringement that could materially affect your use of our copyrights, trade secrets or other proprietary information. As of the issuance date of this disclosure document, there are no agreements currently in effect

which could significantly limit our right to use or to sublicense our copyrighted materials, trade secrets or other proprietary information in a manner material to you.

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

You, if you are an individual and obtaining the franchise as a sole proprietor, or your Owners, if you are an entity, must participate in the management of the Franchise. You, your Owners, and your commercial manager (if the Office(s) will be operated by a commercial manager) will exercise your continuous best efforts to maintain, develop and promote the Franchise to its greatest potential and to enhance the goodwill associated with the Marks and the System.

You must retain a Responsible Broker and you, your Owners, your commercial manager(s) and your Responsible Broker must comply with all applicable laws, rules and regulations. Your Responsible Broker or other agreed upon individual must attend our orientation program (see Section 6.1.1 of the Franchise Agreement).

During the term of the Franchise Agreement, you, your Owners (defined in Exhibit C of the Franchise Agreement), officers, guarantors and Responsible Manager cannot engage in any commercial real estate related brokerage business or related business unless the business is being conducted under the Coldwell Banker Commercial® Franchise Agreement. You will require all of your management personnel, including your Responsible Broker and any commercial manager to treat as confidential all information obtained by you regarding the System. The Responsible Broker and commercial real estate manager do not need to have an equity interest in the Franchise.

Each equity interest holder in the franchised business must sign a Guaranty of Payment and Performance, agreeing to discharge all obligations of the "Franchisee," including its payment obligations, under the Franchise Agreement. We have the right to require a spouse not party to the Franchise Agreement to sign a personal guaranty. By signing the Guaranty, a spouse will be jointly and severally liable for all obligations under the Franchise Agreement whether or not the spouse is involved in the operation of the franchised business. This places the personal assets of the owners and the owners' spouses at risk. See Exhibit C.

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

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

If we grant you a Franchise, you must use the Coldwell Banker Commercial® name in connection with services related to the listing, offering, selling, exchanging, purchasing, auctioning, managing, leasing, renting or consulting regarding any and all real property and any ancillary personal property related to a commercial real estate transaction for which a commercial real estate brokerage license is required under applicable law, and any other form of real estate for which a commercial real estate brokerage license is required under applicable law, excluding real estate services defined as Real Estate Related Excluded Businesses (see Section 4.2.1 of the Franchise Agreement). You are not permitted to conduct transactions for residential properties. Residential property is defined as real estate consisting of a residential dwelling (including an apartment within a multi-family building), including leaseholds of dwellings (including rental and management of properties), cooperatives, condominiums, fractional ownership, timeshares, manufactured homes, panelized or pre-

fabricated housing, undeveloped land, resort, farm and ranch real estate and any other form of real estate for which a residential real estate brokerage license is required under applicable law.

Except as otherwise stated in the disclosure document or described in any other agreement with us, you are not obligated to provide all services authorized by us. The grant of the Franchise does not authorize you to engage in any loan origination services, debt or equity placement services, the making of syndicated loans or syndicated equities financing, or any such other similar lending or debt/equity financing business under the System (See Section 4.2.4 of the Franchise Agreement). Any such use of the Marks or the System for the operation of any of the lending related activities described in the preceding sentence would be a default under the Franchise Agreement (see Section 16.2.2 of the Franchise Agreement).

You may be permitted to engage in other business activities with our prior written consent. Such business activities must be conducted under a separate tradename and in a manner (including, but not limited to, segregated workspaces, as we may require, and using a separate telephone number) that eliminates the prospect that the public might believe that the other business relates to the Coldwell Banker Commercial® System in any way. We have the right to establish policies and standards in our Manual about keeping these activities separate from the Franchise (see Section 4.2 of the Franchise Agreement).

To prevent a conflict of interest and to facilitate relationships among franchisees, neither you, your Owners, officers, employees or independent sales associates can directly or indirectly participate in the operation or ownership of any business that provides equipment, services or supplies to franchisees and our Related Parties and their franchisees.

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

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

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

Key:
- Franchise Agreement: Exhibit C
- Location Addendum: Exhibit C-1
- Term Extension Addendum: Exhibit C-2
- Property Management Office Agreement: Exhibit C-3

| THE FRANCHISE RELATIONSHIP | | |
|---|---|---|
| **Provision** | **Section in Franchise Agreement** | **Summary** |
| a. Length of the franchise term | Section 1.5 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum<br><br>_____<br><br>Section 7 of Property Management Agreement | Commences upon the Opening Date and expires on the date 10 years from the Opening Date. We have the right to negotiate with you a greater or lesser term under your Franchise Agreement.<br><br>_____<br><br>One-year term. |
| b. Renewal or extension of the term | Section 16.1 of the Franchise Agreement; Section 1 of the Term Extension Addendum<br><br>_____<br><br>Section 7 of Property Management Agreement | No renewal rights. If we grant you an additional term, we may require you to sign our then current Franchise Agreement or a Term Extension Addendum with materially different terms.<br><br>_____<br><br>Automatic extension of term for additional one-year periods without any further action, until terminated under the agreement. |
| c. Requirements for you to renew or extend | Sections 1.5 and 16.1 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum<br><br>_____<br><br>Section 7 of Property Management Agreement | No renewal rights. If we grant you an additional term, we may require you to sign our then current Franchise Agreement or a Term Extension Addendum with materially different terms.<br><br>_____<br><br>The Property Management Agreement will extend automatically until terminated. |

| THE FRANCHISE RELATIONSHIP | | |
|---|---|---|
| **Provision** | **Section in Franchise Agreement** | **Summary** |
| d. Termination by you | Section 16.2.5 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum | Subject to state law, if a majority owner dies or becomes disabled, you may elect to terminate the Franchise Agreement if certain conditions are satisfied.<br>The Franchise Agreement may also be mutually terminated. |
| e. Termination by us without cause | None | Not applicable. |
| f. Termination by us with cause | Section 16.2.2 of the Franchise Agreement<br>_____<br>Section 8 of Property Management Agreement | We can terminate if you commit a breach, including any one of several listed violations, or if certain events occur; see "g" below.<br>_____<br>Termination of the Franchise Agreement permits us to terminate the Property Management Agreement. |
| g. "Cause" defined - defaults which <u>can</u> be cured | Sections 4.2.4,16.2.3, 16.2.6 and 16.2.7 of the Franchise Agreement | Cause means any material breach by you of your obligations, including non-payment of fees. You have 30 days to cure financial breaches; failure to assign after your death or incompetency; subfranchising by you; failure to comply with all applicable laws; operating any other business within the franchise location using the Marks; failure to properly display and use the Marks; failure to begin operating the Franchise as required under the Franchise Agreement or any Addenda; creation of a security interest in the Franchise Agreement or assets of the Business without our prior written consent; or any other material breach of the Franchise Agreement, or your failure to comply with Section 4.2.4 with regard to providing Financing Excluded Businesses.<br>If you are notified that your office fails to meet our Minimum Office Design and Appearance Standards, you have 90 days to correct the deficiencies. If these deficiencies are not timely corrected, we have the right to terminate the Franchise Agreement.<br>If you fail to meet the Minimum Operating Standards established in the Franchise Agreement, you will be placed on probation. If the deficiency in Gross Revenues is not corrected within the probationary period, we have the right to terminate the Franchise Agreement. See Section 16.2.7 of the Franchise Agreement. |

| THE FRANCHISE RELATIONSHIP | | |
|---|---|---|
| **Provision** | **Section in Franchise Agreement** | **Summary** |
| h. "Cause" defined - defaults which cannot be cured | Section 16.2.4 of the Franchise Agreement | Suspension or revocation of your commercial real estate broker's license; conduct that impairs the goodwill of the Marks or the Coldwell Banker Commercial® System; insolvency or bankruptcy; any default for which you have received notice of termination during the prior 12 months; any material misrepresentation made to us; the operation of a competing residential brokerage business in violation of the in-term non-competition covenant; or abandonment of your Office (which includes failing to commence operation in accordance with the Franchise Agreement). |
| i. Your obligations on termination/non-renewal | Sections 13.2, 16.4–16.9 and 20.4 of the Franchise Agreement | Pay any amounts owed to us or our Related Parties; return to us all of our property; discontinue all use of the Marks; discontinue use of and destroy all signs displaying our unique style, logo, colors, color patterns and designs and/or Marks; refrain from any representation that you are our franchisee or are or have been affiliated with us, and take any affirmative action necessary to remove any use of the Marks in connection with your business; de-identify your business from the System; cancel your fictitious name; immediately advise all of your then-current Clients that you are no longer associated with us; notify phone company and directory publishers, including internet directories; and remove our Marks from any web pages, including social media websites (including all sites controlled by affiliated agents) and cancel, or at our option, assign any URLs with our Marks to us; retain records for three years and for early termination pay "liquidated damages." |
| j. Assignment of Franchise Agreement by us | Section 15.9 of the Franchise Agreement | We have the right to assign if we have completed our obligations or made arrangements for an assignee to fulfill our obligations; your consent is not required. |
| k. "Transfer" by you - definition | Sections 15.1, 15.4 and 15.5 of the Franchise Agreement | Includes the voluntary or involuntary, direct or indirect, sale, assignment, transfer, license, sublicense, pledge, creation of a security interest, or testamentary disposition of any rights under the Franchise Agreement, the assets or income of the Franchise or you, or a controlling interest in your ownership. |

| THE FRANCHISE RELATIONSHIP | | |
|---|---|---|
| **Provision** | **Section in Franchise Agreement** | **Summary** |
| l. Our approval of transfer by you | Sections 15.1 and 15.8 of the Franchise Agreement<br><br>_____<br>Section 6 of Property Management Agreement | We have the right to approve all transfers of 25% or more interest in the franchise, the franchisee or 25% of the assets comprising the Business.<br><br>_____<br>The Property Management Agreement may not be assigned or transferred. |
| m. Conditions for our approval of transfer | Sections 15.5 and 15.7 of the Franchise Agreement | The following conditions apply to a Transfer of the Franchise (as defined under Section 15.4): Current compliance by you with Franchise Agreement; transferee meets our standards for new franchisees; transferee is a licensed real estate broker and arranges for adequate management of the Franchise to Franchisor's satisfaction, transferee agrees to abide by current Franchise Agreement or signs new franchise agreement (as we have the right to determine) and signs a personal guaranty; payment of $5,000 transfer fee; signing by you of a general release; you pay or transferee assumes any outstanding indebtedness you owe us; an audit of your operations; you purchase tail coverage on your errors and omissions insurance policy naming us as an additional insured. |
| n. Our right of first refusal to acquire your business | Section 15.7 of the Franchise Agreement | We have a right to match any offer and 120 days to complete the transaction. We may substitute cash for any payment method set out in offer. |
| o. Our option to purchase your business | None | Not applicable. |
| p. Your death or disability | Section 16.2.3.3 and 16.2.5 of the Franchise Agreement; Section 1 of the Location Addendum; Section 1 of the Term Extension Addendum | We have the right to terminate the Franchise Agreement if the estate does not seek our approval for transfer of the Franchise within 180 days after your death or incapacity in accordance with the Franchise Agreement.<br>If a majority owner dies or becomes disabled, you may elect to terminate the Franchise Agreement if certain conditions are satisfied. |
| q. Non-competition covenants during the term of the franchise | Sections 20.1 and 20.3 of the Franchise Agreement | No involvement in any other real estate brokerage or Real Estate Related Excluded Business (as defined in Section 4.2 of the Franchise Agreement) without our prior written consent; and no ownership interest or receipt of compensation from any business that provides supplies or services to other franchisees or our Related Parties and their respective franchisees without our prior written consent. |

| THE FRANCHISE RELATIONSHIP | | |
|---|---|---|
| **Provision** | **Section in Franchise Agreement** | **Summary** |
| r. Non-competition covenants after the franchise is terminated or expires | None | Not applicable. |
| s. Modification of the agreement | Section 18 of the Franchise Agreement | Modifications must be in writing and signed by you and our authorized officer. However, we have the right to unilaterally modify the P&P Manual. |
| t. Integration/merger clause | Section 22.14 of the Franchise Agreement | Only terms of Franchise Agreement, Exhibits, Addenda, and all agreements signed in connection with it are binding (subject to state law). Any representations or promises made outside the disclosure document and the Franchise Agreement, Exhibits, Addenda, and all other agreements signed in connection with it may not be enforceable. Our integration/merger clause does not disclaim the representations in this disclosure document. |
| u. Dispute resolution by arbitration or mediation | None | Not applicable. |
| v. Choice of forum | Section 22.6 of the Franchise Agreement | Subject to state law, non-exclusive venue and jurisdiction in Morris County, New Jersey and United States District Court for New Jersey. |
| w. Choice of law | Section 22.5 of the Franchise Agreement | Subject to state law, New Jersey law applies (except New Jersey Franchise Practices Act does not apply to offices located outside of New Jersey). |

## ITEM 18. PUBLIC FIGURES

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

## ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the

franchisor's management by contacting Elisabeth Gehringer, 175 Park Avenue, Madison, New Jersey 07940, (973) 407-2383, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**COLDWELL BANKER COMMERCIAL® OUTLETS**
**SYSTEMWIDE OUTLET SUMMARY**
**FOR YEARS 2020 TO 2022 [1][2][3]**
**(Table 1.A)**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| **Franchised** | 2020 | 124 | 123 | (1) |
| | 2021 | 123 | 123 | 0 |
| | 2022 | 123 | 129 | 6 |
| **Company Owned** | 2020 | 3 | 3 | 0 |
| | 2021 | 3 | 3 | 0 |
| | 2022 | 3 | 2 | (1) |
| **Total Outlets** | 2020 | 127 | 126 | (1) |
| | 2021 | 126 | 126 | 0 |
| | 2022 | 126 | 131 | 5 |

**COLDWELL BANKER COMMERCIAL® OUTLETS**
**TRANSFERS OF OUTLETS FROM**
**FRANCHISEES TO NEW OWNERS**
**(OTHER THAN THE FRANCHISOR)**
**FOR YEARS 2020 TO 2022 [1][2]**
**(Table 2.A)**

| State | Year | Number of Transfers |
|---|---|---|
| **Texas** | 2020 | 0 |
| | 2021 | 1 |
| | 2022 | 1 |
| **Total Outlets** | 2020 | 0 |
| | 2021 | 1 |
| | 2022 | 1 |

**COLDWELL BANKER COMMERCIAL® OUTLETS**
**STATUS OF FRANCHISED OUTLETS**
**FOR YEARS 2020 TO 2022 [1][2]**
**(Table 3.A)**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations –Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| **Alabama** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Arizona** | 2020 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Arkansas** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **California** | 2020 | 20 | 0 | 0 | 1 | 0 | 0 | 19 |
| | 2021 | 19 | 1 | 0 | 0 | 0 | 0 | 20 |
| | 2022 | 20 | 1 | 0 | 0 | 0 | 0 | 21 |
| **Colorado** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| **Connecticut** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Delaware** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 1 | 0 | 0 | 0 |
| **Florida** | 2020 | 7 | 0 | 0 | 0 | 0 | 2 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| **Georgia** | 2020 | 10 | 1 | 0 | 0 | 0 | 1 | 10 |
| | 2021 | 10 | 1 | 0 | 0 | 0 | 0 | 11 |
| | 2022 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| **Idaho** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| **Illinois** | 2020 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 1 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| **Indiana** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 1 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Kansas** | 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Kentucky** | 2020 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| **Louisiana** | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 1 | 0 | 0 | 4 |
| | 2022 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| **Maryland** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Massachusetts** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Michigan** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Minnesota** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Mississippi** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Missouri** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Montana** | 2010 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| **Nevada** | 2020 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| **New Jersey** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **New York** | 2020 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2021 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| | 2022 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| **North Carolina** | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| **North Dakota** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Ohio** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| **Oklahoma** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 1 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 | 0 |
| **Oregon** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 1 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Pennsylvania** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| **South Carolina** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| **South Dakota** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Tennessee** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Texas** | 2020 | 12 | 0 | 0 | 1 | 0 | 0 | 11 |
| | 2021 | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| | 2022 | 12 | 1 | 0 | 0 | 0 | 0 | 13 |
| **Utah** | 2020 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| **Virginia** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| **Washington** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| **Wisconsin** | 2020 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 2 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| **Wyoming** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **Totals** | 2020 | 124 | 5 | 0 | 2 | 0 | 4 | 123 |
| | 2021 | 123 | 7 | 0 | 2 | 0 | 5 | 123 |
| | 2022 | 123 | 9 | 0 | 1 | 0 | 2 | 129 |

**COLDWELL BANKER COMMERCIAL® OUTLETS**
**STATUS OF COMPANY-OWNED**
**COLDWELL BANKER COMMERCIAL® OUTLETS**
**OPERATED BY ANYWHERE ADVISORS**
**FOR YEARS 2020 TO 2022 [1][3][4]**
**(Table 4.A)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **Connecticut** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Georgia** | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 1 |
| **Illinois** | 2020 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 2 | 0 | 0 |
| **Totals** | 2020 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 1 | 0 | 2 | 0 | 2 |

**COLDWELL BANKER COMMERCIAL® OUTLETS**
**PROJECTED OPENINGS AS OF DECEMBER 31, 2022 [4][5]**
**(Table 5.A)**

| State | Franchise Agreements Signed But Outlet Not Open | Projected New Franchised Outlets In the Next Fiscal Year | Projected New Company-Owned Outlets In the Next Fiscal Year |
|---|---|---|---|
| **California** | 1 | 2 | 0 |
| **Florida** | 0 | 1 | 0 |
| **Iowa** | 0 | 1 | 0 |
| **Missouri** | 0 | 1 | 0 |
| **Montana** | 1 | 1 | 0 |
| **Ohio** | 0 | 1 | 0 |
| **Tennessee** | 0 | 1 | 0 |
| **Texas** | 0 | 1 | 0 |
| **West Virginia** | 0 | 1 | 0 |
| **Totals** | 2 | 10 | 0 |

**Notes to Item 20 Tables 1.A to 5.A above:**

[1] All numbers are as of December 31 for each year.

[2] The franchised outlets listed in Tables 1.A, 2.A and 3.A are Coldwell Banker Commercial® offices operated by unaffiliated third parties under franchise agreements or addenda with us.

[3] As further described in Item 1, Coldwell Banker Commercial® offices owned and operated by unaffiliated third parties and Anywhere Advisors may offer commercial real estate brokerage services from any of their offices described in Table 1B under the Coldwell Banker Commercial® service mark under franchise agreements or commercial addenda to franchise agreements with us.

[4] In addition to the Coldwell Banker Commercial® and Coldwell Banker® real estate brokerage offices owned and operated by Anywhere Advisors and listed in Tables 4.A and 4.B, Anywhere Advisors owned and operated the following other real estate brokerage offices during the past three years: Sotheby's International Realty®, ZipRealty® and Climb Real Estate® brokerage offices, and NRT NY has owned and operated real estate brokerage offices doing business as Corcoran®, Corcoran Sunshine® and Citi Habitats℠. It is these other offices owned and operated by Anywhere Advisors and NRT NY that are listed as company-owned real estate brokerage offices in Tables 4.C through 4.H in Exhibit I.

[5] We do not intend on opening any company-owned Coldwell Banker Commercial® offices or any other real estate brokerage offices in the next fiscal year. Further, Anywhere Advisors and NRT NY do not project that they will open any other new company-owned offices in the next fiscal year, except that Anywhere Advisors projects that it will open 1 new company owned Sotheby's International Realty® office in the State of New Mexico in the next fiscal year.

[6] The projected openings for 2023 represent estimates only and should not be relied upon in any manner.

## COLDWELL BANKER® OUTLETS
## SYSTEMWIDE OUTLET SUMMARY
## FOR YEARS 2020 TO 2022 [1][2][3]
## (Table 1.B)

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2020 | 1,477 | 1,441 | (36) |
| | 2021 | 1,441 | 1,430 | (11) |
| | 2022 | 1,430 | 1,388 | (42) |
| Company Owned | 2020 | 633 | 602 | (31) |
| | 2021 | 602 | 602 | 0 |
| | 2022 | 602 | 604 | 2 |
| Total Outlets | 2020 | 2,111 | 2,043 | (67) |
| | 2021 | 2,043 | 2,032 | (11) |
| | 2022 | 2,032 | 1,992 | (40) |

## COLDWELL BANKER® OUTLETS
## TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2020 TO 2022 [1][2]
## (Table 2.B)

| State | Year | Number of Transfers |
|---|---|---|
| Arizona | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 1 |
| California | 2020 | 4 |
| | 2021 | 0 |
| | 2022 | 1 |
| Delaware | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 4 |
| Florida | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 0 |
| Georgia | 2020 | 5 |
| | 2021 | 0 |
| | 2022 | 0 |
| Idaho | 2020 | 0 |

| State | Year | Number of Transfers |
|---|---|---|
| | 2021 | 2 |
| | 2022 | 0 |
| **Indiana** | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 1 |
| **Kansas** | 2020 | 0 |
| | 2021 | 0 |
| | 2022 | 1 |
| **Michigan** | 2020 | 2 |
| | 2021 | 1 |
| | 2022 | 1 |
| **Minnesota** | 2020 | 0 |
| | 2021 | 3 |
| | 2022 | 1 |
| **Nebraska** | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 0 |
| **New Hampshire** | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 0 |
| **New Mexico** | 2020 | 0 |
| | 2021 | 1 |
| | 2022 | 1 |
| **New York** | 2020 | 1 |
| | 2021 | 1 |
| | 2022 | 1 |
| **North Carolina** | 2020 | 1 |
| | 2021 | 1 |
| | 2022 | 0 |
| **Oregon** | 2020 | 2 |
| | 2021 | 1 |
| | 2022 | 0 |
| **Pennsylvania** | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 2 |
| **South Carolina** | 2020 | 0 |
| | 2021 | 0 |

| State | Year | Number of Transfers |
|---|---|---|
| | 2022 | 1 |
| Texas | 2020 | 2 |
| | 2021 | 1 |
| | 2022 | 4 |
| Virginia | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 0 |
| Washington | 2020 | 1 |
| | 2021 | 2 |
| | 2022 | 1 |
| Wisconsin | 2020 | 1 |
| | 2021 | 0 |
| | 2022 | 0 |
| Wyoming | 2020 | 0 |
| | 2021 | 1 |
| | 2022 | 0 |
| Total Outlets | 2020 | 24 |
| | 2021 | 14 |
| | 2022 | 20 |

**COLDWELL BANKER® OUTLETS**
**STATUS OF FRANCHISED OUTLETS**
**FOR YEARS 2020 TO 2022 [1][2][4]**
**(Table 3.B)**

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations–Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2020 | 18 | 2 | 0 | 2 | 0 | 1 | 17 |
| | 2021 | 17 | 1 | 0 | 3 | 0 | 0 | 15 |
| | 2022 | 15 | 1 | 0 | 0 | 0 | 0 | 16 |
| Alaska | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Arizona | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations–Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| **Arkansas** | 2020 | 28 | 1 | 0 | 0 | 0 | 3 | 26 |
| | 2021 | 26 | 0 | 0 | 1 | 0 | 0 | 25 |
| | 2022 | 25 | 0 | 1 | 0 | 0 | 0 | 24 |
| **California** | 2020 | 172 | 4 | 0 | 3 | 0 | 5 | 168 |
| | 2021 | 168 | 4 | 0 | 0 | 0 | 5 | 167 |
| | 2022 | 167 | 2 | 0 | 0 | 4 | 12 | 153 |
| **Colorado** | 2020 | 28 | 1 | 0 | 1 | 0 | 1 | 27 |
| | 2021 | 27 | 1 | 0 | 0 | 0 | 1 | 27 |
| | 2022 | 27 | 0 | 0 | 0 | 0 | 0 | 27 |
| **Connecticut** | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 0 | 6 |
| **Delaware** | 2020 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| **Florida** | 2020 | 86 | 2 | 0 | 1 | 0 | 7 | 80 |
| | 2021 | 80 | 4 | 0 | 0 | 0 | 0 | 84 |
| | 2022 | 84 | 4 | 0 | 1 | 0 | 3 | 84 |
| **Georgia** | 2020 | 53 | 0 | 1 | 1 | 0 | 0 | 51 |
| | 2021 | 51 | 0 | 0 | 0 | 0 | 2 | 49 |
| | 2022 | 49 | 1 | 0 | 0 | 0 | 1 | 49 |
| **Hawaii** | 2020 | 15 | 7 | 0 | 0 | 0 | 1 | 21 |
| | 2021 | 21 | 0 | 0 | 1 | 0 | 3 | 17 |
| | 2022 | 17 | 0 | 0 | 0 | 0 | 5 | 12 |
| **Idaho** | 2020 | 17 | 1 | 0 | 0 | 0 | 0 | 18 |
| | 2021 | 18 | 1 | 0 | 0 | 0 | 0 | 19 |
| | 2022 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| **Illinois** | 2020 | 56 | 0 | 0 | 0 | 0 | 1 | 55 |
| | 2021 | 55 | 0 | 0 | 1 | 0 | 5 | 49 |
| | 2022 | 49 | 2 | 1 | 1 | 0 | 1 | 48 |
| **Indiana** | 2020 | 21 | 0 | 0 | 0 | 0 | 0 | 21 |
| | 2021 | 21 | 0 | 0 | 0 | 0 | 0 | 21 |
| | 2022 | 21 | 1 | 0 | 0 | 0 | 0 | 22 |
| **Iowa** | 2020 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| | 2021 | 15 | 0 | 0 | 1 | 0 | 1 | 14 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| | 2022 | 14 | 0 | 1 | 0 | 0 | 0 | 13 |
| **Kansas** | 2020 | 20 | 0 | 0 | 1 | 0 | 0 | 19 |
| | 2021 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| | 2022 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| **Kentucky** | 2020 | 20 | 0 | 0 | 0 | 0 | 0 | 20 |
| | 2021 | 20 | 0 | 0 | 0 | 0 | 1 | 19 |
| | 2022 | 19 | 0 | 0 | 0 | 0 | 0 | 19 |
| **Louisiana** | 2020 | 20 | 0 | 0 | 0 | 0 | 1 | 19 |
| | 2021 | 19 | 2 | 0 | 0 | 0 | 2 | 17 |
| | 2022 | 17 | 0 | 0 | 0 | 0 | 0 | 19 |
| **Maine** | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 1 | 0 | 0 | 6 |
| **Maryland** | 2020 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2021 | 10 | 0 | 0 | 0 | 0 | 0 | 10 |
| | 2022 | 10 | 1 | 0 | 0 | 0 | 0 | 11 |
| **Massachusetts** | 2020 | 10 | 0 | 0 | 1 | 0 | 0 | 9 |
| | 2021 | 9 | 0 | 0 | 1 | 0 | 0 | 8 |
| | 2022 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| **Michigan** | 2020 | 101 | 1 | 0 | 2 | 0 | 1 | 99 |
| | 2021 | 99 | 3 | 0 | 0 | 19* | 1 | 82 |
| | 2022 | 82 | 1 | 0 | 0 | 0 | 0 | 83 |
| **Minnesota** | 2020 | 19 | 1 | 0 | 1 | 0 | 0 | 19 |
| | 2021 | 19 | 1 | 0 | 0 | 2 | 0 | 18 |
| | 2022 | 18 | 1 | 0 | 0 | 0 | 0 | 19 |
| **Mississippi** | 2020 | 20 | 1 | 0 | 1 | 0 | 0 | 20 |
| | 2021 | 20 | 0 | 0 | 0 | 0 | 0 | 20 |
| | 2022 | 20 | 0 | 0 | 0 | 0 | 0 | 20 |
| **Missouri** | 2020 | 18 | 2 | 0 | 2 | 0 | 1 | 16 |
| | 2021 | 16 | 1 | 0 | 0 | 0 | 1 | 16 |
| | 2022 | 16 | 3 | 0 | 0 | 0 | 0 | 19 |
| **Montana** | 2020 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| **Nebraska** | 2020 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| | 2021 | 7 | 2 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 1 | 0 | 0 | 0 | 0 | 10 |
| **Nevada** | 2020 | 15 | 1 | 0 | 1 | 0 | 0 | 15 |
| | 2021 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| | 2022 | 15 | 0 | 0 | 0 | 0 | 0 | 15 |
| **New Hampshire** | 2020 | 16 | 0 | 0 | 0 | 0 | 0 | 16 |
| | 2021 | 16 | 0 | 0 | 0 | 0 | 0 | 16 |
| | 2022 | 16 | 0 | 0 | 0 | 0 | 0 | 16 |
| **New Jersey** | 2020 | 27 | 0 | 0 | 0 | 0 | 2 | 25 |
| | 2021 | 25 | 0 | 0 | 0 | 0 | 0 | 25 |
| | 2022 | 25 | 1 | 0 | 0 | 0 | 1 | 25 |
| **New Mexico** | 2020 | 21 | 1 | 0 | 0 | 0 | 0 | 22 |
| | 2021 | 22 | 0 | 0 | 0 | 0 | 1 | 21 |
| | 2022 | 21 | 0 | 0 | 0 | 0 | 0 | 21 |
| **New York** | 2020 | 72 | 3 | 0 | 1 | 0 | 3 | 71 |
| | 2021 | 71 | 25 | 0 | 0 | 0 | 0 | 96 |
| | 2022 | 96 | 3 | 0 | 0 | 0 | 2 | 97 |
| **North Carolina** | 2020 | 89 | 3 | 0 | 1 | 0 | 4 | 87 |
| | 2021 | 87 | 4 | 0 | 0 | 0 | 2 | 89 |
| | 2022 | 89 | 4 | 1 | 0 | 0 | 1 | 91 |
| **North Dakota** | 2020 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 1 | 0 | 0 | 0 | 2 |
| **Ohio** | 2020 | 35 | 2 | 0 | 0 | 0 | 2 | 35 |
| | 2021 | 35 | 1 | 0 | 0 | 0 | 0 | 36 |
| | 2021 | 36 | 3 | 0 | 0 | 0 | 2 | 37 |
| **Oklahoma** | 2020 | 29 | 0 | 0 | 1 | 0 | 4 | 24 |
| | 2021 | 24 | 0 | 0 | 0 | 0 | 1 | 23 |
| | 2022 | 23 | 1 | 0 | 0 | 0 | 0 | 24 |
| **Oregon** | 2020 | 21 | 1 | 0 | 2 | 0 | 0 | 20 |
| | 2021 | 20 | 1 | 0 | 0 | 0 | 0 | 21 |
| | 2022 | 21 | 1 | 0 | 0 | 5 | 0 | 17 |
| **Pennsylvania** | 2020 | 42 | 0 | 0 | 1 | 0 | 1 | 40 |
| | 2021 | 40 | 0 | 0 | 1 | 0 | 1 | 40 |
| | 2022 | 40 | 0 | 2 | 0 | 0 | 0 | 38 |

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations–Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| **Rhode Island** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| **South Carolina** | 2020 | 16 | 0 | 0 | 0 | 0 | 1 | 15 |
| | 2021 | 15 | 0 | 0 | 0 | 0 | 1 | 14 |
| | 2022 | 14 | 0 | 0 | 0 | 0 | 0 | 14 |
| **South Dakota** | 2020 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 1 | 1 | 0 | 0 | 0 | 2 |
| **Tennessee** | 2020 | 34 | 0 | 0 | 0 | 0 | 1 | 33 |
| | 2021 | 33 | 1 | 0 | 0 | 0 | 0 | 34 |
| | 2022 | 34 | 0 | 0 | 1 | 0 | 1 | 32 |
| **Texas** | 2020 | 75 | 2 | 0 | 0 | 0 | 1 | 76 |
| | 2021 | 76 | 2 | 0 | 0 | 0 | 3 | 75 |
| | 2022 | 75 | 3 | 0 | 0 | 0 | 4 | 74 |
| **Utah** | 2020 | 12 | 0 | 0 | 1 | 0 | 0 | 11 |
| | 2021 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2022 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| **Vermont** | 2020 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2021 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| **Virginia** | 2020 | 36 | 1 | 0 | 1 | 0 | 1 | 36 |
| | 2021 | 36 | 1 | 0 | 1 | 0 | 0 | 36 |
| | 2022 | 36 | 2 | 0 | 0 | 0 | 0 | 38 |

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations–Other Reasons | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|---|
| **Washington** | 2020 | 61 | 0 | 0 | 0 | 0 | 4 | 57 |
| | 2021 | 57 | 1 | 1 | 0 | 0 | 0 | 57 |
| | 2022 | 57 | 1 | 0 | 0 | 28 | 1 | 29 |
| **West Virginia** | 2020 | 10 | 1 | 0 | 0 | 0 | 0 | 11 |
| | 2021 | 11 | 0 | 0 | 0 | 0 | 0 | 11 |
| | 2022 | 11 | 1 | 0 | 0 | 0 | 0 | 12 |
| **Wisconsin** | 2020 | 55 | 1 | 0 | 1 | 0 | 2 | 53 |
| | 2021 | 53 | 1 | 0 | 0 | 5 | 3 | 46 |
| | 2022 | 46 | 0 | 0 | 0 | 0 | 1 | 45 |
| **Wyoming** | 2020 | 8 | 0 | 0 | 0 | 0 | 0 | 8 |
| | 2021 | 8 | 1 | 0 | 0 | 0 | 0 | 9 |
| | 2022 | 9 | 0 | 0 | 0 | 0 | 0 | 9 |
| **Totals** | 2020 | 1,477 | 40 | 2 | 26 | 0 | 48 | 1,441 |
| | 2021 | 1,441 | 57 | 1 | 9 | 26 | 32 | 1,430 |
| | 2022 | 1,430 | 42 | 8 | 4 | 37 | 35 | 1,388 |

*The majority interest in some outlets were temporarily purchased in 2021 fourth quarter by Anywhere Advisors as an interim transaction before disposing of its interest. In 2022, Anywhere Advisors purchased the remaining interest in these offices.

**COLDWELL BANKER® OUTLETS**
**STATUS OF COMPANY-OWNED**
**COLDWELL BANKER® OUTLETS OPERATED**
**BY ANYWHERE ADVISORS**
**FOR YEARS 2020 TO 2022 [1][3][4]**
**(Table 4.B)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **Arizona** | 2020 | 22 | 2 | 0 | 0 | 0 | 22 |
| | 2021 | 22 | 0 | 0 | 1 | 0 | 21 |
| | 2022 | 21 | 0 | 0 | 2 | 0 | 19 |
| **California** | 2020 | 101 | 2 | 0 | 5 | 0 | 98 |
| | 2021 | 98 | 3 | 0 | 2 | 0 | 99 |
| | 2022 | 99 | 5 | 0 | 2 | 0 | 102 |
| **Colorado** | 2020 | 15 | 0 | 0 | 1 | 0 | 14 |
| | 2021 | 14 | 0 | 0 | 0 | 0 | 14 |
| | 2022 | 14 | 0 | 0 | 0 | 0 | 14 |
| **Connecticut** | 2020 | 34 | 0 | 0 | 0 | 0 | 34 |
| | 2021 | 34 | 0 | 0 | 0 | 0 | 34 |
| | 2022 | 34 | 0 | 0 | 2 | 0 | 32 |
| **Delaware** | 2020 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| **District of Columbia** | 2020 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| **Florida** | 2020 | 71 | 0 | 0 | 3 | 0 | 68 |
| | 2021 | 68 | 0 | 0 | 1 | 0 | 67 |
| | 2022 | 67 | 0 | 0 | 5 | 0 | 62 |
| **Georgia** | 2020 | 11 | 0 | 0 | 0 | 0 | 11 |
| | 2021 | 11 | 0 | 0 | 0 | 0 | 11 |
| | 2022 | 11 | 1 | 0 | 0 | 0 | 12 |
| **Hawaii** | 2020 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 6 |
| **Illinois** | 2020 | 32 | 0 | 0 | 2 | 0 | 30 |
| | 2021 | 30 | 0 | 0 | 0 | 0 | 30 |
| | 2022 | 30 | 0 | 0 | 1 | 0 | 29 |

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **Indiana** | 2020 | 3 | 0 | 0 | 0 | 0 | 3 |
| | 2021 | 3 | 0 | 0 | 1 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 0 | 0 | 2 |
| **Kentucky** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Maine** | 2020 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 2 | 0 | 3 |
| **Maryland** | 2020 | 19 | 0 | 0 | 0 | 0 | 19 |
| | 2021 | 19 | 0 | 0 | 2 | 0 | 17 |
| | 2022 | 17 | 0 | 0 | 0 | 0 | 17 |
| **Massachusetts** | 2020 | 63 | 0 | 0 | 5 | 0 | 58 |
| | 2021 | 58 | 0 | 0 | 2 | 0 | 56 |
| | 2022 | 56 | 0 | 0 | 8 | 0 | 48 |
| **Michigan*** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 17 | 0 | 0 | 18 |
| | 2022 | 18 | 0 | 0 | 0 | 0 | 18 |
| **Minnesota*** | 2020 | 18 | 0 | 0 | 1 | 0 | 17 |
| | 2021 | 17 | 0 | 1 | 0 | 0 | 18 |
| | 2022 | 18 | 0 | 0 | 0 | 0 | 18 |
| **Missouri** | 2020 | 16 | 0 | 0 | 1 | 0 | 15 |
| | 2021 | 15 | 0 | 0 | 0 | 0 | 15 |
| | 2022 | 15 | 0 | 0 | 2 | 0 | 13 |
| **Nevada** | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 0 | 0 | 0 | 1 |
| **New Hampshire** | 2020 | 8 | 0 | 0 | 1 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 1 | 0 | 6 |
| **New Jersey** | 2020 | 50 | 0 | 0 | 3 | 0 | 47 |
| | 2021 | 47 | 0 | 0 | 0 | 0 | 47 |
| | 2022 | 47 | 1 | 0 | 1 | 0 | 47 |

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **New York** | 2020 | 24 | 0 | 0 | 1 | 0 | 20 |
| | 2021 | 20 | 2 | 0 | 12 | 0 | 10 |
| | 2022 | 10 | 0 | 0 | 0 | 0 | 10 |
| **North Carolina** | 2020 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 5 |
| **Ohio** | 2020 | 17 | 0 | 0 | 0 | 0 | 17 |
| | 2021 | 17 | 0 | 0 | 0 | 0 | 17 |
| | 2022 | 17 | 0 | 0 | 0 | 0 | 17 |
| | 2022 | 0 | 0 | 4 | 0 | 0 | 4 |
| **Oregon** | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 4 | 0 | 0 | 4 |
| **Pennsylvania** | 2020 | 31 | 0 | 0 | 3 | 0 | 28 |
| | 2021 | 28 | 0 | 0 | 0 | 0 | 28 |
| | 2022 | 28 | 0 | 0 | 1 | 0 | 27 |
| **Rhode Island** | 2020 | 4 | 0 | 0 | 0 | 0 | 4 |
| | 2021 | 4 | 0 | 0 | 1 | 0 | 3 |
| | 2022 | 3 | 2 | 0 | 0 | 0 | 5 |

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **South Carolina** | 2020 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2021 | 13 | 0 | 0 | 0 | 0 | 13 |
| | 2022 | 13 | 1 | 0 | 1 | 0 | 13 |
| **Texas** | 2020 | 34 | 0 | 0 | 1 | 0 | 33 |
| | 2021 | 33 | 0 | 0 | 1 | 0 | 32 |
| | 2022 | 32 | 0 | 0 | 2 | 1 | 29 |
| **Utah** | 2020 | 10 | 0 | 0 | 3 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 0 | 0 | 7 |
| **Virginia** | 2020 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2021 | 7 | 0 | 0 | 0 | 0 | 7 |
| | 2022 | 7 | 0 | 0 | 1 | 0 | 6 |
| **Washington** | 2020 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 1 | 21 | 2 | 0 | 20 |
| **Wisconsin*** | 2020 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2021 | 8 | 0 | 0 | 0 | 0 | 8 |
| | 2022 | 8 | 0 | 0 | 0 | 0 | 8 |
| **Total** | 2020 | 633 | 2 | 0 | 33 | 0 | 602 |
| | 2021 | 602 | 5 | 18 | 23 | 0 | 602 |
| | 2022 | 602 | 12 | 25 | 34 | 1 | 604 |

*Some outlets in the States of Michigan, Minnesota and Washington were purchased by Anywhere Advisors in 2021 and 2022. Several of these outlets will not be operated as full-service offices by Anywhere Advisors but are included in this table.

## COLDWELL BANKER® OUTLETS
## PROJECTED OPENINGS AS OF DECEMBER 31, 2022 [4][5]
## (Table 5.B)

| State | Franchise Agreements Signed But Outlet Not Open | Projected New Franchised Outlets In the Next Fiscal Year | Projected New Company-Owned Outlets In the Next Fiscal Year |
|---|---|---|---|
| **Alabama** | 0 | 1 | 0 |
| **Alaska** | 0 | 1 | 0 |
| **Arkansas** | 0 | 1 | 0 |
| **California** | 1 | 4 | 0 |
| **Colorado** | 0 | 1 | 0 |

| State | Franchise Agreements Signed But Outlet Not Open | Projected New Franchised Outlets In the Next Fiscal Year | Projected New Company-Owned Outlets In the Next Fiscal Year |
|---|---|---|---|
| **Florida** | 1 | 2 | 0 |
| **Georgia** | 0 | 2 | 0 |
| **Hawaii** | 0 | 4 | 0 |
| **Illinois** | 0 | 3 | 0 |
| **Indiana** | 0 | 2 | 0 |
| **Iowa** | 0 | 1 | 0 |
| **Maine** | 0 | 2 | 0 |
| **Michigan** | 0 | 1 | 0 |
| **Minnesota** | 0 | 2 | 0 |
| **Mississippi** | 0 | 1 | 0 |
| **Missouri** | 1 | 0 | 0 |
| **Montana** | 2 | 3 | 0 |
| **New York** | 0 | 2 | 0 |
| **North Carolina** | 1 | 2 | 0 |
| **Ohio** | 0 | 1 | 0 |
| **Pennsylvania** | 0 | 1 | 0 |
| **South Carolina** | 0 | 1 | 0 |
| **Tennessee** | 0 | 2 | 0 |
| **Texas** | 1 | 2 | 0 |
| **Virginia** | 0 | 1 | 0 |
| **Washington** | 0 | 1 | 0 |
| **Wisconsin** | 0 | 1 | 0 |
| **Totals** | 7 | 45 | 0 |

**Notes to Item 20 Tables 1.B to 5.B above:**

[1] All numbers are as of December 31 for each year.

[2] The franchised outlets listed in Tables 1.B, 2.B and 3.B are Coldwell Banker® offices operated by unaffiliated third parties under Franchise Agreements with us.

[3] As further described in Item 1, Coldwell Banker® offices owned and operated by unaffiliated third parties and Anywhere Advisors may offer commercial real estate brokerage services from their offices under the Coldwell Banker Commercial® service mark under franchise agreements or commercial addenda to franchise agreements with us.

In addition to the Coldwell Banker® and Coldwell Banker Commercial® real estate brokerage offices owned and operated by Anywhere Advisors and listed in Tables 4.A and 4.B, Anywhere Advisors owned and operated the following other real estate brokerage offices during the past three

years: Sotheby's International Realty®, ZipRealty® and Climb Real Estate® brokerage offices, and NRT NY has owned and operated real estate brokerage offices doing business as Corcoran®, Corcoran Sunshine® and Citi Habitats℠. It is these other offices owned and operated by Anywhere Advisors and NRT NY that are listed as company-owned real estate brokerage offices in Tables 4.C through 4.F in Exhibit I.

[4] We do not intend on opening any company-owned Coldwell Banker Commercial® offices or any other real estate brokerage offices in the next fiscal year. Further, Anywhere Advisors and NRT NY do not project that they will open any other new company-owned offices in the next fiscal year, except that Anywhere Advisors projects that it will open 1 new company owned Sotheby's International Realty® office in the State of New Mexico in the next fiscal year.

[5] The projected openings for 2023 represent estimates only and should not be relied upon in any manner.

Exhibit G-1 contains a list of Coldwell Banker Commercial® franchisees as of December 31, 2021, along with the address and telephone number of their offices. Exhibit G-3 contains a separate list of names and addresses of Coldwell Banker Commercial® franchisees whose franchise was not yet in operation as of December 31, 2021. Exhibit G-2 contains a list which includes the name, city and state, and the last known telephone number (or other contact information) of every Coldwell Banker Commercial® franchisee who had a franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during 2022, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System. During the last three years, some of our franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We sponsor a Coldwell Banker Commercial Advisory Board. Members of the Advisory Board are our franchisees, who are appointed by the brand President. The purpose of the Advisory Board is to provide a forum for the brand and franchisees to discuss franchise and industry related issues and share information. The Advisory Board has no physical address, e-mail address, telephone number or website.

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

## ITEM 21. FINANCIAL STATEMENTS

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

Audited Consolidated Financial Statements

- Consolidated Statements of Operations for the years ended December 31, 2022, 2021 and 2020;
- Consolidated Statements of Comprehensive (Loss) Income for the years ended December 31, 2022, 2021 and 2020;
- Consolidated Balance Sheets as of December 31, 2022 and 2021;
- Consolidated Statements of Cash Flows for the years ended December 31, 2022, 2021 and 2020;
- Consolidated Statements of Equity for the years ended December 31, 2022, 2021 and 2020; and
- Notes to Consolidated Financial Statements

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

## ITEM 22. CONTRACTS

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

| | | |
|---|---|---|
| 1. | Coldwell Banker Commercial® Franchise Agreement, including Guaranty of Payment and Performance, Security Agreement and State Addenda | Exhibit C |
| 2. | Location Addendum | Exhibit C-1 |
| 3. | Term Extension Addendum | Exhibit C-2 |
| 4. | Property Management Office Agreement | Exhibit C-3 |
| 5. | General Release Agreement | Exhibit C-4 |
| 6. | Conversion Promissory Note | Exhibit D-1 |
| 7. | Expansion Promissory Note | Exhibit D-2 |
| 8. | Security Agreement | Exhibit D-3 |
| 9. | Confidentiality Agreement | Exhibit E |

## ITEM 23. RECEIPTS

Two copies of the detachable receipt are attached to the end of this disclosure document. As indicated, please complete and sign, and return to us our copy of the receipt (copy for Coldwell Banker Real Estate LLC), and sign and complete and keep for your records your copy of the receipt (copy for Prospective Franchisee).

# EXHIBIT A

## STATE SPECIFIC ADDENDA

Following this page are addenda for the states of California, Hawaii, Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin. If you or your Office is located in one of these states, please read the addendum for your state and the addendum to the Franchise Agreement that may apply to your transaction with us.

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

## CALIFORNIA ADDENDUM

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

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

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

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

2. Neither we, any person or franchise broker in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling these persons from membership in this association or exchange.

3. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

5. The Franchise Agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.

6. The Franchise Agreement contains a covenant not to compete which extends beyond termination of the franchise. This provision may not be enforceable under California law.

7. The agreements contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

8. The highest interest rate allowed by law in California is 10% annually.

9. The Franchise Agreement requires you to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-

31516). California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

10. The Franchise Agreement contains a waiver of punitive damages and jury trial provisions. These waivers may not be enforceable under California law.

11. California requires you to maintain an active license to provide escrow services, mortgage services, appraisal services and insurance services. If you do not maintain a license for any of these services, you will not be able to provide the service under California law.

12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

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

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

1. A. This registration is on file or will shortly be on file in the States of Hawaii, Michigan, Minnesota, South Dakota Washington and Wisconsin.

   B. Franchisor is automatically exempt, or has filed for exemptions in the States of California, Illinois, Indiana, Maryland, New York, North Dakota, Rhode Island and Virginia.

   C. No states have refused, by order or otherwise, to register these franchises.

   D. No states have revoked or suspended the right to offer these franchises.

   E. The proposed registration of these franchises has not been withdrawn in any state.

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

3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

1. Regardless of any provision in the Disclosure Document to the contrary, a franchisee may bring a lawsuit in Maryland against us for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document states that the Franchise Agreement will automatically terminate upon the bankruptcy of franchisee. This provision may not be enforceable under current Federal bankruptcy law (11U.S.C. Section 101 et seq.).

3. Items 17c and 17m of the Disclosure Document are revised to provide that we cannot, as a condition to renewal or consent to assignment, require you to release any claims under the Maryland Franchise Registration and Disclosure Law.

4. Regardless of any provision in Item 17 of the Disclosure Document to the contrary, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

1. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, Subdivisions 3, 4 and 5 require, except in certain specified cases, that the franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

2. Item 17(c) and 17(m) are revised to provide that we cannot require you to sign a release of claims under the Minnesota Franchise Act as a condition to renewal or assignment.

3. We are prohibited from requiring you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.

4. We will comply with Minnesota Statute Section 80C.17, Subd. 5 with respect to limitation of claims.

5. A franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

6. Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

7. The following language is added to the end of Item 13:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

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

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

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

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

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

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

1. The North Dakota Securities Commissioner has determined that it is unfair, unjust, or inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota or to arbitration or mediation at a site that is remote from the site of the franchisee's business. Therefore, any references in Item 17(v) of the Disclosure Document and any requirement in Section 19 of the Franchise Agreement that the franchisee consents to the jurisdiction of courts located outside of North Dakota or to arbitration or mediation at a site located outside of North Dakota are deleted.

2. The North Dakota Securities Commissioner has determined that it is unfair and unequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Franchise Agreement is deleted from Item 17c. and from any other place it appears in the Disclosure Document or in the Franchise Agreement.

3. The North Dakota addendum to the Franchise Agreement has been amended to provide that franchisees are not required to consent to a waiver of the right to a class action. This provision has also been added to the North Dakota addendum to the Disclosure Document.

4. Any references in the Disclosure Document and in the Franchise Agreement to any requirement to consent to a waiver of trial by jury are deleted.

5. Any references in the Disclosure Document and in the Franchise Agreement and to any requirement to consent to a waiver of exemplary and punitive damages are deleted.

6. Item 17r. is revised to provide that covenants not to compete, such as those mentioned in Item 17r. of the Disclosure Document are generally considered unenforceable in the state of North Dakota.

7. Any claims arising under the North Dakota franchise law will be governed by the laws of the State of North Dakota.

8. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorneys' fees.

9. Any references in the Disclosure Document and in the Franchise Agreement requiring franchisee to consent to termination penalties or liquidated damages are deleted.

10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

> "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

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

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

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

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

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

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

5. **REGISTRATION OF THIS FRANCHISE DOES NOT CONSTITUTE APPROVAL OR RECOMMENDATION OF THE FRANCHISE BY THE DIRECTOR.**

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

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

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

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

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

1. RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

2. 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.

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

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

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

6. The State of Washington has a statute, RCW 49.62.020, that makes a noncompetition covenant 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.

7. The State of Washington has a statute, RCW 49.62.060, which prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employees 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.

8. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. Nothing set forth in the Franchise Disclosure Document shall waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

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

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

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

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

# EXHIBIT B

**EXHIBIT B**

**FEDERAL AND STATE REGULATORY AUTHORITIES**

CALIFORNIA
California Department of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834
(866) 275-2677 (toll free)
Ask.DFPI@dfpi.ca.gov (email)

HAWAII
Department of Commerce and Consumer Affairs
Business Registration Division
King Kalakaua Building
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2744

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
Indiana Secretary of State
Securities Division
302 West Washington Street
Room E111
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND
Office of Attorney General
Division of Securities
200 Saint Paul Place
Baltimore, Maryland 21202-2020
(410) 576-7786

MICHIGAN
Michigan Department of Attorney General
Consumer Protection Division
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 373-7117

MINNESOTA

Minnesota Department of Commerce
Registration and Licensing Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

NORTH DAKOTA
North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, Fifth Floor
Bismarck, North Dakota 58505-0510
(701) 328-4712

RHODE ISLAND
Rhode Island Department of Business Regulation
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex – Building 68-2
Cranston, Rhode Island 02920
(401) 222-3048

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance-Securities Regulation
124 S. Euclid Avenue, Suite 104
Pierre, SD 57501
Pierre, South Dakota 57501-3185
(605) 773-3563

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

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

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

WISCONSIN
Department of Financial Institutions
Division of Securities
4822 Madison Yards Way, North Tower
Madison, WI 53705
(608) 266-2801

FEDERAL TRADE COMMISSION
Division of Marketing Practices
Bureau of Consumer Protection
Pennsylvania Avenue at 6th Street, NW
Washington, D.C. 20580
(202) 326-3128

## EXHIBIT B

## REGISTERED AGENTS FOR SERVICE OF PROCESS

| | |
|---|---|
| Alabama | Corporate Creations Network Inc. |
| Agent: Address: | 400 Eagle Point Corporate Drive<br>Birmingham, AL 35242 |
| Alaska | Corporate Creations Network Inc. |
| Agent: Address: | 3085 Mountainwood Circle<br>Juneau, AK 99801 |
| Arizona | Corporate Creations Network Inc. |
| Agent: Address: | 3260 N. Hayden Road #210<br>Scottsdale, AZ 85251 |
| Arkansas | Corporate Creations Network Inc. |
| Agent: Address: | 609 SW 8th Street #600<br>Bentonville, AR 72712 |
| California | Corporate Creations Network Inc. [C2250455] |
| Agent: Address: | 4640 Admiralty Way, 5th Floor<br>Los Angeles, CA 90013<br>**AND**<br>Commissioner of Financial Protection and Innovation<br>Department of Financial Protection and Innovation<br>2101 Arena Boulevard<br>Sacramento, CA 95834 |
| Colorado | Corporate Creations Network Inc. |
| Agent: Address: | 155 E. Boardwalk #490<br>Fort Collins, CO 80525 |
| Connecticut | Corporate Creations Network Inc. |
| Agent: Address: | 6 Landmark Square, 4th Floor<br>Stamford, CT 06901 |
| Delaware | Corporate Creations Network Inc. |
| Agent: Address: | 3411 Silverside Road Tatnall Building #104<br>Wilmington, DE 19810 |
| District of Columbia | Corporate Creations Network Inc. |
| Agent: Address: | 1629 K Street, NW, #300<br>Washington, DC 20006 |

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|---|---|
| Florida | Corporate Creations Network Inc. |
| Agent: Address: | 801 US Highway 1<br>North Palm Beach, FL 33408 |
| Georgia | Corporate Creations Network Inc. |
| Agent: Address: | 2985 Gordy Parkway, 1st Floor<br>Marietta, GA 30066 |
| Hawaii | Corporate Creations Network Inc. |
| Agent: Address: | 900 Fort Street Mall #1680<br>Honolulu, HI 96813<br>**AND**<br>Commissioner of Securities<br>Department of Commerce and Consumer Affairs<br>Business Registration Division<br>King Kalakaua Building 335 Merchant Street, Room 205<br>Honolulu, HI 96813 |
| Idaho | Corporate Creations Network Inc. |
| Agent: Address: | 950 W. Bannock Street #1100<br>Boise, ID 83702 |
| Illinois | Corporate Creations Network Inc. |
| Agent: Address: | 350 S. Northwest Highway # 300<br>Park Ridge, IL 60068<br>**AND**<br>Illinois Attorney General<br>500 South Second Street<br>Springfield, IL 62706 |
| Indiana | Corporate Creations Network Inc. |
| Agent: Address: | 8520 Allison Pointe Blvd #220<br>Indianapolis, IN 46250<br>**AND**<br>Indiana Secretary of State<br>200 West Washington Street, Room 201<br>Indianapolis, IN 46204 |
| Iowa | Corporate Creations Network Inc. |
| Agent: Address: | 3106 Ingersoll Avenue<br>Des Moines, IA 50312 |

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|---|---|
| Kansas | Corporate Creations Network Inc. |
| Agent: Address: | 4601 East Douglas Avenue #700<br>Wichita, KS 67218 |
| Kentucky | Corporate Creations Network Inc. |
| Agent: Address: | 101 North Seventh Street<br>Louisville, KY 40202 |
| Louisiana | Corporate Creations Network Inc. |
| Agent: Address: | 1070-B West Causeway Approach<br>Mandeville, LA 70471 |
| Maine | Corporate Creations Network Inc. |
| Agent: Address: | 254 Commercial St. #245 Merrills Wharf<br>Portland, ME 04101 |
| Maryland | Corporate Creations Network Inc. |
| Agent: Address: | 2 Wisconsin Circle #700<br>Chevy Chase, MD 20815<br>**AND**<br>Maryland Securities Commissioner<br>200 St. Paul Place<br>Baltimore, MD 21202-2020 |
| Massachusetts | Corporate Creations Network Inc. |
| Agent: Address: | 225 Cedar Hill Street #200<br>Marlborough, MA 01752 |
| Michigan | Corporate Creations Network Inc. |
| Agent: Address: | 28175 Haggerty Road<br>Novi, MI 48377 |
| Minnesota | Corporate Creations Network Inc. |
| Agent: Address: | 5200 Willson Road #150<br>Edina, MN 55424<br>**AND**<br>Commissioner of Securities<br>Minnesota Department of Commerce<br>85 7th Place East, Suite 280<br>St. Paul, MN 55101 |
| Mississippi | Corporate Creations Network Inc. |
| Agent: Address: | 232 Market Street #1600<br>Flowood, MS 39232 |

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|---|---|
| Missouri | Corporate Creations Network Inc. |
| Agent: Address: | 12747 Olive Boulevard #300<br>St. Louis, MO 63141 |
| Montana | Corporate Creations Network Inc. |
| Agent: Address: | 1925 Grand Avenue #127<br>Billings, MT 59102 |
| Nebraska | Corporate Creations Network Inc. |
| Agent: Address: | 12020 Shamrock Plaza #200<br>Omaha, NE 68154 |
| Nevada | Corporate Creations Network Inc. |
| Agent: Address: | 8275 South Eastern Avenue #200<br>Las Vegas, NV 89123 |
| New Hampshire | Corporate Creations Network Inc. |
| Agent: Address: | 3 Executive Park Drive #201A<br>Bedford, NH 03110 |
| New Jersey | Corporate Creations Network Inc. |
| Agent: Address: | 181 New Road #304<br>Parsippany, NJ 07054 |
| New Mexico | Corporate Creations Network Inc. |
| Agent: Address: | 400 N. Pennsylvania Avenue #600<br>Roswell, NM 88201 |
| New York | Corporate Creations Network Inc. |
| Agent: Address: | 600 Mamaroneck Avenue #400<br>Harrison, NY 10528<br>**AND**<br>New York Secretary of State<br>One Commerce Plaza<br>99 Washington Ave., 6th Floor<br>Albany, NY 12231 |
| North Carolina | Corporate Creations Network Inc. |
| Agent: Address: | 15720 Brixham Hill Avenue #300<br>Charlotte, NC 28277 |

| | |
|---|---|
| North Dakota | Corporate Creations Network Inc. |
| Agent: Address: | 1709 North 19th Street #3<br>Bismarck, ND 58501<br>**AND**<br>North Dakota Securities Department<br>600 East Boulevard Avenue<br>State Capitol, Fifth Floor<br>Bismarck, North Dakota 58505 |
| Ohio | Corporate Creations Network Inc. |
| Agent: Address: | 119 E. Court Street<br>Cincinnati, OH 45202 |
| Oklahoma | Corporate Creations Network Inc. |
| Agent: Address: | 601 South Boulder #600<br>Tulsa, OK 74119 |
| Oregon | Corporate Creations Network Inc. |
| Agent: Address: | 5708 SE 136th Avenue #2<br>Portland, OR 97236 |
| Pennsylvania | Corporate Creations Network Inc. |
| Agent: Address: | 1001 State Street #1400<br>Erie, PA 16501 |
| Rhode Island | Corporate Creations Network Inc. |
| Agent: Address: | 10 Dorrance Street #700<br>Providence, RI 02903<br>**AND**<br>Director, Rhode Island Department of Business Regulation<br>Securities Division<br>1511 Pontiac Avenue<br>John O. Pastore Complex – Building 68-2<br>Cranston, RI 02920 |
| South Carolina | Corporate Creations Network Inc. |
| Agent: Address: | 6650 Rivers Avenue<br>North Charleston, SC 29406 |
| South Dakota | Corporate Creations Network Inc. |
| Agent: Address: | 101 South Reid Street #307<br>Sioux Falls, SD 57103<br>**AND**<br>Department of Labor and Regulation<br>Division of Insurance-Securities Regulation<br>124 S. Euclid, Suite 104<br>Pierre, SD 57501 |

| | |
|---|---|
| Tennessee | Corporate Creations Network Inc. |
| Agent: Address: | 205 Powell Place<br>Brentwood, TN 37027 |
| Texas | Corporate Creations Network Inc. |
| Agent: Address: | 5444 Westheimer #1000<br>Houston, TX 77056 |
| Utah | Corporate Creations Network Inc. |
| Agent: Address: | 2825 East Cottonwood Parkway #500<br>Salt Lake City, UT 84121 |
| Vermont | Corporate Creations Network Inc. |
| Agent: Address: | 145 Pine Haven Shores Road #2296<br>Shelburne, VT 05482 |
| Virginia | Corporate Creations Network Inc. |
| Agent: Address: | 425 West Washington Street #4<br>Suffolk, VA 23434<br>**AND**<br>Clerk of the State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, VA 23219-3630 |
| Washington | Corporate Creations Network Inc. |
| Agent: Address: | 707 W. Main Avenue #B1<br>Spokane, WA 99201**AND**<br>Department of Financial Institutions<br>Securities Division<br>150 Israel Road SW<br>Tumwater, WA 98501 |
| West Virginia | Corporate Creations Network Inc. |
| Agent: Address: | 126 East Burke Street<br>Martinsburg, WV 25401 |
| Wisconsin | Corporate Creations Network Inc. |
| Agent: Address: | 4650 W. Spencer Street<br>Appleton, WI 54914<br>**AND**<br>Administrator, Division of Securities<br>Department of Financial Institutions<br>4822 Madison Yards Way<br>North Tower<br>Madison, WI 53705 |

| | |
|---|---|
| Wyoming | Corporate Creations Network Inc. |
| Agent: Address: | 5830 E. 2nd Street<br>Casper, WY 82609 |

# EXHIBIT C

# COLDWELL BANKER COMMERCIAL
# REAL ESTATE FRANCHISE AGREEMENT

COLDWELL BANKER COMMERCIAL

**REAL ESTATE FRANCHISE AGREEMENT**
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Office I.D. No.

**COMMERCIAL FRANCHISE AGREEMENT**

**1.0 PARTIES AND TERM (Certain terms are defined in Section 3):**

**1.1 Franchisor.** The words "Franchisor," "we," or "us" mean:
**Coldwell Banker Real Estate LLC,** a California limited liability company and its successors and assigns, doing business as **Coldwell Banker Commercial Affiliates.**

By: _____ Date: _____
Name: (the "Effective Date")
Title: Authorized Person

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

_____
(State of Organization: )

By: _____ Date: _____

Print Name: _____

Print Title: Authorized Person

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

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

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

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

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

**1.5 Term of Agreement.** The "Term" starts on the Opening Date and expires ten (10) years after the Opening Date (the "Expiration Date"). The Expiration Date may be extended with our prior written approval. Subject to our approval, you may be granted the right to open additional Offices following the

Effective Date in accordance with Sections 5.4 and 5.5. This Agreement will govern the operation of all Office(s).

**1.6 Initial Franchise Fee:**

**1.6.1** The initial franchise fee for the first COLDWELL BANKER COMMERCIAL office you open is $20,000.

**1.6.2** For additional Branch Offices, you will pay to us an initial franchise fee of $5,000. We may increase this fee for any Branch Offices you open after the Effective Date consistent with the fee charged for Branch Offices in our then-current Disclosure Document. The initial franchise fee for any Limited Purpose Office will vary.

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

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

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

**2.0 FRANCHISEE INFORMATION:**

**2.1 Business Name.** You must operate solely under the trade name "COLDWELL BANKER COMMERCIAL _____," ("Trade Name") and must use no other name in connection with any advertising, or operation of the Business. Any use of your Trade Name following "COLDWELL BANKER COMMERCIAL" must be approved by us, in writing, and must comply with the specific format and style described in the P&P Manual. We have the right to review and change any display of your Trade Name or Marks. You can change the Trade Name only with our prior written approval.

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

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

**2.2 Legal Entity.** If you are an entity, you represent that you were duly formed and are in good standing under applicable laws. You will not include "COLDWELL BANKER" or "COLDWELL BANKER COMMERCIAL" in your legal name. If you are an entity, you represent and warrant that the Authorized Person executing this Agreement in Section 1.2 is duly authorized to execute this Agreement

and all other documents attendant hereto on behalf of the entity including, but not limited to, any documents for Future Offices required pursuant to Section 5. You must notify us in writing of any change to the Person(s) authorized to act on your behalf.

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

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

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

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

Coldwell Banker Commercial Affiliates
Attention: Vice President, Franchise Operations
175 Park Avenue
Madison, New Jersey 07940
cbclegalnotice@cbhomeoffice.com

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

## 3.0 INTERPRETATION:

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

## 4.0 GRANT OF LICENSE:

**4.1 License.** We grant you a nonexclusive license to use the Marks and the System for the Business. You will comply with this Agreement and the P&P Manual in your operation of the Business.

**4.2 Excluded Businesses.** If you or a Related Party intends to operate a real estate or non-real estate related business (as defined below) other than the Business (as defined in Exhibit C) after the Effective Date, it shall be deemed an excluded business (individually and collectively referred to as an "Excluded Business"), the following will apply.

**4.2.1 Real Estate Related Businesses**. You must obtain our prior written consent for any real estate related business, including, but not limited to, title, mortgage, escrow, real estate investment, real estate development, lead management, real estate software or technology related businesses, or

other personal investment interests in real estate related companies, other than the Business (the "Real Estate Related Excluded Business"), you or a Related Party intends to operate. If we consent in writing to your operation of the Real Estate Related Excluded Business, you may operate the Real Estate Related Excluded Business, and no fees will be payable on the Real Estate Related Excluded Business's revenue, if you satisfy the following conditions:

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

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

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

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

(v) You do not create or publish any cooperative advertising for the Excluded Business and your Office(s). You do not mention our Marks, System or your Office(s) and/or any relationship between the Excluded Business and your Office(s) in any advertising or promotional materials.

(vi) If you operate the Excluded Business from the Business's location, you take all steps necessary to avoid confusing the public about whether the Excluded Business is operated under the Marks, which steps include segregation of personnel and workspaces and installation of separate interior and exterior signage for the Excluded Business. On your Business website, you will not promote or identify any Excluded Business (except through a hyperlink to a separate URL with a disclaimer that states the Excluded Business is unrelated to the Marks or the System). Similarly, on the Excluded Business website, you (or your Related Parties) will not promote the Business (other than through a hyperlink to a separate URL). We may impose other reasonable requirements on you to advise consumers that the operations and website of the Excluded Business are not related to us or our System.

**4.2.2** We have the right to audit or review the Excluded Business's financial records if we have a reasonable belief you are diverting revenues qualifying as Gross Revenue to the Excluded Business or are otherwise in violation of this Section. Notwithstanding the terms of this Section, all revenue, commissions, and referral fees the Excluded Business pays or transfers to you will be considered Gross Revenue and subject to fees under this Agreement. This Section 4.2.2 does not apply to the Financing Excluded Businesses defined in Section 4.2.4.

**4.2.3** If any Excluded Business is conducted using the Marks or System or does not meet any conditions we impose in Section 4.2.1 or as reasonably required in the P&P Manual, in addition to our other rights and remedies, any revenue from such products or services will be considered Gross Revenue subject to fees under this Agreement. This Section 4.2.3 does not apply to the Financing Excluded Businesses defined in Section 4.2.4.

**4.2.4** If any Excluded Business involves providing loan origination services, debt or equity placement services, the making of syndicated loans or syndicated equities financing, or any such other similar lending or debt/equity financing business (collectively the "Financing Excluded Businesses"), in addition to complying with the terms and conditions in this Section 4.2 for Excluded Businesses, the following additional restrictions shall apply to those Financing Excluded Business:

(i) There shall be no more than 5% of common ownership in, between or among you and the Financing Excluded Businesses;
(ii) The senior management, including the majority owners, officers and directors of the Financing Excluded Businesses shall have no day-to-day management, control, or decision making in the operation of the Business; and

(iii) You and your majority Owners shall have no day-to-day involvement in the operation, control, or decision making of the Financing Excluded Businesses;

You understand and agree that if you fail to comply with this Section 4.2.4, we will have good cause to terminate your rights under the Agreement as provided in Section 16.2.2

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

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

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

**4.5 Identification and Use of Marks.**

**4.5.1** The Marks, System and other products and items we deliver to you (collectively, the "System Components") are our sole and exclusive property and your right to use them is contingent on your full and timely performance under this Agreement. You will be responsible for the proper use of the System Components and compliance with this Agreement, including use by your Related Parties, independent sales associates and employees. You acquire no rights in the System Components, except for your right to use them under this Agreement. You will not directly or indirectly contest our sole and exclusive rights in the System Components. You will not claim any interest in the System Components that is contrary to this Section or at any time dispute the validity of the Marks and/or the System. You must comply throughout the term of this Agreement with all guidelines instituted by us concerning authorized use of the Marks and the System on the Internet or other communication systems. You will not use the Marks or any other derivative word or mark on the Internet or other computer communications service in connection with your identification and the operation of the Business other than in compliance with the P&P Manual. You will not adopt, use, or seek to register

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

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

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

**4.6 Office Appearance.** We may require reasonable changes or upgrades to the Office(s). You must maintain all Office facilities, equipment, office sign(s), yard signs, stationery goods, and all other items in first-class condition and in compliance with the P&P Manual.

**4.7 Office Sign.** You will install one (1) or more exterior signs displaying your Trade Name. Your sign(s) must conform to the P&P Manual and MUST BE APPROVED BY US IN WRITING IN ADVANCE, AS TO ARTWORK, LETTERING, COLOR SCHEME, SIZE, AND OVERALL APPEARANCE. You must obtain our prior written approval for any exception to Office sign requirements due to local ordinances or other reasons for any Office.

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

**4.9 Business Hours.** You will continuously conduct the Business at the Office(s), which must be open during regular business hours at least 5 days per week, subject to closures for federal, state and local holidays.

**4.10 Disclaimer.** You will place a conspicuous notice on or near the entrance(s) of the Office that clearly states, "EACH OFFICE IS INDEPENDENTLY OWNED AND OPERATED," or any modification of this statement as we may require in the P&P Manual (the "Disclaimer"). You must include the Disclaimer on all signage, business cards, stationery, promotional and advertising materials, website and internet communications, real estate documents, and all other materials.

**4.11 Confidentiality.** You will not disclose and will treat as confidential all of the Confidential Information you have now or in the future. You will not, directly or indirectly, engage or aid in the misappropriation, disclosure, or distribution of any Confidential Information. You will use System Components solely in connection with the Business and will not direct or permit their reproduction without our prior written consent. You will require all of your management personnel, brokers and independent sales associates to treat Confidential Information as confidential.

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

**4.13 Internet Website Look and Feel.** You understand and acknowledge that preserving the integrity and goodwill of the Coldwell Banker Commercial name, Marks and System is of the utmost importance to us and is predicated on a consistent display of our name and Marks. Accordingly, you agree to modify any existing or future website dedicated to the Business to use Web guidelines created by us (and currently provided to you at no cost) that have the same look and feel as our Web site (currently located at www.cbcworldwide.com). The process for the review and approval of your web site will be described in the P&P Manual.

**5.0 OFFICE LOCATIONS:**

**5.1 Office.** You will conduct the Business only from the Office(s) identified in Exhibit D, or any other Office authorized in a writing signed by you and us. You will not operate any other business or engage in any other activity at or from the Office(s), except in compliance with this Agreement.

**5.2 Relocation. Closure or Consolidation of Offices.** You will not relocate, close or consolidate anyOffice or announce any location change without our prior written consent. Unless you receive our written approval, you may not advertise any other location or take any action that leads consumers to believe that you are operating from a location other than an approved Office. You must request our consent for any proposed relocation, closure or consolidation using the procedures described in the P&P Manual.

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

**5.3.1** Operate and grant others the right to operate COLDWELL BANKER COMMERCIAL offices at locations within or outside the area where you operate, on terms we deem appropriate;

**5.3.2** Permit Coldwell Banker residential franchisees to use the Marks and System and list commercial properties using the Coldwell Banker name and marks.

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

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

**5.4 Future Offices.** If you seek to operate the Business from an additional Branch Office or a Limited Purpose Office (collectively referred to herein as a "Future Office") after the Effective Date, we must approve such Future Office in a Location Addendum or a Limited Purpose Office Addendum, as applicable, in the form and with such terms and conditions in effect at that time, signed by you and us. We have the right to accept or reject your application for any Future Office.

**5.5 Limited Purpose Offices.** We may establish and modify requirements for "Limited Purpose Offices" (e.g., property management offices, or administrative offices or other offices authorized to offer limited services). Conditions and restrictions for opening, operating and closing Limited Purpose Offices, including signage, services and fees, will be described in the P&P Manual or in a Limited Purpose Office Addendum.

**6.0 SERVICES AND OBLIGATIONS TO FRANCHISEE:**

**6.1 Our Initial Obligations.** After the Effective Date, we will provide the following services.

**6.1.1 Orientation.** The "Orientation" is our program to introduce the System to the Responsible Broker, commercial manager and other staff. The Orientation will consist of our then-current learning programs and will be held either virtually, at an Office, or at a time and location we designate. If travel is required, you will be responsible for all travel, lodging, meals and other expenses incurred in connection with the attendance of your representative(s) at the Orientation unless specifically mentioned below.

**6.1.1.1** If you are signing this Agreement to acquire a new franchise directly from us, you must register your Responsible Broker or other agreed upon individual ("Designee") for the next available Orientation held after the Opening Date.

**6.1.1.2** If you are signing this Agreement for a location you previously operated under the System, your commercial manager, Responsible Broker, and any office managers must be familiar with our current program, but orientation is not required.

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

**6.2 Continuing Obligations.**

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

**6.2.2 Continuing Assistance.** We will provide you with guidance on compliance with the System in the P&P Manual, bulletins and other written materials, consultations by telephone or in person at our

facilities or an Office, or by other means of communication. We may, at your request, provide special assistance for which you will be required to pay such fees and expenses as we then charge. Any guidance or special assistance we provide is not intended to exercise and does not constitute, control over your day-to-day operation of the Business or to assume any responsibility for your obligations under this Agreement.

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

**6.4 Services and Products**. We and our Related Parties have the right, but not the obligation, to introduce and make available commercial real estate related services and products, including, but not limited to, those related to property management, insurance, software, technology, and communications systems for a fee. For the sake of clarity, we have no obligation to introduce or make any new services or products available.

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

**6.4.2 Essential Services and Products.** If we advise you through written notice that a service or product is an essential element of the System, as we may determine, and accordingly must be utilized, you will, at your sole expense: (i) obtain all necessary equipment, technology, services or products which we advise you are necessary to use the essential service or product; and (ii) begin using such essential service or product within ninety (90) days after your receipt of the written notice.

**6.5 Global Conference.** Your Responsible Broker, Owner or other Designee may attend our annual Global Conference (if held), or at least one national or regional event that we designate in the P&P Manual each calendar year and you will encourage your independent sales associates and employees to attend.

**6.6 No Implied Duties.** This Section 6 describes our express obligations to you. We assume no implied duties to you under this Agreement. This Section 6.6 does not disclaim the representations of the Disclosure Document.

**7.0 FRANCHISE ROYALTIES:**

**7.1 Royalty Fee.**

**7.1.1** Except as described in Section 7.1.3 you will pay us a continuing "Royalty Fee" equal to (i) 6% of the aggregate Gross Revenue for all of your Offices up to $1,000,000 per calendar year for which payments were timely made (excluding Gross Revenue related to Commercial Property Management), plus, (ii) 3% of the aggregate Gross Revenue for all of your Offices in excess of $1,000,000 per calendar year during the Term of this Agreement. If this Agreement expires or terminates after the Effective Date, the Royalty Fee will remain payable on all transactions or contracts made before the expiration or termination date. A Royalty Fee is due on any transaction made using the Marks. For each real estate transaction that occurs on or after the Opening Date, you must report the transaction on the date of settlement (closing) and pay a Royalty Fee by ePay (or other method we may designate) at the time the Gross Revenue is received or receivable by you. Royalty Fees are also due for all transactions and sales contracts entered into before the Expiration Date or the date this Agreement is terminated.

**7.1.2** Royalty Fee and Commercial Marketing Contributions (as defined in Section 8 below) shall not be due on any "Pending Transactions." Pending Transactions are those that are evidenced by a binding agreement between the parties and have been submitted to escrow for closing prior to the Opening Date.

**7.1.3** You will pay us a continuing fee equal to 1.5% of Gross Revenue from Commercial Property Management Services ("Property Management Fee"). You must report and pay us the Property Management Fee by ePay (or other method we designate) at the time Gross Revenue from Commercial Property Management Services is received or receivable by you. You will maintain separate Commercial Property Management Services files, records and bookkeeping.

**7.1.4** Royalty Fees and Property Management Fees are due and payable in U.S. currency.

**7.1.5** **Personal Transactions**. In addition to Royalty Fees due on all third-party transactions, you will pay a Royalty Fee on personal real estate transactions involving you, your Owners and your Related Parties ("Personal Transactions") (whether or not a commission was paid on the transaction), except that we will waive Royalty Fees on three (3) Personal Transactions per calendar year if (a) you did not collect a commission or fee on the Personal Transaction, and (b) submit documentation that we may require to confirm eligibility for the waiver. Except as may be set forth in the P&P Manual, for any other transactions on which you do not charge a commission you will pay a Royalty Fee based on your regularly charged brokerage commission or fee.

**7.1.6** If the Marks are used in any transaction involving real property excluded from the Royalty Fee under Section 4.2 (Excluded Business), receivables from that transaction will be included in your Gross Revenue.

**7.1.7** We reserve the right to charge a Minimum Annual Royalty Fee for new Branch Offices opened in certain markets, which fee will vary based upon the market and specific circumstances. Such fee will be payable by January 10th of the following calendar year, but only if your Royalty Fee payments for the calendar year are less than the Minimum Annual Royalty Fee.

## 8.0 COMMERCIAL MARKETING FUND CONTRIBUTION:

**8.1 Commercial Marketing Fund Contribution.** You will pay us each month during the Term by ePay (or other method we designate) a Commercial Marketing Fund ("CMF") contribution equal to 2% of your Gross Revenue, subject to the terms of the minimum and maximum monthly CMF contributions described in Section 8.2 and the terms of this Section 8.0. You must pay the CMF contribution for each month within twenty (20) days after being invoiced.

**8.2 Minimum Monthly Contribution.** For each Office, your monthly CMF contribution will be subject to minimum and maximum requirements. As of January 1, 2023, minimum and maximum monthly CMF contributions for each Office are $582 and $1,614, respectively. Minimum and maximum monthly CMF contribution levels may be increased under Section 12.1 and may be changed between the Effective Date and the Opening Date. If you open a Future Branch Office, the minimum and maximum monthly CMF contributions for each Future Branch Office will be the minimum and maximum monthly contribution as published in our then-current Franchise Disclosure Document and will be contained in the Branch Office Location Addendum. If we determine the current required maximum and minimum CMF contributions are greater than necessary to effectively conduct the advertising, public relations and/or promotional campaigns of the CMF, we have the right to reduce the maximum and minimum CMF contributions as we deem

appropriate. We have the right, with at least thirty (30) days' notice to you, to restore the maximum and minimum CMF contributions.

**8.3 Use and Management of the CMF.**

**8.3.1** The CMF is not held in trust and we do not manage it in a fiduciary capacity. The CMF is a contractually generated fund. We may deposit CMF contributions with our other monies but will separately and distinctly identify and account for CMF contributions on our books and records. We use the CMF for the development, implementation, production, placement, payment and costs of national and regional marketing (as defined by us) advertising, marketing, promotions, public relations and/or other programs, which may include direct mail (and email), market research, social media, customer surveys and test marketing to promote and further the recognition of the Marks, the System and franchisees generally. The CMF may also be used for other purposes such as website development, marketing products for broker and agent use, online marketing and maintenance for the brand consumer website and accompanying consumer websites and blogs and the System intranet site, search engine marketing and search engine optimization, customer service support, real estate listing enhancement costs and subsidies, listing distribution arrangements, regional and national COLDWELL BANKER COMMERCIAL® system events and related activities, social media development and learning, awards, lead management system development, maintenance and updates, lead generation, customer loyalty programs, marketing related to agent or broker productivity or other learning resources, system communications, identity standards and website compliance, brand extension development and marketing, talent attraction initiatives, resources and marketing, software development and distribution and other related activities in support of the COLDWELL BANKER COMMERCIAL® brand and the COLDWELL BANKER COMMERCIAL® system. The CMF compensates us or our Related Parties for out-of-pocket costs on behalf of the CMF, for marketing staff compensation and a portion of our senior management compensation. It also compensates us and our Related Parties for reasonable expenses incurred for rent, overhead, accounting, collection, reporting, technology system support, marketing product development, legal, human resources, finance, operations, management and other services, which we or our Related Parties provide to, or which relate to the administration of or services provided to, the CMF and its programs (collectively "Corporate Services"). We and our Related Parties may provide certain products and/or services to the CMF, including the Corporate Services outlined above, which would otherwise be provided by unaffiliated third parties. Any products and/or services provided by us or our Related Parties will be provided at a cost comparable to those costs that the CMF would otherwise incur if the products or services were obtained from unaffiliated third parties.

**8.3.2** We are not required to use or allocate CMF contributions on a proportional basis with the contributions collected from any geographic area or to benefit any particular franchisee or group of franchisees. We are not obligated to use CMF contributions in the year we receive them. If we spend less of the CMF in any year than we collect, the excess contributions will be accumulated for use in future years. The CMF may borrow from us or other lenders to cover deficits of the CMF or invest any of its surplus for future use. In the event that CMF contributions made by any of our Related Parties in any calendar year exceed the total amount required to be contributed during such calendar year, such Related Parties will have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the CMF or to use such excess as a credit against future contributions that may become due.

**8.3.3** On your written request, we will provide you with a financial report of the CMF showing the total CMF contributions collected and disbursed for the previous year, certified to be true and correct by

one of our authorized officers. We are not required to cause the CMF to be audited or reviewed by an independent certified public accounting firm. The report is typically available after April 30th of the following year.

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

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

**9.0 TECHNOLOGY:**

**9.1 Internet Reporting System.** You must use our or our Related Parties' internet-based reporting system to promptly report all listings, pending and closed transactions and Commercial Property Management Services for which a Royalty Fee or Property Management Fee is, or may be, payable. The system consists of our proprietary software and non-proprietary operating programs that enables you to transmit required listing information, transaction information and other data. We will provide the reporting system to you without charge. You must obtain appropriate connectivity and browser software for this application as well as any platform upgrades that may be necessary. You are responsible for purchasing compatible hardware from a vendor you select. We have the right to request any supplemental transactional information (i.e., listing, transaction, and other data) yearly or quarterly.

**9.2 Technology Tools.** We may make available to you technology products or services provided by us, our Related Parties, or Approved Suppliers, including the reporting system set forth in Section 9.1, ("Technology Tools") as designated and for the purposes set forth in the P&P Manual. We have the right to require you to use a specific Technology Tool as we deem essential for the System as set forth in Section 6.3. We, our Related Parties, or Approved Suppliers, may (a) charge a fee and (b) require execution of separate legal terms for access to a Technology Tool. Technology Tools are made available on an "as is' basis, subject to applicable terms. You will use your best efforts to properly use any Technology Tool for its designated purpose and to ensure all employees and independent sales associates properly use such Technology Tool.

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

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

**9.5 Additional Products and Technology.** You agree, at your sole expense, to purchase or participate in any additional programs that may require special licensing, software, other technology products or upgrades to

the Technology Tools which we may deem necessary from time to time to improve the services and efficiency of operation of the System.

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

## 10.0 MANAGEMENT AND GOODWILL:

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

**10.2 P&P Manual.** We will provide you with access to the P&P Manual on our intranet site. The P&P Manual contains various suggestions as well as certain mandatory specifications, standards and operating procedures that we have developed as part of the System. You acknowledge that the mandatory provisions of the P&P Manual are designed to protect our standards and systems, our Marks and the goodwill associated with the System, and not to control the day-to-day operation of the Business. You must comply with all mandatory provisions in the P&P Manual and ensure compliance with such mandatory provisions by your brokers, independent sales associates, employees, Responsible Broker and Related Parties for the protection of the COLDWELL BANKER COMMERCIAL brand and System.

We reserve the right to make reasonable changes in the P&P Manual that we determine are appropriate in our Reasonable Business Judgment for the continued success and development of the System and its franchisees. We may also modify the P&P Manual at any time to reflect changes in the System and will reflect those in the P&P Manual located on the intranet site. At your own expense, you must adopt on a timely basis (but no later than ninety (90) days after notice) any such modifications. If there is any conflict, discrepancy or ambiguity between the terms of this Agreement and the P&P Manual, the terms of this Agreement will control. If a dispute arises over the P&P Manual contents, the master copy that we maintain on our Intranet site, will control.

**10.3 Ethical Conduct, Consumer Relations and Protection of Goodwill.** You must give prompt, courteous and efficient service to the public and operate the Business in compliance with the requirements set forth in the P&P Manual and professional standards to preserve and enhance the value and goodwill of the Marks and the System. You will uphold, and take reasonable steps to ensure that your brokers, independent sales associates and employees uphold, high standards of honesty, integrity, fair dealing and ethical conduct in dealing with the general public, customers of the Business, other franchisees, us and our Related Parties. You hereby authorize any federal, state or local body regulating or supervising real estate practices to release to us information about complaints and disciplinary actions related to your (or your Related Parties') practices. You will notify us within five (5) business days of any such complaints or disciplinary actions. You must maintain all required permits, certificates and licenses in good standing and in compliance with applicable laws. You

must operate the Business, and take reasonable steps to ensure that your brokers, independent sales associates and employees operate the Business, in compliance with all laws, including laws and regulations of the real estate commission or other licensing authority governing your operation, and applicable data protection, advertising, intellectual property, Do Not Call, and fair housing laws and the Real Estate Settlement Practices Act. We and you acknowledge that disputes may arise between you, or your Related Parties or independent sales associates, and a client or other Person involved in a real estate transaction, and that it is in the best interest of all parties, when possible, to quickly resolve disputes. You must promptly respond to all complaints received from your clients or other individuals in an attempt to resolve the dispute in a reasonable business manner. In connection with any consumer complaints that we receive from your clients regarding the Business, you will cooperate and respond to any inquiry from us and provide us with all information reasonably related to any such complaints. You will not make or publish any statement or advertisement which would reasonably be expected to demean the image, value, identity, reputation or goodwill associated with our name or the

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

## 11.0 OTHER COSTS AND OBLIGATIONS OF FRANCHISEE

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

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

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

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

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

**11.6 Net Worth and Working Capital.** You acknowledge that a material consideration for us in granting you rights under this Agreement is your representation that you and your Owner(s) are financially responsible and have both (A) a net worth in tangible assets in excess of $250,000 (which may include certain retirement accounts), not including (i) the value of any interest in this Agreement (or Notes provided to you from Anywhere in conjunction with this Agreement) or (ii) any of the Company's working capital

(defined as total current assets less total current liabilities, all prepared in accordance with generally accepted accounting principles); and (B) liquid assets (cash or securities that can be easily converted into cash) of at least $175,000. You agree and warrant that you will maintain the minimum net worth and liquid assets requirements through the Term. You further agree that maintaining these requirements and remaining in financial good standing with us and your creditors is critical to the protection of our Goodwill and Marks. If the net worth requirement is not met at any time, you must procure a guarantor acceptable to us to the extent of the deficiency, which guarantor will not only guarantee your performance under this Agreement, but also your duties to your clients and to the public.

**11.7 Listing and Pending Listing Inventory.** You will provide, within fifteen (15) days of the Effective Date, and thereafter maintain with us, a complete and current inventory of all listings, pending or otherwise, of your Business, in our required format, except as otherwise required by Section 7.1.2 as it relates to Pending Transactions. You will use best efforts to ensure that all listing inventory and transaction information, pictures, media and other listing content (collectively "Listing Content") are true and accurate. You will procure the permission of the property's owner(s) to depict the property in Listing Content for Permitted Purposes as defined below. To the extent you own any copyright to any Listing Content you supply to us (including those used in listings on our website), you irrevocably consent to our royalty free use of the Listing Content or any portion thereof for any purpose (including purposes beyond selling the property, such as to promote our brand and our business generally), and in any manner or medium now known or developed in the future, which may include use of your Listing Content or portions thereof on consumer facing websites, and our sublicensing of your Listing Content to Related Parties and third parties, like listing portal aggregators or services, whether web-based or otherwise, as we deem appropriate in our Reasonable Business Judgment (collectively "Permitted Purposes"). You may elect to opt out of us providing your Listing Content to third parties by providing express prior written notice to us. To the extent you provide Listing Content with copyrights owned by third parties (including, but not limited to, agents, photographers and videographers), you will procure all necessary rights and licenses to authorize our use for Permitted Purposes, and you will furnish proof of same if requested. You agree that if you do not furnish proof of the foregoing rights and licenses that is satisfactory in our Reasonable Business Judgment, we have the right to refuse to use the Listing Content. You agree to indemnify and hold us harmless against any third-party claims that our use infringes such third party's rights or as to any claims relating to Listing Content.

**12.0 FEE INCREASES:**

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

**12.2 Other Fee Increases.** We have the right to impose, eliminate or modify fees, including, learning fees, fees to participate in programs or services, administrative fees, referral fees, late charges, returned check charges, cancelled audit and access fees, which revisions are not subject to the limitations of Section 12.1.

**13.0 RECORDKEEPING; AUDIT:**

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

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

**13.1.2 Financial Statements.** Upon our request, you will provide us a detailed balance sheet and profit and loss statement. You will submit any additional information we require in the P&P Manual or otherwise. You will also supply a complete financial statement and a copy of your federal tax return on an annual basis within one hundred twenty (120) days of your fiscal year-end. You, your authorized officer, or a general partner, if applicable, or your independent accountant will sign the financial statement certifying its truth and accuracy. Financial statements must be prepared in accordance with generally accepted accounting principles.

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

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

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

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

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

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

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

**13.5 Other Matters relating to Information.** We expressly agree to keep confidential any financial statements you submit under the Agreement, provided that our confidentiality obligations do not extend to information that (a) is or becomes generally available to the public; (b) was in our possession before it was furnished; (c) is or becomes available to us from a source that is not prohibited from disclosing such information by any confidentiality obligation; or (d) is independently developed by us. This restriction shall not apply if we (or any of our Related Parties) are required under a court or government agency order or applicable law to disclose any non-public information we received. Other than financial statements, no information supplied to us will be considered confidential, including the Client Information (as defined in Section 16.7.3). We have the right to use any information you supply, including Client Information; (i) for our own business purposes, including displaying franchisee performance awards, (ii) to disclose information as may be required by law and governmental authority, (iii) to disclose information to our Related Parties and third parties in connection with the system and offering products and services, and (iv) to aggregate your information with other franchisee information and disclose aggregated information or anonymized information as we deem appropriate. You will provide us and/or cooperate with us in collecting other information as we may reasonably request, including information for research and development of services, products and programs, identification of demographic information, industry reports and preparation of our Disclosure Document.

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

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

## 14.0 MODIFICATION OF THE SYSTEM; IMPROVEMENTS:

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

**14.2 Improvements by You.** If you conceive or develop any improvements or additions to the System, new trade names, trademarks, service marks or other commercial symbols related to the System or any

advertising or promotion ideas related to the System ("Improvements"), you will fully disclose the Improvements to us and obtain our written approval prior to use. Any Improvements we approve will be deemed licensed to us on a royalty-free, paid-up, perpetual worldwide license and may be used by us and our franchisees without paying to you royalties or similar fees. We have the right to apply for and own copyrights, trade names, trademarks and service marks relating to Improvements. Improvements will be our property and trade secret. We will authorize you to use Improvements authorized for use by other franchisees.

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

**15.1 Ownership Changes.** We must first approve in writing any proposed ownership change to transfer 25% or more of the Franchisee ownership rights. If an ownership change results in a Transfer of the Franchise, the provisions set forth in this Section 15 apply. You will ensure all new Owners comply with Section 22.11 and any proposed ownership change to potential new Owner who does not comply with Section 22.11 will be automatically void and of no further force and effect. The parties agree that there will be no fees charged in the event that an Owner transfers any or all of his/her/its respective equity in Franchisee to another Owner. Such a transfer will require our written notice, but will not require our advance written approval, provided that the transfer is otherwise completed in accordance with the terms of the Agreement and you are in compliance with the Agreement on the date of transfer. Notwithstanding anything to the contrary contained in the Agreement, our right of first refusal will not apply to any such transfer.

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

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

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

**15.5 Operational Control – Trust.** In the event a trust is an Owner of Franchisee: (a) Prior to the Opening Date, Owner shall provide Franchisor with copies of all trust instruments and all documents establishing that the trustee(s) have legal authority to enter into this Agreement on behalf of the Owner/trust and bind the Owner/trust to the terms of this Agreement; (b) after the Opening Date, Owner shall provide Franchisor with copies of any amendment(s) to the trust instruments within seven (7) days of the entry of such amendment(s); (c) Guarantor(s) shall, at all times, directly (i) control all aspects of Franchisee and the

operation of the Business; and (ii) serve as trustee(s) of the trust and retain sole control over the voting of the trust's equity interest in Franchisee. Franchisee acknowledges and agrees that: (x) if the Guarantor(s) do not maintain operational control of the entire Business, Franchisee and the trust, such an event will constitute a transfer as described in Section 15.4 of this Agreement; and (y) Franchisee must comply with all applicable provisions of this Section 15. Franchisee further acknowledges and agrees that if the Guarantor(s) desires to turn over operational control of the Franchisee, the trust or the Franchise to one or more trust beneficiaries, such beneficiaries must satisfy all conditions of approval described in Section 15.7 of this Agreement. Nothing contained herein is or should be deemed to constitute our consent or acquiescence to any transfer as described in Section 15.4 of this Agreement.

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

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

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

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

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

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

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

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

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

## 16.0 EXPIRATION AND TERMINATION:

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

**16.1.1 Transition.** If this Agreement terminates or expires, we have the right to communicate directly with your independent sales associates in order to facilitate an orderly and efficient transition, preserve the goodwill of the System and the Marks, and to determine their interest in affiliating with another franchisee. We can communicate directly with your independent sales associates immediately after

notice of termination is delivered, or in the case of expiration, within six (6) months prior to the expiration date and any time thereafter.

**16.1.2 Holding Over.** If you or an Owner uses the Marks after the expiration of this Agreement, you will be deemed to be operating on a month-to-month basis ("Holdover Period"). During any Holdover Period, all of your obligations will remain in full force and effect, as if this Agreement had not expired, and all obligations imposed on you upon expiration of this Agreement will take effect upon termination of the Holdover Period, provided, however, the Royalty Fee due during the Holdover Period will be an amount equal to twice the Royalty Fee otherwise due under Section 7.1. The month-to-month extension may be terminated by Franchisor, in its sole discretion, upon ten (10) days written notice to Franchisee. Additionally, we may consider you in default of this Agreement and may exercise all remedies available to us, including our pre-termination options set forth in Section 16.3, which includes suspension of services, or termination.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**16.2.4.5** Any material misrepresentation or omission by you, an Owner or guarantor to us in the franchise application or otherwise with respect to the Business;

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

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

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

(a) You provide us at least ninety (90) days prior written notice of your intent to terminate;

(b) At the time of the notice, the deceased or disabled majority Owner owns at least 51% of the equity interest in you or the Business's assets and manages your day-to-day operations;

(c) You are not in default on the date that the notice is delivered or on the date of termination ("Termination Date");

(d) You provide any documents we request demonstrating your dissolution;

(e) Before the Termination Date, you pay any outstanding indebtedness you owe us including, but not limited to, Royalty Fees, advertising fund contributions and all amounts not previously paid and/or forgiven under any existing promissory notes (or any other instrument of indebtedness);

(f) You and each remaining Owner agree that they will not own or operate any real estate brokerage within two miles of any authorized Office for a period ending the earlier of (i) the Expiration Date, or (ii) two years after the Termination Date; and

(g) You enter into a written termination agreement. We will not be entitled to recover any liquidated damages under the Agreement if you comply with this Section and perform the post-termination obligations within ten (10) days after the Termination Date.

**16.2.6 Failure to Meet Minimum Office Design and Appearance Standards.** You acknowledge and recognize that all Offices must meet certain required minimum standards of professionalism for size, interior design and decor, exterior attractiveness, general appearance and cleanliness. The standards are listed in the P&P Manual. If your Office(s) fail to meet these standards, we will notify you in writing and describe the deficiencies, and you will be given ninety (90) days to correct them. If such deficiencies are not corrected to our satisfaction within ninety (90) days, we may, at our option, terminate this Agreement.

**16.2.7 Minimum Operating Standards.** Commencing with the first full calendar month beginning six (6) months after the Effective Date of this Agreement, in the event Gross Revenues for performance of your Business falls below minimum Quarterly Gross Revenues of $125,000 calculated on the calendar Quarter commencing January 1st, April 1st, July 1st, and October 1st of each year, ("Minimum Standards"), you will be notified in writing of your deficiency and at our option, you may be placed on probation for a period not less than three (3) months nor more than six (6) months. During the probationary period, you will pay us a minimum quarterly fee for "Commercial Franchised Services" of $7,500. If such deficiency in Gross Revenues is not corrected within said probationary period, we have the right to terminate this Agreement. The Minimum Standards threshold may be increased, without notice, on January 1st of each year by an amount not to exceed 20% of the prior year's threshold.

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

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

**16.3.2** To suspend taking or placing referrals, leads or relocation requests, for or from you from www.cbcworldwide.com and to direct any inquiries regarding these or other programs or services to other franchisees;

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

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

**16.4 Effect of Expiration or Termination.** On expiration or termination, you must immediately, at your expense, return to us all of our property, including originals and copies of the P&P Manual, technology products (including copies that your independent sales associates hold or control), and all films, DVDs, CDs, flash drives, materials and instruction manuals, electronic or otherwise, which are part of our programs or destroy the same and certify the destruction. You must also immediately discontinue all use of the Marks in your materials. You must, at your expense, immediately discontinue use of and destroy all signs displaying our unique style, logo, colors, color patterns and designs and/or Marks. If you fail to immediately de-identify your Business, you must pay all expenses we incur to de-identify your Business. Effective on the date of termination or expiration, you must refrain from any representation that you are our franchisee or are or have been affiliated with us and take affirmative action to remove any use of the Marks in connection with your business. You must de-identify your business from the System in a manner that does not confuse the public about the fact that you are no longer part of the System. You must (i) immediately advise all of your then-current Clients that you are no longer associated with us; and (ii) immediately cause any business or telephone directory publisher and internet directories to remove you from their listings as our franchisee. You must immediately cause any web masters or websites to remove our Marks from their web pages, including social media websites. You must remove the Marks from your website(s) and social media sites and accounts that you or your independent sales associates' control. You must remove our Marks from any source code or other mechanism that direct(s) a consumer searching for our Marks to your website. If your URL contains our Marks, you must cancel such URL registrations for the Business or, at our option, assign your URL(s) to us. You must cause all independent sales associates to cancel all URLs containing our Marks that they may have established in violation of this Agreement.

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

**16.6 Infringement Damages.** If we bring an action against you or anyone associated with you during or after the Term, seeking to halt infringement of the Marks, you acknowledge that any court of competent jurisdiction may enter temporary restraining orders or preliminary and permanent injunctions (under applicable law) without requiring a bond or other security and may order the immediate seizure and destruction of any infringing materials. If any court rule requires a bond, you agree that a $1,000 bond is sufficient. You must

pay Royalty Fees, Property Management Fees and CMF contributions on all Gross Revenues during the period of any infringement, our attorneys' fees, costs and disbursements incurred in enforcing our trademark and contract rights. You agree that if you breach this Agreement and/or continue to utilize the System or Marks after termination or expiration, we will have no adequate remedy at law. You expressly consent and agree that we may, in addition to other available remedies, obtain an injunction and/or temporary restraining order to terminate or prevent the continuation of any existing default or violation, and to prevent any threatened default or violation, by you of this Agreement.

**16.7 Surviving Obligations.**

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

**16.7.2** If an "early termination" of this Agreement occurs (which will mean any termination of the Agreement before the Expiration Date, other than a mutual termination under Section 16.2.1 or termination by you under Section 16.2.5), you will immediately pay us liquidated damages. The parties agree that it would be impracticable or extremely difficult to calculate the actual amount you would have been obligated to pay as Royalty Fees, Property Management Fees, CMF contributions and other fees due under the Agreement through the Expiration Date and that the following method of calculation represents a fair and reasonable estimate of our damages: Liquidated Damages will be equal to the average monthly Royalty Fees payment, Property Management Fee payment plus the average monthly CMF contribution payable by you to us (from the Opening Date of the Agreement through the date of early termination) multiplied by the lesser of: (i) thirty-six (36) or (ii) the actual number of months (or partial months) remaining in the original term of the Agreement.

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

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

**17.0 INDEMNIFICATION AND INSURANCE:**

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

**17.2 Insurance.**

**17.2.1 Required Policies and Coverage.** You will obtain and maintain for the Term the following types of insurance: (1) if you use an automobile in connection with your business operations, automobile liability coverage, including hired and non owned autos, with limits of at least $1,000,000 per occurrence; (2) general liability coverage, including contractual liability, Property Management coverage and (if not covered in a separate automobile liability policy) hired and non-owned autos, with limits of at least $1,000,000 per occurrence; and this coverage shall be provided on a primary and non-contributory basis; (3) professional liability (real estate errors and omissions) coverage, including coverage for Property Management, with limits of at least $1,000,000 per claim; (4) cyber insurance, specifically third-party coverage, including privacy liability and network security coverage in an amount appropriate for the size of your franchise operations, but in no event should limits be less than $500,000 per claim; and (5) any additional types of policies and coverage as may be required by law, including, without limitation, workers compensation coverage. You must furnish us with certificates of insurance before the Opening Date. We reserve the right to require you to obtain additional types of insurance, including Employment Practices Liability Insurance (EPLI) to increase limits or to reduce minimum coverage requirements, but you may carry reduced coverage only if you first receive our written approval. Approval to do so may be revoked at any time. If you fail to maintain required insurance, we may, but are not obligated to, obtain any and all required insurance on your behalf and to charge you for the cost. You will promptly reimburse us for all our costs upon demand. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. You should consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need and desire, including any insurance coverage it may be advisable for you to require your affiliated agents to obtain, in addition to the coverage and limits we require.

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

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

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

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

**18.0 AMENDMENT:**

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

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

**19.0 WAIVER:**

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

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

**20.0 NON-COMPETITION COVENANTS:**

**20.1 In Term.** During the Term, you, your Owners, officers, guarantors, and Responsible Broker (for so long as each are engaged or employed by you) will not, directly or indirectly, through ownership or otherwise, engage in any real estate brokerage business, other than the Business or any Real Estate Related Excluded Business authorized under this Agreement. Moreover, you will not divert any real estate brokerage business from the Business. Notwithstanding the above, with our prior written permission, you, your Owners or guarantors may own and/or operate a real estate brokerage business under the marks of one of our Related Parties during the Term.

**20.2 Transfer of the Franchise.** Any Transferee must be protected against unfair competition by your use of our educational programs and resources, assistance and trade secrets in direct competition after a

Transfer of the Franchise. For twenty-four (24) months after a Transfer of the Franchise (or the remaining Term, whichever is less), you, your Owners, officers, guarantors, and the spouses of such Persons, will not directly or indirectly, operate, own, license, franchise, be employed by or consult with any commercial real estate brokerage within a two (2) mile radius of any Office operating as of the date of the Transfer of the Franchise.

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

**21.0 INDEPENDENT CONTRACTOR:**

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

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

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

**22.0 MISCELLANEOUS:**

**22.1 Taxes.** You will pay promptly when due all taxes, accounts, liabilities and indebtedness of any kind incurred by you in the conduct of the Business. If any fees (including, without limitation, Royalty Fees and the Initial Franchise Fee) payable by you to us are subject to Value Added Taxes, Gross Receipts Taxes, or similar

taxes imposed by taxing authorities within the jurisdiction in where you operate, you shall, in addition to the fees due us, pay us an additional sum equal to the amount of such tax imposed on fees due us.

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

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

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

**22.5 Applicable Law and Waiver.** Subject to our rights under federal trademark laws, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with New Jersey law. Franchisee waives, to the fullest extent permitted by law, the rights and protections that might be provided through franchise or business opportunity laws of any state other than the state where the Main Office is located.

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

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

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

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

**22.10 Attorneys' Fees.** The prevailing party will be entitled to collect, in addition to any award of damages or injunctive relief, the costs of enforcing or defending its rights under this Agreement, including reasonable attorneys' fees, court costs, expert fees, costs of investigation, and other litigation expenses.

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

any of the covenants and representations in this Section is inaccurate, and you will cooperate with us in any resulting audits or investigations.

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

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

**22.14 Integration.** You acknowledge that we have fully explained our operations to you, that you understand their uses, benefits and limitation; and that we made no representations to you as to the financial benefit to be gained under this Agreement. . This Agreement, any Exhibits, and any Addendum signed by our authorized officer and you represent the entire integrated agreement between us and you and supersede all prior negotiations or agreements, either written or oral, between the parties. Nothing in this or any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document that we furnished to you. DO NOT SIGN THIS AGREEMENT IF YOU BELIEVE WE OR ANY OF OUR REPRESENTATIVES HAS PROMISED YOU SOMETHING THAT IS NOT PART OF THIS AGREEMENT, ANY ATTACHED ADDENDUM OR THE DISCLOSURE DOCUMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**23.9** As of the Opening Date, the Owners will be, and shall during the entire Term remain in full compliance with all applicable federal, state and local laws and regulations, including without limitation all applicable laws and regulations governing (i) the operation of a real estate brokerage office, (ii) labor and employment, including, but not limited to, wage and hour laws and laws prohibiting forced or child labor, and (iii) applicable federal, state and local laws related to privacy, data security, data protection, direct marketing, consumer protection, and workplace privacy laws, along with the rules requirements, and regulations of any applicable jurisdiction, including without limitation the California Consumer Privacy Act of 2018, state data breach notification laws, information security requirements such as 201 Mass. Code Reg. 1.700, and all similar federal, state, and local laws and all applicable industry standards concerning privacy, confidentiality, and data security. You acknowledge that we have no responsibility for ensuring that the Business is developed and operated in compliance with all applicable laws and regulations, and that we shall have no liability in the event the development and operation of the Business violates any law or regulation. Further, Owners will not engage in any human trafficking, nor use any child or forced labor, including indentured labor, bonded labor or prison labor, in connection with the Business.

**24.0 STATE LAW ADDENDA.** The state law addenda included in Exhibits F through Exhibit F-4 are an integral part of this Agreement. If your Office is to be located in California, Georgia, Illinois, North Dakota, Rhode Island, South Dakota or Wisconsin, or if you are a resident of any of these states (except for Virginia), the respective state law addendum included in Exhibit F amends this Agreement. Additionally, if you are a resident of Maryland, Minnesota, Washington or Illinois, the state law addendum included in Exhibits F-1 through F-4 amend this Agreement, and you must sign the Maryland, Minnesota, Washington or Illinois Addendum to Franchise Agreement, as applicable.

**EXHIBIT A**
**COMMERCIAL REAL ESTATE FRANCHISE AGREEMENT**

---

Franchisee's Legal Name: _____
Business Name: COLDWELL BANKER COMMERCIAL _____

This Exhibit is an integral part of the Real Estate Franchise Agreement ("Agreement") between Coldwell Banker Real Estate LLC doing business as Coldwell Banker Commercial Affiliates ("we" or "us") and you ("Franchisee" or "you"). This Exhibit will not be modified except by written agreement signed by both you and us.

**OWNERSHIP INTERESTS**

**I. Franchisee Ownership.** You represent and warrant that the following Persons own ownership interests in Franchisee as stated below:

| **Name:** | **Interest:** |
|---|---|
| | |
| | |
| | |
| | |

**II. Underlying Ownership.** The words "Owner" and "Owners" in the Agreement include each "Person" who has a direct ownership interest in Franchisee. If any Owner is a corporation, partnership or other legal entity, you represent and warrant that the ownership interests stated below for the Owners are accurate and complete:

Name of Legal Entity: _____

| **Name:** | **Ownership Interest:** |
|---|---|
| | |
| | |

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

**EXHIBIT B**
**COMMERCIAL REAL ESTATE FRANCHISE AGREEMENT**

**GUARANTY OF PAYMENT AND PERFORMANCE**

This Guaranty of Payment and Performance is given by the undersigned, _____ **(individually a "Guarantor" and collectively "Guarantors"),** effective as of the Effective Date of the Franchise Agreement to Coldwell Banker Real Estate LLC ("Franchisor"), in order to induce Franchisor to accept _____ ("Franchisee") as a franchisee of Franchisor.

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

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

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

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

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

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

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

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

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

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

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

_____
_____, Individually and Personally

_____
_____, Individually and Personally

_____
, Individually and Personally

**EXHIBIT C**
**COMMERCIAL REAL ESTATE FRANCHISE AGREEMENT**

## GLOSSARY OF TERMS

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

**"Anywhere"** means our parent company, Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.), its successors and assigns.

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

**"Branch Office"** is any approved Coldwell Banker Commercial Office you operate, other than the Main Office or a Limited Purpose Office.

**"Business"** means the operation of a commercial real estate brokerage office in accordance with the terms and provisions of this Agreement, including providing capital markets advice, and related advisory services authorized under applicable commercial broker licensing laws, which may vary, from time to time based on state laws. The Business shall specifically exclude providing loan origination services, debt or equity placement, or any related or similar syndicated loan or syndicated equities lending, or financing as further described in Section 4.2.4.

**"Commercial Property Management Services"** means acting as an agent for an owner (or owner's designee) of commercial real property and performing all services reasonably required in connection with the day to day management and operation of the subject property, including, but not limited to: (i) collecting rents or other monies due the owner of the subject property; (ii) enforcing tenants' lease obligations; (iii) receiving service of process for litigation or condemnation proceedings; (iv) securing permits and licenses for the property's management obligations; (v) contracting for or overseeing utility repairs, maintenance, alterations and/or purchasing and maintaining equipment, personal property, supplies or materials; (vi) performing property maintenance services; and/or (vii) performing construction services on the subject property.

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

**"CPI"** is defined in Section 12.1.

**"Disclaimer"** is defined in Section 4.10.

**"Effective Date"** is defined in Section 1.1.

**"Excluded Business"** means any business you or your Related Party operates other than the Business, as defined in Section 2.

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

**"Franchisee"** is defined in Section 1.2.

**"Franchisor"** is defined in Section 1.1.

**"Future Office"** means future Branch Offices and Limited Purpose Offices.

**"Gross Revenue"** means all money or things of value, calculated at their fair market value in United States currency, received or receivable (earned but not yet received), by you (including, without limitation, all revenues and commissions whether or not other individuals or entities are entitled to retain such revenues or commissions), directly or indirectly, in connection with the Business (earned in compliance with all laws) including transactions and services that require a real estate or auctioneer's license and/or in which you use the Marks or the System in any manner. "Gross Revenue" will include all such revenue before the deduction of any fees, costs or expenses you incur, except for referral fees you pay to: other licensed brokers. Any amounts deposited in the Business's bank accounts will be deemed Gross Revenue earned in compliance with all laws unless proven otherwise. You acknowledge that our commercial franchise organization is separate and distinct from the Coldwell Banker residential franchise organization and, therefore, that your Gross Revenues may not be aggregated with the gross revenues of any Coldwell Banker residential franchisee under any program for Coldwell Banker residential franchisees.

**"Improvements"** is defined in Section 14.2.

**"Limited Purpose Offices"** is defined in Section 5.5.

**"Limited Purpose Office Addendum"** means the Limited Purpose Office Addendum in the form and with such terms and conditions in effect at the time you are granted the right to operate from a particular or new Limited Purpose Office.

**"Location Addendum"** means the Location Addendum in the form and with such terms and conditions in effect, at the time you are granted rights to operate from a particular or new Branch Office.

**"Main Office"** is the first Office you operate under the System (or such other Office that has been designated as your Main Office in our electronic reporting system).

**"Marks"** means the trademarks, service marks and trade dress that we authorize you to use, in the P&P Manual, including all additional or substitute trademarks, service marks and trade dress that we may authorize you to use.

**"Office"** means any authorized Office covered by this Agreement as of the Effective Date or later added by a writing signed by both parties.

**"Opening Date"** is defined in Section 1.7

**"Orientation"** is defined in Section 6.1.1.

**"Owner"** is defined in Section 1.3.

**"Pending Transactions"** is defined in Section 7.1.2.

**"Person"** means an individual, a partnership, a trust, a corporation, a limited liability company, an association and any other incorporated or unincorporated organization or entity.

**"Personal Transaction"** is defined in Section 7.1.5.

**"P&P Manual"** means our published Policy and Procedures Manual, including the Identity Standards Manual.

**"Property Management Fee"** is defined in Section 7.1.3

**"Reasonable Business Judgment"** means any decision we make or action we take that promotes or benefits the System generally, even if the decision or action also promotes our financial or other interest, or if other reasonable or arguably preferable alternatives exist and regardless of whether an individual brokerage may be unfavorably affected. This includes, but is not limited to, our actions to (i) increase the

value of the Marks; (ii) increase or enhance the overall franchisee or customer satisfaction; (iii) minimize possible brand inconsistencies or customer confusion; (iv) enhance or encourage modernization; or (v) improve the competitive position of the System.

**"Related Party"** means, with respect to a particular Person, means a Person who, directly or indirectly, owns or controls that Person, is owned or controlled by that Person, or is under common control with that Person. Control, in this context, means the possession of executive power to direct or to cause the direction of the management and policies of a Person, whether through voting power, ownership, by contract or otherwise.

**"Responsible Broker"** means your licensed real estate broker as required under the laws of the state in which the Office is located.

**"Royalty Fee"** is defined in Section 7.1.1.

**"Standards"** means our mandatory specifications, standards, methods and procedures prescribed by us in the P&P Manual, the Identity Standards Manual or this Agreement.

**"System"** means the business format and methods developed or licensed by us for the promotion and assistance of independently owned and operated real estate brokerage offices, including policies, procedures and techniques designed to enable such offices to compete more effectively in the commercial real estate sales market. The System includes use and promotion of certain Marks, copyrights, trade secrets, centralized advertising programs, talent attraction programs, referral programs and sales and management education programs. We have the right to update the System at any time and expect to do so in our Reasonable Business Judgment. The System does not include any real estate or other investment syndication business of any kind, or any kind of loan origination services, debt or equity placement services or the making of loans or syndicated equities financing, or other similar lending or debt equity financing services or business,

**"System Components"** is defined in Section 4.5.1.

**"Term"** is defined in Section 1.5.

**"Trade Name"** is defined in Section 2.1.

**"Transferee"** is defined in Section 15.7.

**"Transfer of the Franchise"** is defined in Section 15.4.

**"URL"** means uniform resource locator (also known as a domain name or web site address).

**EXHIBIT D**
**COMMERCIAL REAL ESTATE FRANCHISE AGREEMENT**

**AUTHORIZED OFFICES**

You are authorized to operate Offices under the terms of this Agreement at the following addresses:

| | |
|---|---|
| 1. | |
| 2. | |
| 3. | |
| 4. | |
| 5. | |

This Exhibit is an integral part of the Franchise Agreement ("Agreement") between Coldwell Banker Real Estate LLC dba Coldwell Banker Commercial Affiliates LLC ("we" or "us") and you ("Franchisee" or "you"). This Exhibit will not be modified except by written agreement signed by both you and us.

**EXHIBIT E**
**COMMERCIAL REAL ESTATE FRANCHISE AGREEMENT**

**SECURITY AGREEMENT**

This Security Agreement ("Security Agreement") is made as of _____, between _____, ("Debtor"), and Coldwell Banker Real Estate LLC dba Coldwell Banker Commercial Affiliates LLC ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor grants to Secured Party a security interest in all accounts receivable and payment intangibles; cash proceeds; contract rights; leases; furniture; furnishings; equipment; fixtures; inventory; commissions; real estate listings, listing agreements and related rights which are located at, utilized by or related to the real estate brokerage business conducted by Debtor and including the proceeds therefrom and any and all amendments or replacements thereto and any rebate/award program (or similar incentive programs) to which Debtor and/or any Co-Debtors may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor and Co-Debtors; and all general intangibles (collectively, the "Collateral") as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto). [Add following only for Security Agreements filed in New Jersey - The Collateral described herein falls within the scope of the Uniform Commercial Code enacted in New Jersey, including N.J.S.A. 12A:9-102 and N.J.S.A. 12A:9-109.] The foregoing Collateral is granted to Secured Party as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms (the "Notes"), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the "Franchise Agreements"), and (iii) all other agreements between Debtor and Secured Party.

SECTION 1 -- DEBTOR'S OBLIGATIONS. Debtor agrees to the following:

(a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Offices (as defined in the Franchise Agreements).

(b) Debtor will notify Secured Party in writing prior to any change in Debtor's place of business;

(c) Debtor has not executed and will not execute as Debtor any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;

(d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an "Event of Default"):

(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) Debtor's breach of any term, provision, warranty or representation set forth in this Security Agreement or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if Debtor does not cure the default within five (5) days of receiving written notice.

SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) If an Event of Default occurs, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor's guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured by this Security Agreement immediately due and payable;

2) Enforce the security interest given under this Security Agreement and otherwise exercise the rights of a secured creditor provided under the laws of the state in which the Office is located

3) Require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) Enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor's indebtedness, which shall include the reasonable expenses of such sale, in any order of preference that Secured Party, chooses in its sole discretion. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists under this Security Agreement, the proceeds of fire and casualty insurance covering the Collateral may be used by Debtor for the repair and restoration of Debtor's facilities or Offices (as defined in the Franchise Agreements).

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or maintenance of the Collateral other than as described in this Security Agreement. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

SECTION 6 -- MISCELLANEOUS.

(a) Waiver. Any express or implied waiver of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from later enforcing any such provision.

(b) Governing Law. This Security Agreement shall be governed by and construed according to the laws of the State of New Jersey.

(c) Remedies. All rights and remedies provided in this Security Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude its further exercise or the exercise of any other right or remedy.

(d) Financing Statement. At the same time this Security Agreement is signed, Secured Party shall file a UCC-1 Financing Statement with the Secretary of State in the state of formation (or residence if a sole proprietor) of the Debtor or other appropriate governmental authority to perfect the security interest created by this Security Agreement. Debtor will sign such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(e) Notices. In the event either party desires to give notice to the other with regard to this Security Agreement, the notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Mailed notices as provided under this Security Agreement shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreements, unless a party gives notice of a change of its address.

(f) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto.

(g) Amendments. This Security Agreement may only be amended by a writing signed by both parties.

(h) Entire Agreement. This Security Agreement constitutes the entire agreement between the parties regarding the matters discussed in this Security Agreement, all representations or understandings, whether oral or written, having been incorporated or otherwise superseded by this Security Agreement.

(i) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and shall be fully binding on all parties.

**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE DEBTOR TO THE TERMS OF THIS SECURITY AGREEMENT.**

WHEREFORE, the parties have signed this Security Agreement effective as of the date set forth above.

**DEBTOR**

By: _____

Name:

Title: **Authorized Person**

Date:_____

**SECURED PARTY**

By:_____

[Authorized Person]

Date: _____

**EXHIBIT F**
**COMMERCIAL REAL ESTATE FRANCHISE AGREEMENT**

**STATE LAW ADDENDA**

## CALIFORNIA

If you are a resident of California, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

A. Termination and Non-renewal: Section 16 of this Agreement relates to renewal and termination of the franchise. California Business and Professions Codes Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of the franchise. The Federal Bankruptcy Code also provides rights to you concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If this Agreement contains a provision that is inconsistent with the law, the law will control.

B. The Franchise Agreement requires application of the laws of New Jersey. This provision may not be enforceable under California law.

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

D. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

E. The first two sentences and last sentence of Section 22.14 of the Franchise Agreement are hereby deleted in their entirety.

F. The first sentence of Section 23.6 of the Franchise Agreement is hereby deleted in its entirety.

G. Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## GEORGIA

If you are a resident of Georgia, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

A. Section 20.1 of the Agreement is deleted in its entirety and replaced with the following:

**20.1 In Term.** During the Term, you, your Owners, officers, guarantors, and Responsible Broker (for so long as each are engaged or employed by you) will not, directly or indirectly, through ownership or otherwise, engage in any other real estate brokerage business, other than the Business or any Real Estate Related Excluded Business authorized under this Agreement, within 15 miles of any Office authorized under this Agreement without our advance written consent. Moreover, your Owners, officers, guarantors, and Responsible Broker will not engage in any other commercial real estate brokerage business from the Business in the market you serve.

## HAWAII

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## ILLINOIS

If you are a resident of Illinois, or you are a resident of another state and you intend for the franchise to be operational in Illinois, the state law addendum included in Exhibit F-1 amends this Agreement. You must sign the Illinois State Addendum to Franchise Agreement provided in Exhibit F-1.

## MARYLAND

If you are a resident of Maryland or you are a resident of another state and you intend for the franchise to be operational in Maryland, the state law addendum included in Exhibit F-2 amends this Agreement. You must sign the Maryland State Addendum to Franchise Agreement provided in Exhibit F-2.

## MINNESOTA

If you are a resident of Minnesota, the state law addendum included in Exhibit F-3 amends this Agreement. You must sign the Minnesota Addendum to Franchise Agreement provided in Exhibit F-3.

## NORTH DAKOTA

If you are a resident of North Dakota, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

Revisions: The North Dakota Securities Commissioner has held the following to be appropriate and required revisions to franchise agreements for Franchisees in North Dakota:

A. Covenants not to compete on termination or expiration of the franchise agreement that conflict with Section 9-08-06 of the North Dakota Century Code are generally unenforceable in the State of North Dakota.

B. North Dakota law provides that any arbitration between Franchisor and Franchisee relating to the franchise be held at a location mutually agreeable to both Franchisor and Franchisee. North Dakota law prohibits mandatory arbitration at a site remote from the location of the franchise.

C. North Dakota Franchisees are not required to consent to the jurisdiction of courts outside of North Dakota. All franchise agreements for North Dakota franchises will be governed by the laws of the state of North Dakota.

D. Any provision of the franchise agreement requiring the Franchisee to consent to liquidated damages or termination penalties is unfair and inequitable to Franchisees.

E. North Dakota Franchisees are not required to sign a general release on the renewal of the franchise agreement. Consequently, any provision of a franchise agreement as it applies to the requirement that Franchisee's execute a general release on renewal does not apply to North Dakota Franchises.

F. North Dakota Franchisees are not required to consent to a waiver of the right to a class action. Consequently, Section 22.7 of the Agreement as it applies to the waiver of the right to a class action does not apply to North Dakota Franchisees.

G. North Dakota Franchisees are not required to waive their right to a jury trial. Consequently, Section 22.8 does not apply to North Dakota Franchisees.

H. North Dakota Franchisees are not required to consent to a waiver of exemplary and punitive damages. Consequently, Section 22.9 of the Agreement does not apply to North Dakota Franchisees.

I. This Agreement will be governed by the laws of the state of North Dakota.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**RHODE ISLAND**

If you are a resident of Rhode Island, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

A. Jurisdiction and Venue: A provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

B. Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

"A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

This supersedes Section 22.6 or any other contrary provision of the Agreement.

**SOUTH DAKOTA**

If you are a resident of South Dakota, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

A. South Dakota Law: Section 22.5 of this Agreement relates to the laws governing this Agreement. Notwithstanding anything to the contrary in Section 22.5, the law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota. However, as to contractual and all other matters, this Agreement and all of its provisions will be and

remain subject to the application, construction, enforcement and interpretation under the governing law in Section 22.5.

B. South Dakota Cause of Action: Section 22.6 of this Agreement relates to, among other things, judicial proceedings between the parties. Notwithstanding anything to the contrary contained in Section 22.6, under South Dakota law any provision in this Agreement that designates jurisdiction or venue, or that requires Franchisee to agree to jurisdiction or venue, in a judicial forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in South Dakota.

C. Termination: Section 16 of this Agreement pertains to default and termination of the franchise. Notwithstanding the provisions of Section 16, you will be provided with 30 days' written notice and opportunity to cure any breach of this Agreement, any failure to meet performance and quality standards or any failure to make payments of Royalty Fees required by this Agreement.

D. Disclaimers: Notwithstanding anything to the contrary contained in this Agreement, under South Dakota Codified Laws, Section 37-5B-21, any acknowledgment provision, disclaimer or integration clause, or other provision having a similar effect, in this Agreement will not negate or act to remove from judicial review any statement, misrepresentation or action that would violate this Chapter of the Law or a rule or order under this Chapter.

**WASHINGTON**

If you are a resident of Washington, the state law addendum included in Exhibit F-4 amends this Agreement. You must sign the Washington Addendum to Franchise Agreement provided in Exhibit F-4.

**WISCONSIN**

If you are a resident of Wisconsin, the following provisions will apply and will supersede any provision in this Agreement to the contrary the following provisions will supersede and apply to the Agreement:

A. Wisconsin Law: The Wisconsin Fair Dealership Law applies to franchising in the State of Wisconsin. This Law prohibits the termination, cancellation, non-renewal or substantial change of the competitive circumstances of a franchise agreement without good cause.

B. Inconsistent Provisions: The Wisconsin Fair Dealership Law supersedes any provisions contained in this Agreement that are inconsistent with the Law. If a conflict under this Agreement arises, the Law will prevail.

C. Written Notice: The Wisconsin Fair Dealership Law further provides that 90 days' prior written notice of termination, cancellation, non-renewal or substantial change of the competitive circumstances of a franchise agreement must be given to the Franchisee. The Franchisee has 10 days to cure the non-payment of fees to franchisor and 60 days to cure any other deficiency and, if the deficiency is so cured within the applicable cure period, the notice of termination is void.

**EXHIBIT F-1**

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

If you are a resident of Illinois or you are a resident of another state and you intend for the franchise to be operational in Illinois, to the extent 815 ILCS 705/1 et seq. (the Illinois Franchise Disclosure Act, Ill) applies, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

A. Illinois law governs the Franchise Agreement.

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

C. Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**FRANCHISOR:**

**Coldwell Banker Real Estate LLC**
**dba Coldwell Banker Commercial Affiliates**

By:_____
Its:_____
Date:_____

**FRANCHISEE:**

_____

By:_____
Its:_____
Date:_____

**EXHIBIT F-2**

**MARYLAND ADDENDUM TO FRANCHISE AGREEMENT**

If you are a resident of Maryland or you are a resident of another state and you intend for the franchise to be operational in Maryland, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

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

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

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

D. The representations of Franchisee in the Franchise Agreement are not intended, nor will they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

E. The first two sentences and last sentence of Section 22.14 of the Franchise Agreement are hereby deleted in their entirety.

F. The first sentence of Section 23.6 of the Franchise Agreement is hereby deleted in its entirety.

G. Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: “INTENTIONALLY OMITTED”.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Section will be effective only to the extent that, with respect to the provision, the jurisdictional requirement of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Section.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| **Coldwell Banker Real Estate LLC**<br>**dba Coldwell Banker Commercial Affiliates** | _____ |
| By:_____ | By:_____ |
| Its:_____ | Its:_____ |
| Date:_____ | Date:_____ |

**EXHIBIT F-3**

**MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT**

If you are a resident of Minnesota, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

A. Termination and Non-renewal: Section 16 of this Agreement relates to renewal and termination of the franchise. With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, Subdivisions 3, 4, and 5, which require, except in certain specified cases, that the Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Agreement.

B. Sections 22.5 through 22.9 of this Agreement relate to judicial proceedings. Judicial proceedings may take place outside of Minnesota. The provisions of Sections 22.5 through 22.9 will not in any way abrogate or reduce any right of Franchisee, as provided under Minnesota Statutes, Chapter 80C, or Minnesota Rule 2860.4400J, including the right to submit matters to the jurisdiction of Minnesota courts or the right to a jury trial.

C. Franchisee Indemnification: We agree to indemnify and save you harmless from any loss, costs or expenses arising out of or related to any claim, suit or demand against you relating to your use of the Marks in accordance with this Agreement.

D. General Release Not Required: Notwithstanding any terms in this Agreement, you are not required to agree to any general release as a condition for approval of any assignment, transfer or renewal of this Agreement.

E. No Waiver of Bond: Notwithstanding any terms of this Agreement, Franchisee is not required to consent in advance as to any application by Franchisor for injunctive relief or to waive any bond.

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| **Coldwell Banker Real Estate LLC**<br>**dba Coldwell Banker Commercial Affiliates** | _____ |
| By:_____ | By:_____ |
| Its:_____ | Its:_____ |
| Date:_____ | Date:_____ |

**EXHIBIT F-4**

**WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT**

If you are a resident of Washington, the following provisions will apply and will supersede any provision in this Agreement to the contrary:

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

A. Termination and Non-Renewal: RCW 19.100.180 may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

B. Dispute Resolution: 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

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

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

E. Employment Non-Competition Covenants: Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (and 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.

F. Non-Solicitation: 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.

G. The first two sentences and last sentence of Section 22.14 of the Franchise Agreement are hereby deleted in their entirety.

H. The first sentence of Section 23.6 of the Franchise Agreement is hereby deleted in its entirety.

I. Section 23.8 of the Franchise Agreement is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Nothing set forth in the Franchise Agreement shall waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder

IN WITNESS WHEREOF, the undersigned does hereby acknowledge receipt of this Addendum as of the date Franchisor signs below.

| **FRANCHISOR:** | **FRANCHISEE:** |
|---|---|
| **Coldwell Banker Real Estate LLC**<br>**dba Coldwell Banker Commercial Affiliates** | _____ |
| By:_____ | By:_____ |
| Its:_____ | Its:_____ |
| Date:_____ | Date:_____ |

# EXHIBIT C-1

## LOCATION ADDENDUM TO FRANCHISE AGREEMENT

THIS LOCATION ADDENDUM TO THE FRANCHISE AGREEMENT (the "Addendum") by and between COLDWELL BANKER REAL ESTATE LLC, dba Coldwell Banker Commercial Affiliates ("Franchisor" or "us") and _____ ("Franchisee" or "you") shall be effective as of the date of execution by Franchisor (the "Effective Date"). Franchise # _____.

## RECITALS

A. Franchisee, or its Related Party, presently operates an approved Coldwell Banker Commercial franchise, the main office of which is located at _____ (the "Main Office"). Franchisee and Franchisor have signed a Franchise Agreement governing the operation of the Main Office (as well as any other authorized Offices) with the effective date of _____ for Franchise # _____ (the "Agreement").

B. Franchisee seeks to open a Branch Office at _____ to be operated under the terms of the Agreement.

C. Franchisor has agreed to grant Franchisee the right to operate another authorized Branch Office (as well as any other authorized Offices) under the terms and conditions of the Agreement, as amended by this Addendum.

## AGREEMENT

In consideration of the provisions in the Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are acknowledged, the parties mutually agree as follows:

1. The Agreement is amended by adding Section __ as follows:

**__. SPECIAL STIPULATIONS**

**__.1 Location.** Franchisee has been approved to and may operate a Branch Office (the "New Office") at _____ (Franchise #_____). The New Office will commence business under the System on _____ **("New Office Opening Date")**.

**__.2 Expiration Date.** The "Expiration Date" will mean _____.

**__.3 Initial Franchise Fee.** Franchisee will pay Franchisor an initial franchise fee of $_____ for the New Office added by this Addendum.

**__.4 Brand Marketing Fund.** For purposes of the New Office, the requirement to pay Brand Marketing Fund ("BMF") contributions will be governed by the Agreement, except that the minimum and maximum BMF contributions rate for the New Office are now **$582** and **$1,614**, respectively (subject to annual adjustment under the Agreement). Franchisee must pay BMF contributions separately for each Office, unless otherwise set forth in the Agreement. You must pay the BMF contribution for each month within twenty (20) days after being invoiced. Franchisee acknowledges that Franchisor will use the BMF for the purposes described in Item 11 of the Franchisee Disclosure Document.

__.5 **Annual Fee Increases.** Notwithstanding anything to the contrary in the Agreement, the following provision shall govern Franchisor's right to increase certain fees in the Agreement:

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

__.6 **Termination by Franchisee.** Except as provided in this Addendum, any termination right granted to you under the Agreement for retirement, death or disability is deleted in its entirety and replaced with the following:

> **Termination upon Death/Disability of Majority Owner.** If a majority Owner dies or becomes physically or mentally disabled (corroborated by written evidence from a treating physician) and you elect to wind up the Business and distribute all of the Business's assets to the Owners (as opposed to transferring the assets to a third party), you may terminate the Agreement, without penalty, if the following conditions are satisfied:
>
> (a) You provide us at least ninety (90) days prior written notice of your intent to terminate;
>
> (b) At the time of the notice, the deceased or disabled majority Owner owns at least 51% of the equity interest in you or the Business's assets and manages your day-to-day operations;
>
> (c) You are not in default on the date that the notice is delivered or on the date of termination ("Termination Date");
>
> (d) You provide any documents we request demonstrating your dissolution;
>
> (e) Before the Termination Date, you pay any outstanding indebtedness you owe us including, but not limited to, Royalty Fees, advertising fund contributions and all amounts not previously paid and/or forgiven under any existing promissory notes (or any other instrument of indebtedness);
>
> (f) You and each remaining Owner agree that they will not own or operate any real estate brokerage within two miles of any authorized Office for a period ending the earlier of (i) the Expiration Date, or (ii) two years after the Termination Date; and

(g) You enter into a written termination agreement. We will not be entitled to recover any liquidated damages under the Agreement if you comply with this Section and perform the post-termination obligations within ten (10) days after the Termination Date.

**__.7 Waiver of Jury Trial.** The parties waive the right to a jury trial in any action related to this Agreement or any aspect of the relationship between you, us, any guarantor and their respective successors and assigns.

**__.8 Waiver of Punitive Damages.** We and you (and your Owners and guarantors) fully waive any right to or claim for any punitive or exemplary damages against each other. If any dispute arises between you and us, you and we will each be limited to recovery of actual damages which, in our case, includes liquidated damages in Section 16 of the Agreement and damages provided in the Lanham Act or its state counterpart.

**__.9 Opportunity to Investigate.** You acknowledge that you have had the opportunity to be advised of the terms and conditions of this Addendum by counsel of your choice. Unless expressly provided otherwise, this Addendum is exclusively for our and your benefit and may not give rise to liability to any third party unless specifically stated.

**__.10 Assistance.** We are not the employer of you or any of your employees, your brokers or independent sales associates. Any education, support, advice or resources we provide to you in connection with the Business is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Business, and not for the purpose of controlling in or in any way exercising or exerting control over your decisions or the day-to-day operation of the Business, including your personnel-related decisions.

2. Except as stated in this Addendum, no further additions, modifications or deletions to the Agreement are intended by the parties or made by this Addendum. All capitalized terms not otherwise defined in this Addendum will have the meanings given in the Agreement. The headings in this Addendum are for convenience only, do not constitute a part of this Addendum, and will not be deemed to limit or affect any of the provisions of this Addendum. The stipulations in this Addendum apply to the Agreement and supersede any inconsistent or conflicting provisions in the Agreement. These stipulations apply only to Franchisee and are not transferable or assignable.

3. Franchisee agrees to keep confidential the terms of this Addendum. If the terms in this Addendum become known to any third party resulting from disclosure by or on behalf of Franchisee, except for Franchisee's disclosure to its legal counsel, accountant, or employees with a need to know the information, any provisions of this Addendum that were made for Franchisee's benefit will become immediately null and void and will forever cease to exist. *In addition, if Franchisee is in default under the Agreement and Franchisee fails to timely cure such default after notice from Franchisor*, *any provisions of this Addendum that were made for Franchisee's benefit will immediately become null and void, without any further notice from Franchisor, and will forever cease to exist.*

4. This Addendum may be executed in any number of counterparts, each of which will be deemed an original, and all of which will constitute one and the same agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and will be fully binding.

5. **WAIVER OF CLAIMS**. In consideration of the rights granted in this Addendum, Franchisee and its owners, partners, members and/or shareholders hereby expressly release, remise, acquit and discharge Franchisor and its predecessors, successors, parents, parent's predecessors, subsidiaries,

affiliates, assigns, as well as each of their respective officers, directors, employees and agents (collectively "Releasees") from and forever waive and relinquish any and all claims, counterclaims, rights, setoffs, suits, damages (including, but not limited to, compensatory damages, tort damages, contract damages and punitive damages) demands, obligations, warranties, covenants, debts and causes of action of every nature, character and description, known and unknown, vested or contingent (collectively "Claims") that Franchisee or its owners, partners, members and/or shareholders, individually or collectively, have or may have against any and all Releasees including, but not limited to, all Claims relating in any manner to, or otherwise resulting from, or arising out of: (i) the relationship between the parties prior to the execution of this Addendum; (ii) the franchise sales transaction (to the extent permitted by law); (iii) the Agreement and this Addendum; and/or (iv) any other agreements (including other franchise agreements) by and between Franchisee and/or its owners, partners, members and/or shareholders and Franchisor. In providing this release, Franchisee and its owners, partners, members and/or shareholders expressly acknowledge that: (x) to the extent the laws of the State of Washington govern the relationship of the parties hereto, notwithstanding the general release and waiver of claims herein, consistent with the Franchise Agreement(s) and Washington law, this release and waiver of rights executed by you will not include the release or waiver of rights under the Washington Franchise Investment Protection Act; and (y) to the extent the laws of the State of California govern the relationship of the parties hereto, Franchisee and its owners, partners, members and/or Shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

> ***"A General Release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."***

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

**FRANCHISEE**

By: _____ Dated: _____

Its: Authorized Person

**FRANCHISOR**

By: _____ Dated: _____
[Authorized Person]

# EXHIBIT C-2

**TERM EXTENSION ADDENDUM TO FRANCHISE AGREEMENT**

THIS TERM EXTENSION ADDENDUM TO THE FRANCHISE AGREEMENT (the "Addendum") by and between **Coldwell Banker Real Estate LLC, dba Coldwell Banker Commercial Affiliates** ("Franchisor" or "us") and _____ ("Franchisee" or "you") will be effective as of the date of execution by Franchisor (the "Effective Date"). Franchise # _____

**RECITALS**

A. Franchisee presently operates an approved Coldwell Banker Commercial franchise, the main office of which is located at _____ (the "Office"). Franchisee and Franchisor have signed a Franchise Agreement governing the operation of the Main Office (as well as any other authorized Offices) with the effective date of _____ for Franchise # _____ (the "Agreement") with an expiration date of _____.

B. Franchisee and Franchisor seek to extend their franchise relationship for a ten-year term under the terms and conditions of the Agreement, as amended by this Addendum.

**AGREEMENT**

In consideration of the provisions in the Agreement, the promises in this Addendum, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are acknowledged, the parties mutually agree as follows:

1. The Agreement is amended by adding Section __ as follows:

**__.1 Expiration Date.** The "Expiration Date" will now mean _____.

**__.2 Brand Marketing Fund Contribution.** You will pay us each month during the Term by ePay (or other method we designate) a Brand Marketing Fund ("BMF") (, contribution equal to 2% of your Gross Revenue, subject to the terms of this Section.

For each Office, your monthly BMF contribution will be subject to minimum and maximum requirements. As of [today's date], minimum and maximum monthly BMF contributions for each Office are **$582** and **$1,614**, respectively. Beginning on [day after expiration date], the minimum and maximum BMF contributions for all Offices will be adjusted to the then-current minimum and maximum BMF contributions**,** respectively. Franchisee must pay BMF contributions separately for each Office, unless otherwise set forth in the Agreement. Franchisee must pay the BMF contribution for each month within twenty (20) days after being invoiced. Franchisee acknowledges that Franchisor will use the BMF for the purposes described in Item 11 of the Franchise Disclosure Document. All current and future minimum and maximum amounts shall be subject to the annual contractual adjustments provided in the Agreement. Notwithstanding anything to the contrary contained in the Agreement, there shall be no percentage limitations on the categories of expenses relating to the Brand Marketing Fund.

**__.3 Royalty Fee.** Notwithstanding any terms, conditions or provisions of the Agreement, you will pay us a continuing "Royalty Fee" equal to (i) 6% of the aggregate Gross Revenue for all of your offices up to $1,000,000 per calendar year for which payments were timely made (excluding Gross Revenue related to Commercial Property Management), plus, (ii) 3% of the aggregate Gross Revenue for all of your offices in excess of $1,000,000 per calendar year during the Term of this Agreement. If this

Agreement expires or terminates after the Effective Date, the Royalty Fee will remain payable on all transactions or contracts made before the expiration or termination date. A Royalty Fee is due on any transaction made using the Marks. For each real estate transaction, you must report the transaction and pay a Royalty Fee by ePay (or other method we may designate) on the date of settlement (closing). Royalty Fees are also due for all transactions and sales contracts entered into before the Expiration Date or the date this Agreement is terminated.

Gross Revenue from Commercial Property Management will be subject to a 1.5% "Royalty Fee" provided that it is reported and paid to us separately from other Royalty Fees owed by you. Gross Revenue for Commercial Property Management will not be included in the calculation of Gross Revenue for purposes of Section [7.1.1]. You will not commingle Commercial Property Management files, Royalty Fees, records, or bookkeeping. You will not prevent us from conducting audits of Commercial Property Management.

**__.4 Annual Fee Increases.** Notwithstanding anything to the contrary in the Agreement, the following provision shall govern Franchisor's right to increase certain fees in the Agreement:

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

**__.5 Renewal Rights.** Section ___ of the Agreement regarding the parties' renewal rights is deleted in its entirety.

**__.6 Termination by Franchisee.** Except as provided in this Addendum, any termination right granted to you under the Agreement for retirement, death, disability or any reason is deleted in its entirety and replaced with the following:

> **Termination upon Death/Disability of Majority Owner.** If a majority Owner dies or becomes physically or mentally disabled (corroborated by written evidence from a treating physician) and you elect to wind up the Business and distribute all of the Business's assets to the Owners (as opposed to transferring the assets to a third party), you may terminate the Agreement, without penalty, if the following conditions are satisfied:
>
> (a) You provide us at least ninety (90) days prior written notice of your intent to terminate;

(b) At the time of the notice, the deceased or disabled majority Owner owns at least 51% of the equity interest in you or the Business's assets and manages your day-to-day operations;

(c) You are not in default on the date that the notice is delivered or on the date of termination ("Termination Date");

(d) You provide any documents we request demonstrating your dissolution;

(e) Before the Termination Date, you pay any outstanding indebtedness you owe us including, but not limited to, Royalty Fees, advertising fund contributions and all amounts not previously paid and/or forgiven under any existing promissory notes (or any other instrument of indebtedness);

(f) You and each remaining Owner agree that they will not own or operate any real estate brokerage within two miles of any authorized Office for a period ending the earlier of (i) the Expiration Date, or (ii) two years after the Termination Date; and

(g) You enter into a written termination agreement. We will not be entitled to recover any liquidated damages under the Agreement if you comply with this Section and perform the post-termination obligations within ten (10) days after the Termination Date.

**__.7 Holding Over**. Section 16.1.2 of the Agreement is hereby deleted in its entirety and replaced with the following:

**16.1.2 Holding Over.** If you or an Owner uses the Marks after the expiration of this Agreement, you will be deemed to be operating on a month-to-month basis ("Holdover Period"). During any Holdover Period, all of your obligations will remain in full force and effect, as if this Agreement had not expired, and all obligations imposed on you upon expiration of this Agreement will take effect upon termination of the Holdover Period, provided, however, the Royalty Fee due during the Holdover Period will be an amount equal to twice the Royalty Fee otherwise due under Section 7.1. The month-to-month extension may be terminated by Franchisor, in its sole discretion, upon ten (10) days written notice to Franchisee. Additionally, we may consider you in default of this Agreement and may exercise all remedies available to us, including our pre-termination options set forth in Section 16.3, which includes suspension of services, or termination.

**__.8 Liquidated Damages.** Section 16.7.2 of the Agreement is deleted in its entirety and replaced with the following:

**16.7.2** If an "early termination" of this Agreement occurs (which will mean any termination of the Agreement before the Expiration Date, other than a mutual termination under Section 16.2.1 or termination by you under Section 16.2.5), you will immediately pay us "liquidated damages." The parties agree that it would be impracticable or extremely difficult to calculate the actual amount you would have been obligated to pay as Royalty Fees, Property Management Fees and BMF Contributions and other fees due under this Agreement through the Expiration Date and that the following method of calculation represents a fair and reasonable estimate of our damages: Liquidated damages will be equal to the combined monthly average of Royalty Fees, Property Management Fees, BMF contributions, and any other fees under this Agreement (without regard to any fee waivers or other reductions) payable from the Opening Date through the date of early termination, multiplied by the lesser of (i) thirty-six (36) or (ii) the number of full months remaining in the Term.

__.9 **Waiver of Jury Trial.** The parties waive the right to a jury trial in any action related to this Agreement or any aspect of the relationship between you, us, any guarantor and their respective successors and assigns.

__.10 **Waiver of Punitive Damages.** We and you (and your Owners and guarantors) fully waive any right to or claim for any punitive or exemplary damages against each other. If any dispute arises between you and us, you and we will each be limited to recovery of actual damages which, in our case, includes liquidated damages in Section 16 of the Agreement and damages provided in the Lanham Act or its state counterpart.

__.11 **Opportunity to Investigate.** You acknowledge that you have had the opportunity to be advised of the terms and conditions of this Addendum by counsel of your choice. Unless expressly provided otherwise, this Addendum is exclusively for our and your benefit and may not give rise to liability to any third party unless specifically stated.

__.12 **Compliance with Laws.** As of the Effective Date, the Owners will be and shall, during the entire Term remain, in full compliance with all applicable federal, state and local laws and regulations, including without limitation all applicable laws and regulations governing (i) the operation of a real estate brokerage office, (including the Real Estate Settlement Procedures Act), (ii) labor and employment, including, but not limited, to, wage and hour laws and laws prohibiting forced or child labor, and (iii) data privacy, data breach response policies and security. You acknowledge that we have no responsibility to ensure that the Business is developed and operated in compliance with all applicable laws and regulations, and that we shall have no liability in the event the development and operation of the Business violates any law or regulation. Further, Owners will not engage in any human trafficking, nor use any child or forced labor, including indentured labor, bonded labor or prison labor, in connection with the Business.

__.13 **Assistance.** We are not the employer of you or any of your employees, your brokers or independent sales associates. Any education, support, advice or resources we provide to you in connection with the Business is solely for the purpose of protecting the Marks and goodwill associated with the System and assisting you in the operation of the Business, and not for the purpose of controlling in or in any way exercising or exerting control over your decisions or the day-to-day operation of the Business, including your personnel-related decisions.

2. Except as stated in this Addendum, no further additions, modifications or deletions to the Surviving Agreement are intended by the parties or made by this Addendum. All capitalized terms not otherwise defined in this Addendum will have the meanings given in the Surviving Agreement. The headings in this Addendum are for convenience only, do not constitute a part of this Addendum, and will not be deemed to limit or affect any of the provisions of this Addendum. The stipulations in this Addendum apply to the Surviving Agreement and supersede any inconsistent or conflicting provisions in the Surviving Agreement. These stipulations apply only to Franchisee and are not transferable or assignable.

3. Franchisee agrees to keep confidential the terms of this Addendum. If the terms in this Addendum become known to any third party resulting from disclosure by or on behalf of Franchisee, except for Franchisee's disclosure to its legal counsel, accountant, or employees with a need to know the information, any provisions of this Addendum that were made for Franchisee's benefit will become immediately null and void and will forever cease to exist. *In addition, if Franchisee is in default under the Surviving Agreement and Franchisee fails to timely cure such default after notice from Franchisor*, *any provisions of this Addendum that were made for Franchisee's benefit will immediately become null and void, without any further notice from Franchisor, and will forever cease to exist.*

4. This Addendum may be executed in any number of counterparts, each of which will be deemed an original, and all of which will constitute one and the same agreement. Facsimile or electronic copies of this Addendum will be deemed to have the same force and effect as the original and will be fully binding.

5. **WAIVER OF CLAIMS.** In consideration of the rights granted in this Addendum, Franchisee and its owners, partners, members and/or shareholders hereby expressly release, remise, acquit and discharge Franchisor and its predecessors, successors, parents, parent's predecessors, subsidiaries, affiliates, assigns, as well as each of their respective officers, directors, employees and agents (collectively "Releasees") from and forever waive and relinquish any and all claims, counterclaims, rights, setoffs, suits, damages (including, but not limited to, compensatory damages, tort damages, contract damages and punitive damages) demands, obligations, warranties, covenants, debts and causes of action of every nature, character and description, known and unknown, vested or contingent (collectively "Claims") that Franchisee or its owners, partners, members and/or shareholders, individually or collectively, have or may have against any and all Releasees including, but not limited to, all Claims relating in any manner to, or otherwise resulting from, or arising out of: (i) the relationship between the parties prior to the execution of this Addendum; (ii) the franchise sales transaction (to the extent permitted by law); (iii) the Surviving Agreement and this Addendum; and/or (iv) any other agreements (including other franchise agreements) by and between Franchisee and/or its owners, partners, members and/or shareholders and Franchisor. In providing this release, Franchisee and its owners, partners, members and/or shareholders expressly acknowledge that: (x) to the extent the laws of the State of Washington govern the relationship of the parties hereto, notwithstanding the general release and waiver of claims herein, consistent with the Franchise Agreement(s) and Washington law, this release and waiver of rights executed by you will not include the release or waiver of rights under the Washington Franchise Investment Protection Act; and (y) to the extent the laws of the State of California govern the relationship of the parties hereto, Franchisee and its owners, partners, members and/or Shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

> ***"A General Release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."***

**EACH PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE PARTIES REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

**FRANCHISEE**

By: _____ Dated: _____
Name:
Its: Authorized Person

**FRANCHISOR**

By: _____ Dated: _____

Name: _____
Title: Authorized Person

# EXHIBIT C-3

# PROPERTY MANAGEMENT OFFICE AGREEMENT

THIS PROPERTY MANAGEMENT OFFICE AGREEMENT ("Property Management Agreement"), made and entered into this ____ day of _____, 20__, by and between Coldwell Banker Real Estate LLC dba Coldwell Banker Commercial Affiliates LLC ("Franchisor") and _____, ("Franchisee").

## RECITALS

A. Franchisee presently operates an approved Coldwell Banker Commercial franchise, the main office of which is located at _____ (the "Main Office"). Franchisee and Franchisor have signed a Franchise Agreement governing the operation of the Main Office (as well as any other authorized Offices) with the Effective Date of _____ for Franchise # _____ (the "Franchise Agreement").

B. Franchisee seeks to open (i) an On-Site Property Management Office ("Property Management Office"), or (ii) an Asset Property Management Office (collectively, the "Property Management Office") located at [_____] (the "Property"), to be operated under the terms of the Franchise Agreement.

C. Franchisor has agreed to grant Franchisee the right to operate a Property Management Office under the terms of the Franchise Agreement, as amended by this Property Management Agreement.

## AGREEMENT

In consideration of the provisions in the Franchise Agreement, the promises in this Property Management Agreement, and other good and valuable consideration, the delivery, receipt, and sufficiency of which are acknowledged, the parties mutually agree as follows:

1. Franchisee will utilize the Property Management Office only for activities directly related to the on-site management of the Property set forth in this Property Management Agreement. Such activities will include but not be limited to receptionist, property manager, onsite leasing, maintenance, engineering, janitorial and landscape maintenance. Franchisee is not permitted to utilize the Property Management Office as a commercial real estate brokerage office other than for the purposes of conducting the management of the property.

2. The Property Management Office will not be subject to a separate Initial Franchise Fee or Brand Marketing Fund contribution.

3. The Property Management Office shall not have a Coldwell Banker Commercial Illuminated Office Sign. The Property Management Office shall be identified pursuant to Franchisor's Policy & Procedures Manual which shall be amended from time to time. Franchisee shall be permitted to place a sign on the door of the Property Management Office and in other on-site areas utilizing the Coldwell Banker Commercial marks with its Business Name and clearly identifying the office as a Property Management Office.

4. Franchisee may utilize business cards identifying the office location and telephone number. All business cards and stationary for the Property Management Office must conspicuously identify the address as that for a "Property Management Office."

5. Franchisee will not operate the Property Management Office as a Branch Office (as defined in the Franchise Agreement).

6. Franchisee's right to operate this Property Management Office is non-transferable and is not assignable.

7. Unless terminated earlier under this Property Management Agreement or for any other reason, the term of this Property Management Agreement will be for a period of one year, to begin on _____, 20_____ and terminate on _____, 20_____ ( the "Initial Term"). At the end of the Initial Term, the term of this Property Management will be automatically extended for additional one year periods without any further action by either party, until terminated under this Property Management Agreement.

8. In addition to the Franchise Agreement termination provisions, Franchisee agrees that the operation of this Property Management Office is expressly contingent on the lawful operation of a commercial real estate brokerage business under the System at the Main Office and that the termination or expiration of the Franchise Agreement for the Main Office will also result in the termination of this Property Management Agreement. In addition, Franchisee's failure to comply with any terms of this Property Management Agreement will be grounds for termination of this Property Management Agreement, the Franchise Agreement, and any other franchise agreements between Franchisor and Franchisee.

9. Franchisor may impose conditions as it deems necessary to insure that the Property Management Office is, in fact, used only in conjunction with the Property Management for the Property.

10. As a condition to opening the Property Management Office, Franchisee will comply with all state and local real estate licensing laws and regulations, as well as all other relevant laws and regulations.

11. Apart from their involvement in the activities of the Property Management Office, neither Franchisee, nor Franchisee's independent sales associates or employees will be involved, in any business capacity, in any real estate brokerage or other business activity unless such activities are carried out from Franchisee's Approved Location.

12. The Property Management Office shall have a telephone number different than that of Franchisee's Main Office, and telephone calls made to Franchisee's Main Office will not ring in Franchisee's Property Management Office, or vice versa.

13. Franchisee will not advertise the existence of the Property Management Office, other than in advertisements related solely to its responsibilities as Property Manager for the Property. However, Franchisee is permitted to identify itself as a Property Manager for the facility in furtherance of its property management business.

14. All rights to commissions and other Gross Revenue of Franchisee resultant from transactions conducted as the Property Manager for the Property shall be reported through Franchisee's Main Office and combined with Franchisees revenues from such location for purposes of all of the terms contained in the Franchise Agreement, including, but not limited to, the computation of royalty fees, BMF contributions and any other fees.

15. Franchisor will, upon reasonable notice, have such audit rights of the books and records of the Property Management Office, as specified in the Franchise Agreement.

16. If Franchisor determines that Franchisee has not complied with the provisions of this Property Management Office Agreement, Franchisor may, upon thirty (30) days written notice, require Franchisee to immediately close the Property Management Office. Failure of Franchisee to close the Property Management Office within thirty (30) days of receipt of said written notice shall constitute grounds for Franchisor terminating the Franchise Agreement.

17. All provisions of the Franchise Agreement, which have not been modified by this Property Management Office Agreement, are hereby affirmed.

18. This Property Management Agreement may be executed in any number of counterparts, each of which will be deemed an original, and all of which, when taken together, will constitute one and the same agreement. Facsimile or electronic copies of this Property Management Agreement will be deemed to have the same force and effect as the original and will be fully binding on all parties.

**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties hereby sign this Property Management Agreement through their authorized representatives below.

COLDWELL BANKER REAL ESTATE LLC dba
COLDWELL BANKER COMMERCIAL AFFILIATES LLC

By: _____
Name: _____
Title: Authorized Person
Dated:_____

FRANCHISEE: _____

By: _____
Name: _____
Title: Authorized Person
Dated:_____

# EXHIBIT C-4

**GENERAL RELEASE AGREEMENT**

This General Release Agreement (this "Release Agreement") is made as of _____, between _____ ("Franchisee"), and Coldwell Banker Real Estate LLC d/b/a Coldwell Banker Commercial Affiliates ("Franchisor").

Franchisee and any and all owners, partners, members and/or shareholders hereby expressly release, remise, acquit and discharge Franchisor and its predecessors, successors, parents, subsidiaries, affiliates, assigns as well as each of their respective officers, directors, employees and agents (collectively "Releasees") from and forever waive and relinquish, any and all claims, counterclaims, rights, setoffs, suits, damages (including, but not limited to, compensatory damages, tort damages, contract damages and punitive damages) demands, obligations, warranties, covenants, debts and causes of action of every nature, character and description, known and unknown, vested or contingent (collectively "Claims") that Franchisee or its owners, partners, members and/or shareholders, individually or collectively, have or may have against any and all Releasees based on acts or omissions through the date this Addendum is signed by Franchisee including, but not limited to, all Claims relating in any manner to, or otherwise resulting from, or arising out of: (i) the relationship between the Parties before the execution of this Addendum; (ii) the franchise sales transaction (to the extent permitted by law); (iii) the Agreement and this Addendum; and/or (iv) any other agreements (including other franchise agreements) by and between Franchisee and/or its owners, partners, members and/or shareholders and Franchisor. In providing this release, Franchisee and its owners, partners, members and/or shareholders expressly acknowledge that: (x) to the extent the laws of the State of Washington govern the relationship of the parties hereto, notwithstanding the general release and waiver of claims herein, consistent with the Franchise Agreement(s) and Washington law, this release and waiver of rights executed by you will not include the release or waiver of rights under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder;; and (y) to the extent the laws of the State of California govern the relationship of the Parties hereto, Franchisee and its owners, partners, members and/or shareholders are fully familiar with the provisions of Section 1542 of the Civil Code of the State of California and each expressly waives any and all rights under Section 1542 of the Civil Code of the State of California which provides as follows:

> ***"A General Release does not extend to claims which the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, would if known by him or her, would have materially affected his or her settlement with the debtor or released party."***

**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.**

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement effective as of the date first written above.

_____

By: _____
Name: _____
Title: _____

**COLDWELL BANKER REAL ESTATE LLC d/b/a COLDWELL BANKER COMMERCIAL AFFILIATES**

By: _____
[Authorized Person]

# EXHIBIT D-1

Franchise No. _____

# CONVERSION PROMISSORY NOTE

_____ (the "Note Date")

| | |
|---|---|
| MAKER: | _____ |
| CO-MAKER(S): | _____ |
| | |
| HOLDER: | Choose an item. |
| PLACE FOR PAYMENT: | 175 PARK AVENUE, MADISON, NJ |
| | |
| PRINCIPAL: | $_____ |
| ANNUAL INTEREST RATE: | 0%, EXCEPT AS DESCRIBED BELOW |
| MATURITY DATE: | December 31, 20__ |

**1. TERMS OF PAYMENT.** FOR GOOD AND VALUABLE CONSIDERATION, the undersigned Maker and Co-Maker(s) promise(s) to pay Holder (or its successors or assigns) the Principal set forth above on the Maturity Date and such Principal will be used for the Business (as defined in the Franchise Agreement). Payments are payable to Holder at 175 Park Avenue, Madison, New Jersey, or at such other place as Holder may designate in writing.

**2. FORGIVENESS.** If on December 31 of each full calendar year (each a "Measurement Date") after the Note Date, beginning with calendar year 2023, Maker and Co-Maker(s) satisfy the conditions in this Note, an amount equal to the Principal divided by **nine (9)** (the "Yearly Principal") will be forgiven by Holder. To qualify for forgiveness of the Principal, Maker and Co-Maker(s) must establish that, as of the Measurement Date and for the calendar year concluding on the Measurement Date:

A. Maker is not in default of its obligations under any franchise agreement(s) with Holder (the "Franchise Agreement"), including payment of royalty fees and marketing fund contributions; **and**

B. Maker(s) has timely paid Holder all royalty fees and marketing fund contributions owed under the Franchise Agreement on aggregate Gross Revenues (as defined in the Franchise Agreement) of at least $_____ ("Forgiveness Threshold").

C. Notwithstanding the above, Maker shall have the right to miss one (1) Forgiveness Threshold and still have its Yearly Principal installment under this Note for that calendar year forgiven (the "One Miss Right"). Accordingly, in the event Maker fails to satisfy the Forgiveness Threshold on any one (1) Measurement Date, the Yearly Principal installment of this Note that would otherwise be due and owing to Holder for that calendar year, shall be forgiven upon Holder's receipt of written notice from Maker by March 15th of the year following the Measurement Date, that

it elects to exercise its One Miss Right. Once Maker exercises its One Miss Right, it shall have no further rights to have any Yearly Principal installment under this Note forgiven without satisfying the Forgiveness Threshold.

**3. ANNUAL AMOUNT DUE ON FAILURE TO SATISFY CONDITIONS.** If Maker does not satisfy the above conditions as of any Measurement Date, and elects not to exercise its One Miss right described in Paragraph 2C above, or if the One Miss Right is no longer available, then within thirty (30) days after the Measurement Date, Maker shall pay Holder an amount equal to the *lesser of* (i) royalty fees (calculated after the application of any Incentive Award (as defined below), if applicable) on the shortfall amount which is the difference between the Forgiveness Threshold and annual Gross Revenues reported and paid for the applicable calendar year; **or** (ii) the Yearly Principal installment due on this Note for such year. If Maker or Co-Maker(s) fails to make any payment when due, including any payment due on acceleration of this Note, the entire outstanding Principal shall bear simple interest at a rate equal to the lesser of eighteen percent (18%) per year or the highest rate allowed by law, from its due date until paid in full.

**4. APPLICATIONS OF FUNDS DUE MAKER.** Maker agrees that Holder, at its sole option, without notice, may apply to the outstanding due and payable Principal (and accrued and unpaid interest amount) payments due to Maker(s) from Holder, including without limitation any amounts due under any performance incentive or royalty fee rebate program ("Incentive Award"), if any, that may be provided in the Franchise Agreement, if any payment becomes due or payable to Maker. To the extent necessary, Maker(s) hereby assigns, transfers and/or conveys to Holder all of Maker's rights, title and interest in and to the Incentive Award, if any, owed to Maker. Any amounts applied against the Principal shall correspondingly reduce amounts owed by Maker(s).

**5. ACCELERATION OF PRINCIPAL.** Upon Holder's determinations that Maker and Co-Maker(s) are in default, or upon the occurrence of any of the following, Holder may accelerate the unpaid Principal and all accrued interest will become immediately due and payable, without presentment for payment or any notice or demand:

A. Maker or Co-Maker(s) (i) suspends business; (ii) becomes insolvent or offers settlement to any creditors; (iii) files a petition in bankruptcy, either voluntary or involuntary; (iv) institutes any proceeding under any bankruptcy or insolvency laws relating to the relief of debtors; (v) makes an assignment for the benefit of creditors; or (vi) makes any false statement or representation orally or in writing, fails to furnish information, or fails to permit inspection of any books or records on demand of Holder;

B. Upon default in payment of any Principal payment due under this Note;

C. Upon default, in Holder's sole opinion, of any other agreement or note between Maker and Holder or any of Holder's related companies, including, but not limited to, the Franchise Agreement; or

D. Upon termination or expiration of the Franchise Agreement.

For the purposes of this Note, a party will be in default of an agreement if the party has been given notice of default under the agreement, and, for defaults for which the party is afforded an opportunity to cure under the applicable agreement, the party failed to cure within the period provided. Maker's and Co-Maker(s)'s obligation to pay the Principal and interest, if accelerated, will be absolute and unconditional, and will not be subject to any rights of offset or recoupment.

**6. ASSIGNMENT.** This Note is not assignable by Maker or any Co-Maker without the prior written consent of Holder.

**7. NO PRE-PAYMENT PENALTY**. Maker and Co-Maker(s) may prepay this Note in whole or in part on any date without premium or penalty. No partial prepayment shall extend or postpone the due date of any subsequent installment payment or change the amount of the installment payment. Prepayments will be applied without notation on this Note.

**8. ATTORNEYS' FEES**. Maker and Co-Maker(s) agree to pay all expenditures made in any attempt to collect any amounts due pursuant to this Note. If Holder takes legal action to enforce or collect this Note, Holder shall be entitled to reasonable attorneys' fees (including in-house attorneys) and court costs and all costs of collection in addition to any other relief to which it may be entitled.

**9. WAIVER OF PRESENTMENT**. Maker and Co-Maker(s) and each of them, waive, to the fullest extent permitted by law, diligence, demand, notice of demand, presentment for payment, notice of non-payment, notice of dishonor, protest and notice of protest and specifically consent to and waive notice of any renewals, extensions, amendments or modifications of this Note, whether made to or in favor of Maker or any other person or persons. Holder reserves the right to modify the terms of this Note, grant extensions, notations, renewals, releases, discharges, compositions and compromises with any party liable under this Note, with or without any notice to or the consent of, and without discharging or affecting the obligations of, any other party liable under this Note. The claiming of any statute of limitations as a defense to any demand against Maker, Co-Maker(s) or any endorser or guarantor is expressly waived by each and all of said parties.

**10. ACQUISITION-RELATED REPRESENTATIONS.** If this Note is being executed in connection with the acquisition or consolidation (by merger, acquisition or otherwise) of a real estate brokerage business from another person or entity, Maker and Co-Makers agree that while Holder and its representatives may have participated in the negotiation of such acquisition and assisted with the preparation of documents (legal or otherwise), Holder and its representatives were acting solely in the capacity of franchisor and were not retained by Maker or any Co-Maker in the capacity of agent, consultant or advisor. Maker and each Co-Maker agree that they have not and will not rely on any financial, legal or accounting advice about the acquisition that may have been provided by Holder or any of its employees, representatives, or affiliates. Maker represents and warrants that it has completed any due diligence and other investigations of the acquired office as Maker deemed appropriate. Additionally, Maker agrees that it has not relied on any representations made by Holder or any of its representatives or affiliates in deciding to complete the acquisition and related transactions. Maker waives any and all claims against Holder and its officers, directors, shareholders, affiliates, employees and agents arising out of the acquisition or consolidation.

**11. GOVERNING LAW/CONFIDENTIALITY/COUNTERPARTS.** This Note will be construed and enforced in accordance with the laws of the State of New Jersey. The terms of this Note are confidential and will not be disclosed to any third party by Maker without the prior written consent of Holder, unless otherwise required by law. This Note may be executed in counterparts, each of which will be deemed an original, and all of which will constitute one Note.

**12. JOINT AND SEVERAL LIABILITY.** This Note will be the joint and several obligation of Maker, Co-Maker(s), all guarantors and endorsers, if any, and will be binding upon them and their heirs, executors, personal representatives, successors and assigns and will inure to the benefit of Holder and its successors and assigns.

**13. CONFESSION OF JUDGMENT.** Maker and Co-Maker(s) agree that any attorney-at-law may appear in any court of record situated in any County where the Maker and/or Co-Maker(s) then reside or in the County where Maker and/or Co-Maker signed this Note and being in the United States at any time after the debt evidenced will become due, either at its stated maturity or by declaration and will waive the issuing and service of process and confess judgment against the Maker and Co-Maker(s), jointly and severally, in favor of the Holder, for the amount then owing on this Note, together with the costs of suit and thereupon release all errors and waive all right of appeal.

**14. HEADINGS.** The headings in this Note are for convenience only, do not constitute a part of this Note, and will not be deemed to have any legal effect.

[Remainder of page left blank; Signature page follows]

**THIS PROMISSORY NOTE MAY NOT BE ACCEPTED BY HOLDER WITHOUT ALL MAKER AND CO-MAKER SIGNATURES AND ALL WITNESS SIGNATURES AND ADDRESSES**

IN WITNESS WHEREOF, the undersigned Maker and Co-Maker(s) have executed this Note as of the date first set forth above.

WITNESS:

_____
*Witness Signature*

_____

_____

_____
*Print Witness Name and Home Address*

MAKER: _____

By: _____
Name: _____
Title: **Authorized Person**

WITNESS:

_____
*Witness Signature*

_____

_____

_____
*Print Witness Name and Home Address*

CO-MAKER(S): _____

_____

**____, Individually**

WITNESS:

_____
*Witness Signature*

_____

_____

_____
*Print Witness Name and Home Address*

CO-MAKER(S): _____

_____

**____, Individually**

4879-0486-7609, v. 1

# EXHIBIT D-2

Office No._____

**EXPANSION PROMISSORY NOTE**

Dated: _____

| | |
|---|---|
| MAKER: | _____ |
| CO-MAKER(S): | _____ |
| | |
| HOLDER: | COLDWELL BANKER REAL ESTATE LLC |
| PLACE FOR PAYMENT: | 175 PARK AVENUE, MADISON, NJ |
| | |
| PRINCIPAL: | $_____ |
| ANNUAL INTEREST RATE: | 0%, EXCEPT AS DESCRIBED BELOW |
| MATURITY DATE: | December 31, 20___ |

A. **TERMS OF PAYMENT.** FOR GOOD AND VALUABLE CONSIDERATION, the undersigned Maker and Co-Maker promise(s) to pay Holder (or its successors or assigns) the Principal set forth above on the Maturity Date and such Principal will be used for the Business (as defined in the Franchise Agreement). Payments are payable to Holder at 175 Park Avenue, Madison, New Jersey, or at such other place as Holder may designate in writing. The Principal will, except as set forth below, bear no interest.

B. **PRINCIPAL PAYMENTS/INTEREST.** The Principal will be paid in one installment of $_____, payable _____**.** If Maker or Co-Maker(s) fail to make any payment when due, including the payment due upon acceleration of this Note, the entire outstanding Principal will bear simple interest from its due date until paid in full at a rate equal to the lesser of eighteen percent (18%) per year or the highest rate allowed by law.

C. **APPLICATION OF MONIES DUE MAKER**. Notwithstanding the installment payments, Maker agrees that Holder, at its sole option, without notice, may apply to the outstanding due and payable Principal (and any accrued and unpaid interest) payments due to Maker from Holder under the Performance Premium Award described in any franchise agreement between Maker and Holder, as each may be amended (the "Franchise Agreement(s)"), if any Performance Premium Award becomes due or payable to Maker. For purposes of this Section, Maker assigns, transfers and conveys to Holder all of Maker's rights, title and interest in and to the Performance Premium Award. Amounts of Performance Premium Awards applied against the Principal will correspondingly reduce amounts owed by Maker under this Note.

D. **PAYMENT.** All payments will be made in lawful money of the United States of America without offset, recoupment, deduction or counterclaim of any kind. Payments, when made, will first be applied to accrued and unpaid interest, if any, and then to Principal Maker and Co-Maker(s) may prepay this Note in whole or in part on any date without premium or penalty. No

partial prepayment will extend or postpone the due date of any subsequent installment payment or change the amount of the installment payment. Prepayments will be applied without notation on this Note.

E. **DEFAULT.** Holder may determine that Maker and Co-Maker(s) are in default and may accelerate the unpaid Principal and all accrued interest to become immediately due and payable, without presentment for payment or any notice or demand, (A) if Maker, Co-Maker(s), endorser, surety or guarantor of this Note: (i) suspends business; (ii) becomes insolvent or offers settlement to any creditors; (iii) files a petition in bankruptcy, either voluntary or involuntary; (iv) institutes any proceeding under any bankruptcy or insolvency laws relating to the relief of debtors; (v) makes an assignment for the benefit of creditors; or (vi) makes any false statement or representation orally or in writing, fails to furnish information, or fails to permit inspection of any books or records on demand of Holder, (B) Upon default in payment of any Principal payment due under this Note, (C) Upon default, in Holder's sole opinion, of any other agreement or note between Maker and Holder or any of Holder's related companies, including, but not limited to, the Franchise Agreement(s), or (D) Upon termination or expiration of any agreement between Maker and Holder or any of Holder's related companies, including, but not limited to, any of the Franchise Agreement(s). For the purposes of this Note, a party will be in default of an agreement if the party has been given notice of default under the agreement, and, for defaults for which the party is afforded an opportunity to cure under the applicable agreement, the party failed to cure within the period provided. Maker's and Co-Maker(s)'s obligation to pay the Principal and interest, if accelerated, will be absolute and unconditional, and will not be subject to any rights of offset or recoupment.

F. **CONFESSION OF JUDGMENT.** Maker and Co-Maker(s) agree that any attorney-at-law may appear in any court of record situated in any County where the Maker and/or Co-Maker(s) then reside or in the County where Maker and/or Co-Maker signed this Note and being in the United States at any time after the debt evidenced will become due, either at its stated maturity or by declaration, and waive the issuing and service of process and confess judgment against the Maker and Co-Maker(s), jointly and severally, in favor of the Holder, for the amount then owing on this Note, together with the costs of suit and thereupon release all errors and waive all right of appeal.

G. **ATTORNEYS' FEES.** Maker and Co-Maker(s) agree to pay all expenditures made in any attempt to collect any amounts due pursuant to this Note. If Holder takes legal action to enforce or collect this Note, Holder will be entitled to reasonable attorneys' fees (including in-house attorneys) and court costs and all costs of collection in addition to any other relief to which it may be entitled.

H. **WAIVER OF PRESENTMENT.** Maker, Co-Maker(s) and all endorsers or guarantors of this Note, and each of them, hereby waive, to the fullest extent permitted by law, diligence, demand, notice of demand, presentment for payment, notice of non-payment, notice of dishonor, protest and notice of protest and specifically consent to and waive notice of any renewals, extensions, amendments or modifications of this Note, whether made to or in favor of Maker or any other person or persons. Holder reserves the right to modify the terms of this Note, grant extensions, notations, renewals, releases, discharges, compositions and compromises with any party liable

under this Note, with or without any notice to or the consent of, and without discharging or affecting the obligations of, any other party liable under this Note. The claiming of any statute of limitations as a defense to any demand against Maker, Co-Maker(s) or any endorser or guarantor is expressly waived by each and all of said parties.

I. **ACQUISITION-RELATED REPRESENTATIONS.** If this Note is being executed in connection with the acquisition or consolidation (by merger, acquisition or otherwise) of a real estate brokerage business from another person or entity, Maker and Co-Makers agree that while Holder and its representatives may have participated in the negotiation of such acquisition and assisted with the preparation of documents (legal or otherwise), Holder and its representatives were acting solely in the capacity of franchisor and were not retained by Maker or any Co-Maker in the capacity of agent, consultant or advisor. Maker and each Co-Maker agree that they have not and will not rely on any financial, legal or accounting advice about the acquisition that may have been provided by Holder or any of its employees, representatives, or affiliates. Maker represents and warrants that it has completed any due diligence and other investigations of the acquired office as Maker deemed appropriate. Additionally, Maker agrees that it has not relied on any representations made by Holder or any of its representatives or affiliates in deciding to complete the acquisition and related transactions. Maker waives any and all claims against Holder and its officers, directors, shareholders, affiliates, employees and agents arising out of the acquisition or consolidation.

J. **GOVERNING LAW/CONFIDENTIALITY/COUNTERPARTS.** This Note will be construed and enforced in accordance with the laws of the State of New Jersey. The terms of this Note are confidential and will not be disclosed to any third party by Maker without the prior written consent of Holder, unless otherwise required by law. This Note may be executed in counterparts, each of which will be deemed an original, and all of which will constitute one Note.

K. **JOINT AND SEVERAL LIABILITY/ASSIGNABILITY.** This Note will be the joint and several obligation of Maker, Co-Maker(s), all guarantors and endorsers, if any, and will be binding upon them and their heirs, executors, personal representatives, successors and assigns and will inure to the benefit of Holder and its successors and assigns. This Note will not be assignable by Maker or any Co-Maker without the prior written consent of Holder.

L. **HEADINGS.** The headings in this Note are for convenience only, do not constitute a part of this Note, and will not be deemed to have any legal effect.

[Remainder of page left blank; Signature page follows]

**THIS PROMISSORY NOTE MAY NOT BE ACCEPTED BY HOLDER WITHOUT ALL MAKER AND CO-MAKER SIGNATURES AND ALL WITNESS SIGNATURES AND ADDRESSES**

IN WITNESS WHEREOF, the undersigned Maker and Co-Maker(s) have executed this Note as of the date first set forth above.

WITNESS:

_____
*Witness Signature*

_____

_____

_____
*Print Witness Name and Home Address*

MAKER: _____

By:
_____
Name: _____
Title: **Authorized Person**

WITNESS:

_____
*Witness Signature*

_____

_____

_____
*Print Witness Name and Home Address*

CO-MAKER(S): _____

_____

**____, Individually**

WITNESS:

_____
*Witness Signature*

_____

_____

_____
*Print Witness Name and Home Address*

CO-MAKER(S): _____

_____

**____, Individually**

# EXHIBIT D-3

COLDWELL BANKER COMMERCIAL

# SECURITY AGREEMENT

This Security Agreement ("Security Agreement") is made as of _____, between _____, ("Debtor"), and Coldwell Banker Real Estate LLC dba Coldwell Banker Commercial Affiliates LLC ("Secured Party").

For good and valuable consideration, the receipt and sufficiency of which are acknowledged, Debtor grants to Secured Party a security interest in all accounts receivable and payment intangibles; cash proceeds; contract rights; leases; furniture; furnishings; equipment; fixtures; inventory; commissions; real estate listings, listing agreements and related rights which are located at, utilized by or related to the real estate brokerage business conducted by Debtor and including the proceeds therefrom and any and all amendments or replacements thereto and any rebate/award program (or similar incentive programs) to which Debtor and/or any Co-Debtors may be entitled pursuant to any franchise agreement entered into with Secured Party, together with all such rights and property hereafter acquired by Debtor and Co-Debtors; and all general intangibles (collectively, the "Collateral") as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto). [Add following only for Security Agreements filed in New Jersey - The Collateral described herein falls within the scope of the Uniform Commercial Code enacted in New Jersey, including N.J.S.A. 12A:9-102 and N.J.S.A. 12A:9-109.] The foregoing Collateral is granted to Secured Party as security for (i) the prompt payment of any promissory notes executed by Debtor in favor of Secured Party, and any renewals, compromises, extensions, modifications, accelerations or other changes in the time for performance or other terms (the "Notes"), and (ii) performance under any franchise agreements between Debtor and Secured Party, as the same may be amended (the "Franchise Agreements"), and (iii) all other agreements between Debtor and Secured Party.

SECTION 1 -- DEBTOR'S OBLIGATIONS. Debtor agrees to the following:

(a) Debtor will properly maintain and care for the Collateral and will not remove the Collateral from the Offices (as defined in the Franchise Agreements).

(b) Debtor will notify Secured Party in writing prior to any change in Debtor's place of business;

(c) Debtor has not executed and will not execute as Debtor any security agreement or financing statement covering any of the Collateral except with Secured Party, nor will Debtor pledge or encumber the Collateral, or allow any lien to be placed against the Collateral, whether voluntary or involuntary;

(d) Debtor represents and warrants to Secured Party that the Collateral shall not become collateral for any other obligations previously incurred, nor collateral under any other security agreement(s) previously executed by Debtor; and

(e) Debtor will not sell, contract for sale or otherwise dispose of any of the Collateral except in the ordinary course of business.

SECTION 2 -- DEFAULTS. Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events or conditions (an "Event of Default"):

(a) The failure by Debtor to pay any amount when due under the terms and provisions of the Notes (after applicable grace periods, if any); or

(b) Debtor's breach of any term, provision, warranty or representation set forth in this Security Agreement or in the Franchise Agreements, or in any other agreement between Debtor and Secured Party; or

(c) The making of any levy on, or seizure or attachment of, any of the Collateral, if such levy, seizure or attachment is not set aside within fifteen (15) days; or

(d) The dissolution, termination of existence or insolvency of Debtor; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor; or

(e) Any guarantor, surety or endorser for Debtor defaulting in any obligation or material liability to Secured Party, if Debtor does not cure the default within five (5) days of receiving written notice.

SECTION 3 -- REMEDIES AFTER DEFAULT.

(a) If an Event of Default occurs, in addition to all other rights and remedies given Secured Party under any and all agreements by and among Secured Party, Debtor and/or Debtor's guarantors, or otherwise by law, may do one or more of the following, without notice to or demand upon Debtor:

1) Declare all obligations secured by this Security Agreement immediately due and payable;

2) Enforce the security interest given under this Security Agreement and otherwise exercise the rights of a secured creditor provided under the laws of the state in which the Office is located

3) Require Debtor to assemble the Collateral and make it available to Secured Party; and/or

4) Enter any office or offices of Debtor and take possession of the Collateral and of the records pertaining to the Collateral.

(b) Secured Party may apply the proceeds of any disposition of Collateral available for satisfaction of Debtor's indebtedness, which shall include the reasonable expenses of such sale, in any order of preference that Secured Party, chooses in its sole discretion. Debtor shall remain liable for any deficiency.

SECTION 4 -- INSURANCE PROCEEDS. So long as no default exists under this Security Agreement, the proceeds of fire and casualty insurance covering the Collateral may be used by Debtor for the repair and restoration of Debtor's facilities or Offices (as defined in the Franchise Agreements).

SECTION 5 -- DUTIES OF SECURED PARTY. Secured Party's duties or responsibilities with reference to the Collateral shall be limited solely to the duties and responsibilities in this Security Agreement and Secured Party shall not be responsible in any way for the condition, depreciation or

maintenance of the Collateral other than as described in this Security Agreement. Debtor shall pay when due all taxes, charges, liens and assessments against the Collateral.

SECTION 6 -- MISCELLANEOUS.

(a) Waiver. Any express or implied waiver of any provision of this Security Agreement and any delay or failure by Secured Party to enforce any provision of this Security Agreement shall not preclude Secured Party from later enforcing any such provision.

(b) Governing Law. This Security Agreement shall be governed by and construed according to the laws of the State of New Jersey.

(c) Remedies. All rights and remedies provided in this Security Agreement are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude its further exercise or the exercise of any other right or remedy.

(d) Financing Statement. At the same time this Security Agreement is signed, Secured Party shall file a UCC-1 Financing Statement with the Secretary of State in the state of formation (or residence if a sole proprietor) of the Debtor or other appropriate governmental authority to perfect the security interest created by this Security Agreement. Debtor will sign such other documents as Secured Party may reasonably require to perfect its security interest in the Collateral.

(e) Notices. In the event either party desires to give notice to the other with regard to this Security Agreement, the notice shall be in writing and may be hand delivered, express mailed, or sent by certified or registered mail. Mailed notices as provided under this Security Agreement shall be deemed to be given two (2) days after they are sent. Such notices shall be sent to the address provided for such party in the Franchise Agreements, unless a party gives notice of a change of its address.

(f) Successors in Interest. This Security Agreement shall inure to the benefit of, and be binding upon, the successors in interest of the parties hereto.

(g) Amendments. This Security Agreement may only be amended by a writing signed by both parties.

(h) Entire Agreement. This Security Agreement constitutes the entire agreement between the parties regarding the matters discussed in this Security Agreement, all representations or understandings, whether oral or written, having been incorporated or otherwise superseded by this Security Agreement.

(i) Facsimiles. Facsimile or electronic copies of this Security Agreement shall be deemed to have the same force and effect as the original and shall be fully binding on all parties.

**THE PERSON SIGNING THIS AGREEMENT ON BEHALF OF THE DEBTOR REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE DEBTOR TO THE TERMS OF THIS SECURITY AGREEMENT.**

WHEREFORE, the parties have signed this Security Agreement effective as of the date set forth above.

**DEBTOR**

By: _____
Name:
Title: **Authorized Person**
Date:_____

**SECURED PARTY**

By:_____
[Authorized Person]
Date: _____

# EXHIBIT E

CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Agreement") is made and entered into as of _____, 20__ between **Coldwell Banker Real Estate LLC dba Coldwell Banker Commercial Affiliates LLC,** a limited liability company ("Franchisor") and _____, a _____ company ("Prospective Franchisee").

WHEREAS, Prospective Franchisee desires to evaluate the purchase of a franchise from Franchisor on the terms and conditions of Franchisor's Franchise Agreement; and

WHEREAS, in connection with this evaluation, Prospective Franchisee desires to review Franchisor's Policy and Procedures Manual, which may consist of several component parts, including but not limited to, the P&P Manual, the Identity Standards Manual (where applicable) and any other Standards as may be amended from time to time at Franchisor's sole discretion (collectively referred to herein as the "Manual"), and is being maintained as confidential information and trade secrets of Franchisor; and

WHEREAS, Franchisor will permit inspection of its Manual prior to the execution of a Franchise Agreement only on the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of being given access to the Manual, Prospective Franchisee hereby agrees as follows:

1. All information contained in the Manual (the "Confidential Information") shall be used by Prospective Franchisee solely for the purpose of evaluating whether or not to enter into a Franchise Agreement with Franchisor, and for no other purpose.

2. Prospective Franchisee shall not disclose the Confidential Information to any person or entity, other than Permitted Parties, as defined in Paragraph 6 below. Prospective Franchisee shall cause its officers, directors and employees who receive any part of the Confidential Information to maintain its confidentiality. Prospective Franchisee agrees that it shall be responsible and liable for any breach of this provision by its officers, directors and employees.

3. Confidential Information does not include any item of information, which is either; (a) independently developed by Prospective Franchisee without any breach of this Agreement and which can be shown by documentary evidence; (b) known to the public prior to Prospective Franchisee's receipt of such information from Franchisor; (c) after such receipt, becomes available to the public generally other than by contravention of this Agreement, any Permitted Party's Confidential Agreement, or any other duty to or agreement with Franchisor; or (d) is obtained by Prospective Franchisee from a source with the independent right to disclose such information.

4. Upon completion of the evaluation process, Prospective Franchisee shall return to Franchisor all copies of the Manual and all other tangible embodiments containing any Confidential Information, including any notes or analyses regarding Confidential Information made by Prospective Franchisee or any Permitted Party.

5. A breach of any provision of this Agreement will cause Franchisor irreparable injury. Franchisor will be entitled to injunctive relief, without bond, to enjoin any actual or threatened conduct in violation of this Agreement. If Franchisor is successful in obtaining enforcement of this Agreement, Franchisor shall also be entitled to recover from Prospective Franchisee any and all

attorneys' fees, court or arbitration costs and other expenses incurred by Franchisor in connection with such enforcement.

6. Permitted Parties shall mean: (a) Officers, directors and employees of Prospective Franchisee; and (b) Attorneys of Franchisee retained to assist Franchisee in evaluating the decision to acquire a franchise, but only if such attorneys have been advised that the disclosure of the Confidential Information is subject to this Confidentiality Agreement.

7. This Agreement is intended to be a contract governed and construed under the laws of the State of New Jersey, without regard to the principles of conflicts of law. Jurisdiction and venue for any dispute arising out of or related to this Agreement shall be in the federal or state courts sitting in New Jersey, and the parties hereto irrevocably waives any objection (on the grounds of lack of jurisdiction, or forum non conveniens or otherwise) to the jurisdiction and venue of such courts.

8. The failure of Franchisor to exercise any right hereunder against Prospective Franchisee or any other party, shall not be construed as a waiver or a novation. If any portion of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by a final judgment of any court of competent jurisdiction, the remainder of this Agreement will not be influenced thereby. It is the intention of the parties that if any such portion is so held illegal, invalid, or unenforceable, that such portion be replaced by terms as similar to such portion as is possible to be legal, valid, and enforceable.

9. This Agreement is the entire agreement between the parties as to its subject matter. Any changes to this Agreement must be signed by the Prospective Franchisee and acknowledged in writing by Franchisor. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

[Prospective Franchisee]

_____

By: _____

Its: _____

Accepted and Acknowledged:

**Coldwell Banker Real Estate LLC dba Coldwell Banker Commercial Affiliates LLC**

_____

By: _____

Its: _____

# EXHIBIT F

## INDEX TO FINANCIAL STATEMENTS


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## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Anywhere Real Estate Inc.

### *Opinion on the Financial Statements*

We have audited the accompanying consolidated balance sheets of Anywhere Real Estate Inc. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive (loss) income, of equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

*Annual Goodwill Impairment Assessment – Owned Brokerage Group and Cartus/Leads Group Reporting Units*

As described in Notes 2 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was $2,523 million as of December 31, 2022, a portion of which related to the Cartus/Leads Group reporting unit within the Franchise Group segment, and the goodwill associated with the Owned Brokerage Group reporting unit was $0. Management conducts an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. This assessment compares the carrying value of each reporting unit

to their respective fair values and, when appropriate, the carrying value is reduced to fair value. The fair value of each reporting unit is estimated using the income approach, a discounted cash flow method. The fair value of the Company's reporting units is determined utilizing the best estimate of future revenues, operating expenses, including commission expense, market and general economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, and long-term growth rates. During the fourth quarter of 2022, the Company performed its annual impairment assessment of goodwill. This assessment resulted in the recognition of an impairment of all of the goodwill related to the Owned Brokerage Group reporting unit of $280 million and an impairment of goodwill at the Franchise Group segment related to the Cartus/Leads Group reporting unit of $114 million.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessment of the Owned Brokerage Group and Cartus/Leads Group reporting units is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to future revenues, certain operating expenses (which includes commission expense for the Owned Brokerage Group reporting unit), and discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

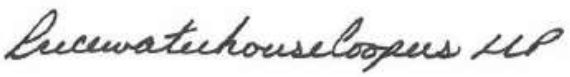
Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's annual goodwill impairment assessment, including controls over the valuation of the Owned Brokerage Group and Cartus/Leads Group reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimates of the Owned Brokerage Group and Cartus/Leads Group reporting units; (ii) evaluating the appropriateness of the discounted cash flow method; (iii) testing the completeness and accuracy of the underlying data used in the discounted cash flow method; and (iv) evaluating the significant assumptions used by management related to future revenues, certain operating expenses (which includes commission expense for the Owned Brokerage Group reporting unit), and discount rates. Evaluating management's assumptions related to future revenues and certain operating expenses (which includes commission expense for the Owned Brokerage Group reporting unit) involved evaluating whether the assumptions used by management were (i) reasonable considering the current and past performance of the reporting units, (ii) consistent with external market and industry data, and (iii) consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow method and the discount rates assumption.

*Annual Indefinite-Lived Asset Impairment Assessment – Franchise Trademarks Intangible Asset*

As described in Notes 2 and 7 to the consolidated financial statements, the Company's consolidated indefinite-lived intangible assets balance was $639 million as of December 31, 2022, including trademark intangible assets of $611 million, a portion of which relates to the franchise trademarks intangible asset. Management conducts an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. This assessment compares the carrying values of the other indefinite lived intangible assets to their respective fair values and, when appropriate, the carrying value is reduced to fair value. The fair value of each indefinite-lived intangible asset is estimated using the relief from royalty method. The fair value of the Company's indefinite lived intangible assets are determined utilizing the best estimate of future revenues, market and general economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, trademark royalty rates, and long-term growth rates. During the fourth quarter of 2022, the Company performed its annual impairment assessment of indefinite-lived intangible assets. This assessment resulted in the recognition of an impairment of the franchise trademarks intangible asset for $76 million.

The principal considerations for our determination that performing procedures relating to the impairment assessment of the franchise trademarks intangible asset is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the franchise trademarks intangible asset; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to future revenues and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's annual trademarks intangible asset impairment assessment, including controls over the valuation of the franchise trademarks intangible asset. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the franchise trademarks intangible asset; (ii) evaluating the appropriateness of the relief from royalty method; (iii) testing the completeness and accuracy of the underlying data used in the relief from royalty method; and (iv) evaluating the significant assumptions used by management related to future revenues and discount rate. Evaluating management's assumption related to future revenues involved evaluating whether the assumption used by management was (i) reasonable considering the current and past performance of the business associated with the trademark, (ii) consistent with external market and industry data, and (iii) consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's relief from royalty method and the discount rate assumption.



Florham Park, New Jersey
February 24, 2023

We have served as the Company's auditor since 2009.

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of Anywhere Real Estate Group LLC

### *Opinion on the Financial Statements*

We have audited the accompanying consolidated balance sheets of Anywhere Real Estate Group LLC and its subsidiaries (the "Company") as of December 31, 2022 and December 31, 2021, and the related consolidated statements of operations, of comprehensive (loss) income and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### *Critical Audit Matters*

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

*Annual Goodwill Impairment Assessment – Owned Brokerage Group and Cartus/Leads Group Reporting Units*

As described in Notes 2 and 7 to the consolidated financial statements, the Company's consolidated goodwill balance was $2,523 million as of December 31, 2022, a portion of which related to the Cartus/Leads Group reporting unit within the Franchise Group segment, and the goodwill associated with

the Owned Brokerage Group reporting unit was $0. Management conducts an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. This assessment compares the carrying value of each reporting unit to their respective fair values and, when appropriate, the carrying value is reduced to fair value. The fair value of each reporting unit is estimated using the income approach, a discounted cash flow method. The fair value of the Company's reporting units is determined utilizing the best estimate of future revenues, operating expenses, including commission expense, market and general economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, and long-term growth rates. During the fourth quarter of 2022, the Company performed its annual impairment assessment of goodwill. This assessment resulted in the recognition of an impairment of all of the goodwill related to the Owned Brokerage Group reporting unit of $280 million and an impairment of goodwill at the Franchise Group segment related to the Cartus/Leads Group reporting unit of $114 million.

The principal considerations for our determination that performing procedures relating to the annual goodwill impairment assessment of the Owned Brokerage Group and Cartus/Leads Group reporting units is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of the reporting units; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to future revenues, certain operating expenses (which includes commission expense for the Owned Brokerage Group reporting unit), and discount rates; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's annual goodwill impairment assessment, including controls over the valuation of the Owned Brokerage Group and Cartus/Leads Group reporting units. These procedures also included, among others (i) testing management's process for developing the fair value estimates of the Owned Brokerage Group and Cartus/Leads Group reporting units; (ii) evaluating the appropriateness of the discounted cash flow method; (iii) testing the completeness and accuracy of the underlying data used in the discounted cash flow method; and (iv) evaluating the significant assumptions used by management related to future revenues, certain operating expenses (which includes commission expense for the Owned Brokerage Group reporting unit), and discount rates. Evaluating management's assumptions related to future revenues and certain operating expenses (which includes commission expense for the Owned Brokerage Group reporting unit) involved evaluating whether the assumptions used by management were (i) reasonable considering the current and past performance of the reporting units, (ii) consistent with external market and industry data, and (iii) consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's discounted cash flow method and the discount rates assumption.

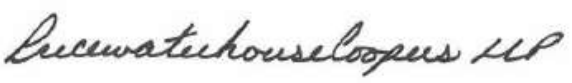
*Annual Indefinite-Lived Asset Impairment Assessment – Franchise Trademarks Intangible Asset*

As described in Notes 2 and 7 to the consolidated financial statements, the Company's consolidated indefinite-lived intangible assets balance was $639 million as of December 31, 2022, including trademark intangible assets of $611 million, a portion of which relates to the franchise trademarks intangible asset. Management conducts an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. This assessment compares the carrying values of the other indefinite lived intangible assets to their respective fair values and, when appropriate, the carrying value is reduced to fair value. The fair value of each indefinite-lived intangible asset is estimated using the relief from royalty method. The fair value of the Company's indefinite lived intangible assets are determined utilizing the best estimate of future revenues, market and general economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, trademark royalty rates, and long-term growth rates. During the fourth quarter of 2022, the Company performed its annual

impairment assessment of indefinite-lived intangible assets. This assessment resulted in the recognition of an impairment of the franchise trademarks intangible asset for $76 million.

The principal considerations for our determination that performing procedures relating to the impairment assessment of the franchise trademarks intangible asset is a critical audit matter are (i) the significant judgment by management when developing the fair value estimate of the franchise trademarks intangible asset; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to future revenues and discount rate; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's annual trademarks intangible asset impairment assessment, including controls over the valuation of the franchise trademarks intangible asset. These procedures also included, among others (i) testing management's process for developing the fair value estimate of the franchise trademarks intangible asset; (ii) evaluating the appropriateness of the relief from royalty method; (iii) testing the completeness and accuracy of the underlying data used in the relief from royalty method; and (iv) evaluating the significant assumptions used by management related to future revenues and discount rate. Evaluating management's assumption related to future revenues involved evaluating whether the assumption used by management was (i) reasonable considering the current and past performance of the business associated with the trademark, (ii) consistent with external market and industry data, and (iii) consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in the evaluation of the Company's relief from royalty method and the discount rate assumption.



Florham Park, New Jersey
February 24, 2023

We have served as the Company's auditor since 2009.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**
**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(In millions, except per share data)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | **2022** | **2021** | **2020** |
| **Revenues** | | | |
| Gross commission income | $ 5,538 | $ 6,118 | $ 4,669 |
| Service revenue | 793 | 1,180 | 983 |
| Franchise fees | 417 | 521 | 419 |
| Other | 160 | 164 | 150 |
| Net revenues | 6,908 | 7,983 | 6,221 |
| **Expenses** | | | |
| Commission and other agent-related costs | 4,415 | 4,753 | 3,527 |
| Operating | 1,377 | 1,669 | 1,473 |
| Marketing | 252 | 263 | 215 |
| General and administrative | 388 | 441 | 412 |
| Former parent legacy cost, net | 1 | 1 | 1 |
| Restructuring costs, net | 32 | 17 | 67 |
| Impairments | 483 | 4 | 682 |
| Depreciation and amortization | 214 | 204 | 186 |
| Interest expense, net | 113 | 190 | 246 |
| Loss on the early extinguishment of debt | 96 | 21 | 8 |
| Other income, net | (140) | (15) | (5) |
| Total expenses | 7,231 | 7,548 | 6,812 |
| **(Loss) income before income taxes, equity in losses (earnings) and noncontrolling interests** | (323) | 435 | (591) |
| Income tax (benefit) expense | (68) | 133 | (104) |
| Equity in losses (earnings) of unconsolidated entities | 28 | (48) | (131) |
| **Net (loss) income** | (283) | 350 | (356) |
| Less: Net income attributable to noncontrolling interests | (4) | (7) | (4) |
| **Net (loss) income attributable to Anywhere and Anywhere Group** | $ (287) | $ 343 | $ (360) |
| | | | |
| **(Loss) earnings per share attributable to Anywhere shareholders:** | | | |
| Basic (loss) earnings per share | $ (2.52) | $ 2.95 | $ (3.13) |
| Diluted (loss) earnings per share | $ (2.52) | $ 2.85 | $ (3.13) |
| **Weighted average common and common equivalent shares of Anywhere outstanding:** | | | |
| Basic | 113.8 | 116.4 | 115.2 |
| Diluted | 113.8 | 120.2 | 115.2 |

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**
**(In millions)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Net (loss) income** | $ (283) | $ 350 | $ (356) |
| Currency translation adjustment | — | (1) | — |
| Defined Benefit Plans: | | | |
| Actuarial gain (loss) for the plans | 1 | 10 | (6) |
| Less: amortization of actuarial gain (loss) to periodic pension cost | (2) | (3) | (2) |
| Defined benefit plans | 3 | 13 | (4) |
| Other comprehensive income (loss), before tax | 3 | 12 | (4) |
| Income tax expense (benefit) related to items of other comprehensive income (loss) | 1 | 3 | (1) |
| **Other comprehensive income (loss), net of tax** | 2 | 9 | (3) |
| **Comprehensive (loss) income** | (281) | 359 | (359) |
| Less: comprehensive income attributable to noncontrolling interests | (4) | (7) | (4) |
| **Comprehensive (loss) income attributable to Anywhere and Anywhere Group** | $ (285) | $ 352 | $ (363) |

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**
**CONSOLIDATED BALANCE SHEETS**
**(In millions, except share data)**

| | December 31, | |
|---|---|---|
| | 2022 | 2021 |
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 214 | $ 735 |
| Restricted cash | 4 | 8 |
| Trade receivables (net of allowance for doubtful accounts of $12 and $11) | 201 | 123 |
| Relocation receivables | 210 | 139 |
| Other current assets | 205 | 183 |
| Total current assets | 834 | 1,188 |
| Property and equipment, net | 317 | 310 |
| Operating lease assets, net | 422 | 453 |
| Goodwill | 2,523 | 2,923 |
| Trademarks | 611 | 687 |
| Franchise agreements, net | 954 | 1,021 |
| Other intangibles, net | 150 | 171 |
| Other non-current assets | 572 | 457 |
| **Total assets** | $ 6,383 | $ 7,210 |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 184 | $ 130 |
| Securitization obligations | 163 | 118 |
| Current portion of long-term debt | 366 | 10 |
| Current portion of operating lease liabilities | 122 | 128 |
| Accrued expenses and other current liabilities | 470 | 666 |
| Total current liabilities | 1,305 | 1,052 |
| Long-term debt | 2,483 | 2,940 |
| Long-term operating lease liabilities | 371 | 417 |
| Deferred income taxes | 239 | 353 |
| Other non-current liabilities | 218 | 256 |
| **Total liabilities** | 4,616 | 5,018 |
| Commitments and contingencies (Note 15) | | |
| Equity: | | |
| Anywhere preferred stock: $0.01 par value; 50,000,000 shares authorized, none issued and outstanding at December 31, 2022 and December 31, 2021 | — | — |
| Anywhere common stock: $0.01 par value; 400,000,000 shares authorized, 109,480,357 shares issued and outstanding at December 31, 2022 and 116,588,430 shares issued and outstanding at December 31, 2021 | 1 | 1 |
| Additional paid-in capital | 4,805 | 4,947 |
| Accumulated deficit | (2,994) | (2,712) |
| Accumulated other comprehensive loss | (48) | (50) |
| Total stockholders' equity | 1,764 | 2,186 |
| Noncontrolling interests | 3 | 6 |
| **Total equity** | 1,767 | 2,192 |
| **Total liabilities and equity** | $ 6,383 | $ 7,210 |

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC. AND ANYWHERE REAL ESTATE GROUP LLC**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In millions)**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Operating Activities** | | | |
| Net (loss) income | $ (283) | $ 350 | $ (356) |
| Adjustments to reconcile net (loss) income to net cash (used in) provided by operating activities: | | | |
| Depreciation and amortization | 214 | 204 | 186 |
| Deferred income taxes | (96) | 72 | (114) |
| Impairments | 483 | 4 | 682 |
| Amortization of deferred financing costs and debt discount (premium) | 9 | 18 | 11 |
| Loss on the early extinguishment of debt | 96 | 21 | 8 |
| Gain on the sale of businesses, investments or other assets, net | (135) | (11) | — |
| Equity in losses (earnings) of unconsolidated entities | 28 | (48) | (131) |
| Stock-based compensation | 22 | 29 | 39 |
| Mark-to-market adjustments on derivatives | (40) | (14) | 51 |
| Other adjustments to net (loss) income | (7) | (3) | (5) |
| Net change in assets and liabilities, excluding the impact of acquisitions and dispositions: | | | |
| Trade receivables | (55) | 4 | (4) |
| Relocation receivables | (96) | — | 64 |
| Other assets | (13) | (10) | 29 |
| Accounts payable, accrued expenses and other liabilities | (195) | 17 | 220 |
| Dividends received from unconsolidated entities | 3 | 51 | 101 |
| Other, net | (27) | (41) | (33) |
| **Net cash (used in) provided by operating activities** | (92) | 643 | 748 |
| **Investing Activities** | | | |
| Property and equipment additions | (109) | (101) | (95) |
| Payments for acquisitions, net of cash acquired | (17) | (26) | (1) |
| Net proceeds from the sale of businesses | 63 | 15 | 23 |
| Investment in unconsolidated entities | (22) | (39) | (5) |
| Proceeds from the sale of investments in unconsolidated entities | 13 | — | — |
| Other, net | 17 | 4 | (12) |
| **Net cash used in investing activities** | (55) | (147) | (90) |

See Notes to Consolidated Financial Statements.

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Financing Activities** | | | |
| Net change in Revolving Credit Facility | 350 | — | (190) |
| Repayments of Term Loan A Facility and Term Loan B Facility | — | (1,490) | — |
| Proceeds from issuance of Senior Notes | 1,000 | 905 | — |
| Proceeds from issuance of Senior Secured Lien Notes | — | — | 550 |
| Redemption and repurchases of Senior Notes | (956) | — | (550) |
| Redemption of Senior Secured Second Lien Notes | (550) | — | — |
| Proceeds from issuance of Exchangeable Senior Notes | — | 403 | — |
| Payments for purchase of Exchangeable Senior Notes hedge transactions | — | (67) | — |
| Proceeds from issuance of Exchangeable Senior Notes warrant transactions | — | 46 | — |
| Amortization payments on term loan facilities | (10) | (10) | (43) |
| Net change in securitization obligations | 44 | 12 | (99) |
| Debt issuance costs | (22) | (20) | (15) |
| Cash paid for fees associated with early extinguishment of debt | (83) | (11) | (7) |
| Repurchase of common stock | (97) | — | — |
| Taxes paid related to net share settlement for stock-based compensation | (16) | (9) | (5) |
| Other, net | (36) | (34) | (43) |
| **Net cash used in financing activities** | (376) | (275) | (402) |
| Effect of changes in exchange rates on cash, cash equivalents and restricted cash | (2) | (1) | 1 |
| Net (decrease) increase in cash, cash equivalents and restricted cash | (525) | 220 | 257 |
| Cash, cash equivalents and restricted cash, beginning of period | 743 | 523 | 266 |
| **Cash, cash equivalents and restricted cash, end of period** | $ 218 | $ 743 | $ 523 |
| | | | |
| **Supplemental Disclosure of Cash Flow Information** | | | |
| Interest payments (including securitization interest of $7, $4 and $5 respectively) | $ 164 | $ 188 | $ 209 |
| Income tax payments, net | 62 | 64 | — |

See Notes to Consolidated Financial Statements.

**ANYWHERE REAL ESTATE INC.**
**CONSOLIDATED STATEMENTS OF EQUITY**
**(In millions)**

| | Anywhere Stockholders' Equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Non-controlling Interests | Total Equity |
| | Shares | Amount | | | | | |
| **Balance at January 1, 2020** | 114.4 | $ 1 | $ 4,842 | $ (2,695) | $ (56) | $ 4 | $ 2,096 |
| **Net (loss) income** | — | — | — | (360) | — | 4 | (356) |
| Other comprehensive loss | — | — | — | — | (3) | — | (3) |
| Stock-based compensation | — | — | 39 | — | — | — | 39 |
| Issuance of shares for vesting of equity awards | 1.7 | — | — | — | — | — | — |
| Shares withheld for taxes on equity awards | (0.6) | — | (5) | — | — | — | (5) |
| Dividends | — | — | — | — | — | (4) | (4) |
| **Balance at December 31, 2020** | 115.5 | $ 1 | $ 4,876 | $ (3,055) | $ (59) | $ 4 | $ 1,767 |
| **Net income** | — | — | — | 343 | — | 7 | 350 |
| Other comprehensive income | — | — | — | — | 9 | — | 9 |
| Equity component of Exchangeable Senior Notes issuance, net | — | — | 53 | — | — | — | 53 |
| Purchase of Exchangeable Senior Notes note hedge transactions | — | — | (67) | — | — | — | (67) |
| Tax benefit related to purchase of Exchangeable Senior Notes note hedge transactions | — | — | 18 | — | — | — | 18 |
| Issuance of Exchangeable Senior Notes warrant transactions | — | — | 46 | — | — | — | 46 |
| Exercise of stock options | 0.1 | — | 1 | — | — | — | 1 |
| Stock-based compensation | — | — | 29 | — | — | — | 29 |
| Issuance of shares for vesting of equity awards | 1.5 | — | — | — | — | — | — |
| Shares withheld for taxes on equity awards | (0.5) | — | (9) | — | — | — | (9) |
| Dividends | — | — | — | — | — | (5) | (5) |
| **Balance at December 31, 2021** | 116.6 | $ 1 | $ 4,947 | $ (2,712) | $ (50) | $ 6 | $ 2,192 |
| Cumulative effect adjustment due to the adoption of ASU 2020-06 | — | — | (53) | 5 | — | — | (48) |
| **Net (loss) income** | — | — | — | (287) | — | 4 | (283) |
| Other comprehensive income | — | — | — | — | 2 | — | 2 |
| Repurchase of common stock | (8.8) | — | (97) | — | — | — | (97) |
| Exercise of stock options | 0.1 | — | 2 | — | — | — | 2 |
| Stock-based compensation | — | — | 22 | — | — | — | 22 |
| Issuance of shares for vesting of equity awards | 2.4 | — | — | — | — | — | — |
| Shares withheld for taxes on equity awards | (0.8) | — | (16) | — | — | — | (16) |
| Dividends | — | — | — | — | — | (8) | (8) |
| Contributions from non-controlling interests | — | — | — | — | — | 1 | 1 |
| **Balance at December 31, 2022** | 109.5 | $ 1 | $ 4,805 | $ (2,994) | $ (48) | $ 3 | $ 1,767 |

See Notes to Consolidated Financial Statements.

## 1. BASIS OF PRESENTATION

The Company changed its name from Realogy Holdings Corp. to Anywhere Real Estate Inc. effective June 9, 2022. Anywhere Real Estate Inc. ("Anywhere" or the "Company") is a holding company for its consolidated subsidiaries including Anywhere Intermediate Holdings LLC ("Anywhere Intermediate") and Anywhere Real Estate Group LLC ("Anywhere Group") and its consolidated subsidiaries. Anywhere, through its subsidiaries, is a global provider of residential real estate services. Neither Anywhere, the indirect parent of Anywhere Group, nor Anywhere Intermediate, the direct parent company of Anywhere Group, conducts any operations other than with respect to its respective direct or indirect ownership of Anywhere Group. As a result, the consolidated financial positions, results of operations, comprehensive (loss) income and cash flows of Anywhere, Anywhere Intermediate and Anywhere Group are the same.

The accompanying Consolidated Financial Statements include the financial statements of Anywhere and Anywhere Group. Anywhere's only asset is its investment in the common stock of Anywhere Intermediate, and Anywhere Intermediate's only asset is its investment in Anywhere Group. Anywhere's only obligations are its guarantees of certain borrowings and certain franchise obligations of Anywhere Group. All expenses incurred by Anywhere and Anywhere Intermediate are for the benefit of Anywhere Group and have been reflected in Anywhere Group’s consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. All intercompany balances and transactions have been eliminated.

### *Business Description*

The Company reports its operations in the following three business segments (the number of offices and agents are unaudited):

- **Anywhere Brands ("Franchise Group")**, formerly referred to as Realogy Franchise Group—franchises a portfolio of well-known, industry-leading franchise brokerage brands, including Better Homes and Gardens® Real Estate, Century 21®, Coldwell Banker®, Coldwell Banker Commercial®, Corcoran®, ERA® and Sotheby's International Realty®. As of December 31, 2022, the Company's real estate franchise systems and proprietary brands had approximately 337,400 independent sales agents worldwide, including approximately 195,000 independent sales agents operating in the U.S. (which included approximately 59,800 company owned brokerage independent sales agents). As of December 31, 2022, the Company's real estate franchise systems and proprietary brands had approximately 20,500 offices worldwide in 119 countries and territories, including approximately 5,700 brokerage offices in the U.S. (which included approximately 680 company owned brokerage offices). This segment also includes the Company's lead generation activities through Anywhere Leads Group ("Leads Group") and global relocation services operation through Cartus® Relocation Services ("Cartus").
- **Anywhere Advisors ("Owned Brokerage Group")**, formerly referred to as Realogy Brokerage Group—operates a full-service real estate brokerage business with approximately 680 owned and operated brokerage offices with approximately 59,800 independent sales agents principally under the Coldwell Banker®, Corcoran® and Sotheby’s International Realty® brand names in many of the largest metropolitan areas in the U.S. This segment also includes the Company's share of equity earnings or losses from its minority-owned real estate auction joint venture and former RealSure joint venture.
- **Anywhere Integrated Services ("Title Group")**, formerly referred to as Realogy Title Group—provides full-service title, escrow and settlement services to consumers, real estate companies, corporations and financial institutions primarily in support of residential real estate transactions. This segment also includes the Company's share of equity earnings or losses from Guaranteed Rate Affinity, its minority-owned mortgage origination joint venture, and from its minority-owned title insurance underwriter joint venture.

***Sale of the Title Insurance Underwriter***

On March 29, 2022, the Company sold its title insurance underwriter, Title Resources Guaranty Company (the "Title Underwriter") (previously reported in the Title Group reportable segment), to an affiliate of Centerbridge for $210 million (prior to expenses and tax) and a 30% equity stake in the form of common units in a title insurance underwriter joint venture that owns the Title Underwriter (the "Title Insurance Underwriter Joint Venture"). Upon closing of the transaction, the Company received $208 million of cash and recorded a $90 million investment related to its 30% equity interest in the Title Insurance Underwriter Joint Venture. As a result of the transaction, the Company disposed of $166 million of net assets, including $152 million of cash held as statutory reserves by the Title Underwriter and $32 million of goodwill, and recognized a gain of $131 million, net of fees, recorded in the Other income, net line on the Consolidated Statements of Operations. As this transaction did not represent a strategic shift that will have a major effect on the Company's operations or financial results, the Title Underwriter's operations have not been classified as discontinued operations.

In April 2022, the Company sold a portion of its interest in the Title Insurance Underwriter Joint Venture to a third party, reducing the Company's equity stake from 30% to 26%. The sale resulted in a gain of $4 million recorded in the Other income, net line on the Consolidated Statements of Operations. Refer to Note 4, "Equity Method Investments", for additional information.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### USE OF ESTIMATES

In presenting the consolidated financial statements, management makes estimates and assumptions that affect the amounts reported and related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ materially from those estimates.

### CONSOLIDATION

The Company consolidates any variable interest entity ("VIE") for which it is the primary beneficiary with a controlling financial interest. Also, the Company consolidates an entity not deemed a VIE if its ownership, direct or indirect, exceeds 50% of the outstanding voting shares of an entity and/or it has the ability to control the financial or operating policies through its voting rights, board representation or other similar rights. For entities where the Company does not have a controlling financial or operating interest, the investments in such entities are accounted for using the equity method or at fair value with changes in fair value recognized in net income, as appropriate. See Note 4, "Equity Method Investments" for discussion.

### REVENUE RECOGNITION

See Note 3, "Revenue Recognition", for discussion.

### CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with remaining maturities not exceeding three months at the date of purchase to be cash equivalents.

### RESTRICTED CASH

Restricted cash primarily relates to amounts specifically designated as collateral for the repayment of outstanding borrowings under the Company's securitization facilities. Such amounts approximated $4 million and $8 million at December 31, 2022 and 2021, respectively.

### ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company estimates the allowance necessary to provide for uncollectible accounts receivable. The estimate is based on historical experience, combined with a review of current conditions and forecasts of future losses, and includes specific accounts for which payment has become unlikely. The process by which the Company calculates the allowance begins in the individual business units where specific problem accounts are identified and reserved primarily based upon the age profile of the receivables and specific payment issues, combined with reasonable and supportable forecasts of future losses.

**DEBT ISSUANCE COSTS**

Debt issuance costs include costs incurred in connection with obtaining debt and extending existing debt. These financing costs are presented in the balance sheet as a direct deduction from the carrying value of the associated debt liability, consistent with the presentation of a debt discount, with the exception of the debt issuance costs related to the Revolving Credit Facility and securitization obligations which are classified as a deferred financing asset within other assets. The debt issuance costs are amortized via the effective interest method and the amortization period is the life of the related debt.

**DERIVATIVE INSTRUMENTS**

The Company records derivatives and hedging activities on the balance sheet at their respective fair values. The Company historically used interest rate swaps to manage its exposure to future interest rate volatility associated with its variable rate borrowings. During September 2022, the Company terminated $550 million of its interest rate swaps which had expiration dates of August 2025 and November 2027 and the Company's remaining interest rate swaps, which had a value of $450 million, expired in November 2022. The Company did not elect to utilize hedge accounting for these instruments; therefore, any change in fair value was recorded in the Consolidated Statements of Operations. See Note 18, "Risk Management and Fair Value of Financial Instruments", for further discussion.

**PROPERTY AND EQUIPMENT**

Property and equipment (including leasehold improvements) are initially recorded at cost, net of accumulated depreciation and amortization. Depreciation, recorded as a component of depreciation and amortization on the Consolidated Statements of Operations, is computed utilizing the straight-line method over the estimated useful lives of the related assets. Amortization of leasehold improvements, also recorded as a component of depreciation and amortization, is computed utilizing the straight-line method over the estimated benefit period of the related assets or the lease term, if shorter. Useful lives are 30 years for buildings, up to 20 years for leasehold improvements, and from 3 to 7 years for furniture, fixtures and equipment.

The Company capitalizes the costs of software developed for internal use which commences during the development phase of the project. The Company amortizes software developed or obtained for internal use on a straight-line basis, generally from 1 to 5 years, when such software is ready for use. The net carrying value of software developed or obtained for internal use was $140 million and $126 million at December 31, 2022 and 2021, respectively.

**LEASES**

See Note 6, "Leases", for discussion.

**IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND OTHER LONG-LIVED ASSETS**

Goodwill represents the excess of acquisition costs over the fair value of the net tangible assets and identifiable intangible assets acquired in a business combination. Other indefinite-lived intangible assets primarily consist of trademarks acquired in business combinations. Goodwill and other indefinite-lived assets are not amortized but are subject to impairment testing. The aggregate carrying values of our goodwill and other indefinite-lived intangible assets were $2,523 million and $639 million, respectively, at December 31, 2022 and are subject to an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. The impairment assessment is performed at the reporting unit level which includes Owned Brokerage Group, franchise services (reported within the Franchise Group reportable segment), Title Group and Cartus/Leads Group (includes lead generation and relocation services, both of which are reported within the Franchise Group reportable segment). This assessment compares the carrying value of each reporting unit and the carrying value of each other indefinite lived intangible asset to their respective fair values and, when appropriate the carrying value is reduced to fair value and an impairment charge for the excess is recorded on the "Impairments" line in the accompanying Consolidated Statements of Operations.

In testing goodwill, the fair value of each reporting unit is estimated using the income approach, a discounted cash flow method. For the other indefinite lived intangible assets, fair value is estimated using the relief from royalty method. Management utilizes long-term cash flow forecasts and the Company's annual operating plans adjusted for terminal value assumptions. The fair value of the Company's reporting units and other indefinite lived intangible assets is determined utilizing the best estimate of future revenues, operating expenses including commission expense, market and general

economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, trademark royalty rates, and long-term growth rates. The trademark royalty rate was determined by reviewing similar trademark agreements with third parties.

Although management believes that assumptions are reasonable, actual results may vary significantly. These impairment assessments involve the use of accounting estimates and assumptions, changes in which could materially impact our financial condition or operating performance if actual results differ from such estimates and assumptions. Furthermore, significant negative industry or economic trends, disruptions to the business, unexpected significant changes or planned changes in use of the assets, a decrease in business results, growth rates that fall below management's assumptions, divestitures, and a sustained decline in the Company's stock price and market capitalization may have a negative effect on the fair values and key valuation assumptions. Such changes could result in changes to management's estimates of the Company's fair value and a material impairment of goodwill or other indefinite-lived intangible assets. To address this uncertainty, a sensitivity analysis is performed on key estimates and assumptions.

During the fourth quarter of 2022, the Company performed its annual impairment assessment of goodwill and other indefinite-lived intangible assets. As previously discussed, the Company experienced a decline in transaction volume during the third quarter largely due to rapidly rising mortgage rates, high inflation, reduced affordability, and broader macroeconomic concerns. These challenges within the residential real estate industry continued during the fourth quarter and resulted in lower homesale transaction volume for the brokerage and franchise business and lower referral volume for the leads business. Additionally, industry forecasts now anticipate continued homesale transaction volume declines in 2023. These market conditions as well as an increase in the weighted average cost of capital resulted in the recognition of an impairment of goodwill at the Owned Brokerage Group reporting unit of $280 million, an impairment of goodwill at the Franchise Group segment of $114 million related to the Cartus/Leads Group reporting unit and an impairment of franchise trademarks of $76 million. The results of the Company's annual impairment assessment indicated no other impairment charges were required for the other reporting units or other indefinite-lived intangibles. Management evaluated the effect of lowering the estimated fair value for each of the passing reporting units and indefinite-lived intangible assets by 10% and determined that no impairment of goodwill or indefinite-lived intangibles would have been recognized under this evaluation for 2022 with the exception of the title trademark. The fair value of trademarks is determined using the relief from royalty method which is sensitive to fluctuations in projected revenues.

During the year ended December 31, 2021, there was no impairment of goodwill or other indefinite-lived intangible assets. Management evaluated the effect of lowering the estimated fair value for each of the reporting units by 10% and determined that no impairment of goodwill would have been recognized under this evaluation for 2021.

During the year ended December 31, 2020, the Company recorded the following non-cash impairments related to goodwill and intangible assets:

- an impairment of franchise trademarks of $30 million and a goodwill impairment of $413 million related to Owned Brokerage Group in the first quarter of 2020 driven by the impact on future earnings related to the COVID-19 pandemic primarily due to a significant increase in the weighted average cost of capital as a result of the volatility in the capital and debt markets due to COVID-19 and the related lower projected financial results;
- impairment charges of $105 million related to goodwill and $18 million related to customer relationships during the nine months ended September 30, 2020 (while Cartus was held for sale) to reduce the net assets to the estimated proceeds; and
- an additional goodwill impairment charge of $22 million and a trademark impairment charge of $34 million related to Cartus in the fourth quarter of 2020 as a result of the impact of the COVID-19 crisis resulting in lower relocation activity which negatively impacted the operating results of relocation services.

The results of the Company's annual impairment assessment indicated no other impairment charges were required for the other reporting units or other indefinite-lived intangibles during 2020. Management evaluated the effect of lowering the estimated fair value for each of the passing reporting units by 10% and determined that no impairment of goodwill would have been recognized under this evaluation for 2020. Due to the impairments during 2020 for the Franchise Group and Cartus trademarks, there was little to no excess fair value over carrying value as of December 31, 2020.

The impairment charges are recorded on a separate line in the accompanying Consolidated Statements of Operations and are non-cash in nature.

The Company evaluates the recoverability of its other long-lived assets, including amortizable intangible assets, if circumstances indicate an impairment may have occurred. This assessment is performed by comparing the respective carrying values of the assets to the current and expected future cash flows, on an undiscounted basis, to be generated from such assets. If such assessment indicates that the carrying value of these assets is not recoverable, then the carrying value of such assets is reduced to fair value through a charge to the Company's Consolidated Statements of Operations.

**ADVERTISING EXPENSES**

Advertising costs are generally expensed in the period incurred. Advertising expenses, recorded within the marketing expense line item on the Company's Consolidated Statements of Operations, were approximately $175 million, $192 million and $157 million for the years ended December 31, 2022, 2021 and 2020, respectively.

**INCOME TAXES**

The Company's provision for income taxes is determined using the asset and liability method, under which deferred tax assets and liabilities are calculated based upon the differences between the financial statement and income tax bases of assets and liabilities using currently enacted tax rates. These differences are based upon estimated differences between the book and tax basis of the assets and liabilities for the Company. Certain tax assets and liabilities of the Company may be adjusted in connection with the finalization of income tax audits.

The Company's deferred tax assets are recorded net of a valuation allowance when, based on the weight of available evidence, it is more likely than not that all or some portion of the recorded deferred tax balances will not be realized in future periods. Decreases to the valuation allowance are recorded as reductions to the Company's provision for income taxes and increases to the valuation allowance result in additional provision for income taxes.

**STOCK-BASED COMPENSATION**

The Company grants stock-based awards to certain senior management members, employees and directors including restricted stock units and performance share units. The fair value of restricted stock units and performance share units without a market condition is measured based on the closing price of the Company's common stock on the grant date and is recognized as expense over the service period of the award, or when requisite performance metrics or milestones are probable of being achieved. The fair value of awards with a market condition are estimated using the Monte Carlo simulation method and expense is recognized on a straight-line basis over the requisite service period of the award. The Company recognizes forfeitures as they occur.

**ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

The Company reports the results of operations of a business as discontinued operations if a disposal represents a strategic shift that has or will have a major effect on the Company's operations and financial results when the business is sold and classified as held for sale, in accordance with the criteria of Accounting Standard Codification ("ASC") Topic 205 Presentation of Financial Statements and ASC Topic 360 Property, Plant and Equipment. Assets and liabilities of a business classified as held for sale are recorded at the lower of its carrying amount or estimated fair value, less cost to sell, and depreciation ceases on the date that the held for sale criteria are met. If the carrying amount of the business exceeds its estimated fair value less cost to sell, a loss is recognized. Assets and liabilities related to a business classified as held for sale are segregated in the current and prior balance sheets in the period in which the business is classified as held for sale. The results of discontinued operations are reported in a separate line in the Consolidated Statements of Operations commencing in the period in which the business meets the criteria, and includes any gain or loss recognized on closing, or adjustment of the carrying amount to fair value less cost to sell. Transactions between the businesses held for sale and businesses held and used that are expected to continue to exist after the disposal are not eliminated to appropriately reflect the continuing operations and balances held for sale.

**RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS**

On January 1, 2022, the Company adopted Accounting Standard Update 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"), which simplifies the accounting for instruments with characteristics of liabilities and equity, including convertible debt. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock resulting in fewer embedded conversion features being separately recognized from the host contract and the interest rate of more convertible debt instruments being closer to the coupon interest rate, as compared with prior guidance. In addition, ASU 2020-06 changes the diluted earnings per share calculation for instruments that may be settled in cash or shares and for convertible instruments requiring the use of the if-converted method. ASU 2020-06 is effective for reporting periods beginning on or after December 15, 2021 and permits the use of either the modified retrospective or fully retrospective method of transition.

The Company adopted ASU 2020-06 on January 1, 2022 using the modified retrospective method. In accordance with the transition guidance, the Company applied the new guidance to its Exchangeable Senior Notes that were outstanding as of January 1, 2022 with the cumulative effect of adoption recognized as an adjustment to the opening balance of Accumulated deficit. Upon adoption, the Company re-combined the liability and equity components associated with the Exchangeable Senior Notes into single liability and derecognized the unamortized debt discount and related equity component. This resulted in an increase to Long-term debt of $65 million, a reduction to Additional paid-in capital of $53 million, net of taxes, and a reduction to Deferred tax liabilities of $17 million. The Company recorded a cumulative effect of adoption adjustment of $5 million, net of taxes, as a reduction to Accumulated deficit on January 1, 2022 related to the reversal of cumulative interest expense recognized for the amortization of the debt discount on its Exchangeable Senior Notes since issuance.

The cumulative effect of adoption on the Company's consolidated balance sheets as of January 1, 2022 is summarized below:

| | Balance as of December 31, 2021 | Impact of the adoption of ASU 2020-06 | Balance as of January 1, 2022 after the adoption of ASU 2020-06 |
|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | |
| Long-term debt | $ 2,940 | $ 65 | $ 3,005 |
| Deferred income taxes | 353 | (17) | 336 |
| **Total liabilities** | 5,018 | 48 | 5,066 |
| Equity: | | | |
| Additional paid-in capital | 4,947 | (53) | 4,894 |
| Accumulated deficit | (2,712) | 5 | (2,707) |
| Total stockholders' equity | 2,186 | (48) | 2,138 |
| **Total equity** | 2,192 | (48) | 2,144 |
| **Total liabilities and equity** | $ 7,210 | $ — | $ 7,210 |

Furthermore, upon adoption, the Company is required to use the "if converted" method when calculating the dilutive impact of convertible debt on earnings per share, however this change did not have a financial impact upon adoption as the Company's Exchangeable Senior Notes have been antidilutive since issuance.

**RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

The Company considers the applicability and impact of all Accounting Standards Updates. Recently issued standards were assessed and determined to be either not applicable or are expected to have minimal impact on the Company's consolidated financial position or results of operations.

## 3. REVENUE RECOGNITION

Revenue is recognized upon the transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services in accordance with the revenue accounting standard. The Company's revenue is disaggregated by major revenue categories on our Consolidated Statements of Operations and further disaggregated by business segment as follows:

| | Years Ended December 31, 2022 vs December 31, 2021 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Franchise Group | | Owned Brokerage Group | | Title Group | | Corporate and Other | | Total Company | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Gross commission income (a) | $ — | $ — | $ 5,538 | $ 6,118 | $ — | $ — | $ — | $ — | $ 5,538 | $ 6,118 |
| Service revenue (b) | 260 | 227 | 22 | 29 | 511 | 924 | — | — | 793 | 1,180 |
| Franchise fees (c) | 775 | 914 | — | — | — | — | (358) | (393) | 417 | 521 |
| Other (d) | 110 | 108 | 46 | 42 | 19 | 28 | (15) | (14) | 160 | 164 |
| Net revenues | $ 1,145 | $ 1,249 | $ 5,606 | $ 6,189 | $ 530 | $ 952 | $ (373) | $ (407) | $ 6,908 | $ 7,983 |

| | Years Ended December 31, 2021 vs December 31, 2020 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Franchise Group | | Owned Brokerage Group | | Title Group | | Corporate and Other | | Total Company | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Gross commission income (a) | $ — | $ — | $ 6,118 | $ 4,669 | $ — | $ — | $ — | $ — | $ 6,118 | $ 4,669 |
| Service revenue (b) | 227 | 243 | 29 | 26 | 924 | 714 | — | — | 1,180 | 983 |
| Franchise fees (c) | 914 | 725 | — | — | — | — | (393) | (306) | 521 | 419 |
| Other (d) | 108 | 91 | 42 | 47 | 28 | 22 | (14) | (10) | 164 | 150 |
| Net revenues | $ 1,249 | $ 1,059 | $ 6,189 | $ 4,742 | $ 952 | $ 736 | $ (407) | $ (316) | $ 7,983 | $ 6,221 |

(a) Gross commission income at Owned Brokerage Group is recognized at a point in time at the closing of a homesale transaction.

(b) Service revenue primarily consists of title and escrow fees at Title Group and are recognized at a point in time at the closing of a homesale transaction. Service revenue at Franchise Group includes relocation fees, which are recognized as revenue when or as the related performance obligation is satisfied dependent on the type of service performed, and fees related to leads and related services, which are recognized at a point in time at the closing of a homesale transaction or at the completion of the related service.

(c) Franchise fees at Franchise Group primarily include domestic royalties which are recognized at a point in time when the underlying franchisee revenue is earned (upon close of the homesale transaction).

(d) Other revenue is comprised of brand marketing funds received from franchisees at Franchise Group, and other miscellaneous revenues across all of the business segments.

The Company's revenue streams are discussed further below by business segment:

***Franchise Group***

*Domestic Franchisees*

In the U.S., the Company employs a direct franchising model whereby it franchises its real estate brands to real estate brokerage businesses that are independently owned and operated. Franchise revenue principally consists of royalty and marketing fees from the Company’s franchisees. The royalty received is primarily based on a gross percentage of the franchisee’s gross commission income. Royalty fees are recorded as the underlying franchisee revenue is earned (upon close of the homesale transaction). Annual volume incentives given to certain franchisees on royalty fees are recorded as a reduction to revenue and are accrued for in relative proportion to the recognition of the underlying gross franchise revenue. Other sales incentives are generally recorded as a reduction to revenue ratably over the related performance period or from the date of issuance through the remaining life of the related franchise agreement. Franchise revenue also includes domestic initial franchise fees which are generally non-refundable and recognized by the Company as revenue upon the execution or opening of a new franchisee office to cover the upfront costs associated with opening the franchisee for business under one of Anywhere’s brands.

The Company also earns marketing fees from its franchisees and utilizes such fees to fund marketing campaigns on behalf of its franchisees. As such, brand marketing fund fees are recorded as deferred revenue when received and recognized

into revenue as earned when these funds are spent on marketing activities. The balance for deferred brand marketing fund fees increased from $25 million at January 1, 2022 to $26 million at December 31, 2022 primarily due to additional fees received from franchisees, offset by amounts recognized into revenue matching expenses for marketing activities during the year ended December 31, 2022.

*International Franchisees*

The Company utilizes a direct franchising model outside of the U.S. for Sotheby's International Realty® and Corcoran® and, in some cases, Better Homes and Gardens® Real Estate. For all other brands, the Company generally employs a master franchise model outside of the U.S., whereby it contracts with a qualified third party to build a franchise network in the country or region in which franchising rights have been granted. Under both the direct and master franchise models outside of the U.S., the Company enters into long-term franchise agreements (generally 25 years in duration) and receives an initial area development fee ("ADF") and ongoing royalties. Ongoing royalties are generally a percentage of the royalties received by the master franchisor from its franchisees with which it contracts and are recorded once the funds are received by the master franchisor. Under the direct franchise model, a royalty fee is paid to the Company on transactions conducted by its franchisees in the applicable country or region. The ADFs that the Company collects are recorded as deferred revenue when received and are classified as current or non-current liabilities in the Consolidated Balance Sheets based on the expected timing of revenue recognition. ADFs are recognized into franchise revenue over the average 25 year life of the related franchise agreement as consideration for the right to access and benefit from Anywhere's brands. In the event an ADF agreement is terminated prior to the end of its term, the unamortized deferred revenue balance will be recognized into revenue immediately upon termination. The balance for deferred ADFs decreased from $41 million at January 1, 2022 to $40 million at December 31, 2022 due to $3 million of revenues recognized during the year ended December 31, 2022 that were included in the deferred revenue balance at the beginning of the period, partially offset by $2 million of ADFs received during the year ended December 31, 2022.

In addition, the Company recognizes a deferred asset for commissions paid to Anywhere franchise sales employees upon the sale of a new franchise as these are considered costs of obtaining a contract with a customer that are expected to provide benefits to the Company for longer than one year. The Company classifies prepaid commissions as current or non-current assets in the Consolidated Balance Sheets based on the expected timing of expense recognition. The amount of commissions is calculated as a percentage of the anticipated gross commission income of the new franchisee or ADF and is amortized over 30 years for domestic franchise agreements or the agreement term for international franchise agreements (generally 25 years). The amount of prepaid commissions was $28 million and $26 million at December 31, 2022 and 2021, respectively.

*Lead Generation Programs*

Through Leads Group, a part of the Franchise Group segment, the Company provides high-quality leads to independent sales agents, including through real estate benefit programs that provide home-buying and selling assistance to customers of lenders, members of organizations such as credit unions and interest groups that have established members who are buying or selling a home as well as to consumers and corporations who have expressed interest in a certain brand, product or service (such as relocation services), including those offered by Anywhere. Leads Group also directs the Company's broker-to-broker business, which generates leads by brokers affiliated with one of its customized agent and brokerage networks, including the Anywhere Leads Network. The networks consist of real estate brokers, including company owned brokerage operations, as well as franchisees and independent real estate brokers who have been approved to become members of one or more networks. Member brokers of the networks receive leads from the Company's real estate benefit programs (including via Cartus) and each other in exchange for a fee paid to Leads Group. Network fees are billed in advance and recognized into revenue on a straight-line basis each month during the membership period. The balance for deferred network fees remained flat at zero at January 1, 2022 and December 31, 2022 and consisted of $6 million of revenues recognized during the year that were included in the deferred revenue balance at the beginning of the period offset by a $6 million increase related to new network fees.

*Cartus® Relocation Services*

Through Cartus, a part of the Franchise Group segment, the Company offers a broad range of employee relocation services to clients designed to manage all aspects of transferring their employees ("transferees"). These services include, but are not limited to, homesale assistance, relocation policy counseling and group move management services, expense processing and relocation-related accounting, and visa and immigration support. The Company also arranges household goods moving services and provides support for all aspects of moving a transferee's household goods. There are a number of

different revenue streams associated with relocation services including fees earned from real estate brokers and household goods moving companies that provide services to the transferee which are recognized at a point in time at the completion of services. The Company earns revenues from outsourcing management fees charged to clients that may cover several of the relocation services listed above, according to the clients' specific needs. Outsourcing management fees are recorded as deferred revenue when billed (usually at the start of the relocation) and are recognized as revenue over the average time period required to complete the transferee's move, or a phase of the move that the fee covers, which is typically 3 to 6 months depending on the move type. The balance for deferred outsourcing management fees remained flat at $4 million at January 1, 2022 and December 31, 2022 due to a $58 million increase primarily related to additions for management fees billed on new relocation files in advance of the Company satisfying its performance obligation, offset by $58 million of revenues recognized during the year as performance obligations were satisfied. Furthermore, Cartus continues to provide value through the generation of leads to real estate agent and brokerage participants in the networks maintained by Leads Group, which drives downstream revenue for our businesses. The Company also earns net interest income which represents interest earned from clients on the funds it advances on behalf of the transferring employee net of costs associated with the securitization obligations used to finance these payments, which is recorded within other revenue in the accompanying Consolidated Statements of Operations.

***Owned Brokerage Group***

As an owner-operator of real estate brokerages, the Company assists home buyers and sellers in listing, marketing, selling and finding homes. Real estate commissions earned by the Company's real estate brokerage business are recorded as revenue at a point in time which is upon the closing of a real estate transaction (i.e., purchase or sale of a home). These revenues are referred to as gross commission income. The commissions the Company pays to real estate agents are recognized concurrently with associated revenues and presented as the commission and other agent-related costs line item on the accompanying Consolidated Statements of Operations.

The Company has relationships with developers in select major cities (in particular, New York City) to provide marketing and brokerage services in new developments. New development closings generally have a development period of between 18 and 24 months from contracted date to closing. In some cases, the Company receives advanced commissions which are recorded as deferred revenue when received and recognized as revenue when units within the new development close. The balance of advanced commissions related to developments remained flat at $11 million at January 1, 2022 and December 31, 2022 due to a $3 million increase related to additional commissions received for new developments, offset by a $3 million decrease as a result of revenues recognized on units closed.

***Title Group***

The Company provides title, escrow and settlement services to consumers, real estate companies, corporations and financial institutions with many of these services provided in connection with the Company's real estate brokerage and relocation services businesses. These services relate to the closing of home purchases and refinancing of home loans and therefore, title revenues and title and closing service fees are recorded at a point in time which occurs at the time a homesale transaction or refinancing closes.

***Deferred Revenue***

The following table shows the total change in the Company's contract liabilities related to revenue contracts by reportable segment (as discussed in detail above) for the year ended December 31, 2022:

| | Year Ended December 31, 2022 | | | |
|---|---|---|---|---|
| | Beginning Balance at January 1, 2022 | Additions during the period | Recognized as Revenue during the period | Ending Balance at December 31, 2022 |
| Franchise Group (a) | $ 79 | $ 190 | $ (189) | $ 80 |
| Owned Brokerage Group | 14 | 7 | (7) | 14 |
| Total | $ 93 | $ 197 | $ (196) | $ 94 |

(a) Revenues recognized include intercompany marketing fees paid by Owned Brokerage Group.

The majority of the Company's contracts are transactional in nature or have a duration of one-year or less. Accordingly, the Company does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

## 4. EQUITY METHOD INVESTMENTS

The Company applies the equity method of accounting when it has the ability to exercise significant influence over operating and financial policies of an investee but does not have a controlling financial or operating interest in the joint venture. The Company records its share of the net earnings or losses of its equity method investments on the "Equity in losses (earnings) of unconsolidated entities" line in the accompanying Consolidated Statements of Operations. Investments not accounted for using the equity method are measured at fair value with changes in fair value recognized in net income or in the case that an investment does not have readily determinable fair values, at cost minus impairment (if any) plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment.

The Company has various equity method investments which are recorded within other non-current assets on the accompanying Consolidated Balance Sheets. The Company's share of equity earnings or losses related to these investments are included in the financial results of the Title Group and Owned Brokerage Group reportable segments. The Company's equity method investment balances at December 31, 2022 and 2021 were as follows:

| | December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Guaranteed Rate Affinity | $ 72 | $ 94 |
| Title Insurance Underwriter Joint Venture | 75 | — |
| Other Title Group equity method investments | 10 | 8 |
| Total Title Group equity method investments | 157 | 102 |
| Owned Brokerage Group equity method investments | 27 | 29 |
| Total equity method investments | $ 184 | $ 131 |

Guaranteed Rate Affinity, the Company's 49.9% minority-owned mortgage origination joint venture with Guaranteed Rate, Inc., originates and markets its mortgage lending services to the Company's real estate brokerage as well as other real estate brokerage companies across the country. While the Company has certain governance rights, the Company does not have a controlling financial or operating interest in the joint venture. The Company's investment in Guaranteed Rate Affinity had balances of $72 million and $94 million at December 31, 2022 and 2021, respectively. The Company recorded equity in losses of $22 million, earnings of $49 million and earnings of $126 million related to its investment in Guaranteed Rate Affinity during the years ended December 31, 2022, 2021 and 2020, respectively. The Company received no cash dividends during the year ended December 31, 2022 and $44 million and $96 million in cash dividends from Guaranteed Rate Affinity during the years ended December 31, 2021 and 2020, respectively.

The Company's 26% equity interest in the Title Insurance Underwriter Joint Venture as of December 31, 2022 is accounted for as an equity method investment. While the Company has certain governance rights, the Company does not have a controlling financial or operating interest in the joint venture. In March 2022, the Company recorded a $90 million investment at the closing of the Title Underwriter sale transaction which represented the fair value of the Company's 30% equity interest based upon the agreed upon purchase price. Subsequent to the closing, the Company received a dividend equal to $12 million from the Title Insurance Underwriter Joint Venture. This dividend reduced the Company's investment balance to $78 million as of March 31, 2022. In April 2022, the Company sold a portion of its interest in the Title Insurance Underwriter Joint Venture to a third party reducing the Company's equity stake from 30% to 26%. The sale resulted in a gain of $4 million recorded in the Other income, net line on the Consolidated Statements of Operations. The Company recorded equity in earnings of $6 million from the Title Insurance Underwriter Joint Venture during the year ended December 31, 2022.

Title Group's various other equity method investments had investment balances totaling $10 million and $8 million at December 31, 2022 and 2021, respectively. The Company recorded equity earnings from the operations of Title Group's various other title related equity method investments of $5 million, $6 million and $5 million during the years ended December 31, 2022, 2021 and 2020, respectively. The Company received $3 million, $7 million and $5 million in cash dividends from these equity method investments during the years ended December 31, 2022, 2021 and 2020, respectively.

Owned Brokerage Group's equity method investments include its former investment in RealSure, the real estate auction joint venture and other brokerage related investments. RealSure is the Company's 49% owned joint venture with Home Partners of America which was formed in 2020. The Company and Home Partners of America agreed to cease operations of the joint venture in the fourth quarter of 2022 which resulted in a $4 million impairment of the investment. The real estate auction joint venture, the Company's 50% owned unconsolidated joint venture with Sotheby's, was formed in 2021 and

holds an 80% ownership stake in Sotheby's Concierge Auctions, a global luxury real estate auction marketplace that partners with real estate agents to host luxury online auctions for clients. While the Company has certain governance rights over these equity method investments, the Company does not have a controlling financial or operating interest in the joint ventures. These equity method investments had investment balances totaling $27 million and $29 million at December 31, 2022 and 2021, respectively. The Company recorded equity in losses of $17 million, $7 million and none from the operations of Owned Brokerage Group's equity method investments for the years ended December 31, 2022, 2021 and 2020, respectively. The Company invested $19 million, $34 million and $2 million of cash into these equity method investments during the years ended December 31, 2022, 2021 and 2020, respectively.

## 5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of:

| | December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Furniture, fixtures and equipment | $ 174 | $ 166 |
| Capitalized software | 492 | 463 |
| Finance lease assets | 85 | 78 |
| Building and leasehold improvements | 290 | 295 |
| Land | 3 | 3 |
| Gross property and equipment | 1,044 | 1,005 |
| Less: accumulated depreciation | (727) | (695) |
| Property and equipment, net | $ 317 | $ 310 |

The Company recorded depreciation expense related to property and equipment of $118 million, $110 million and $109 million for the years ended December 31, 2022, 2021 and 2020, respectively.

## 6. LEASES

The Company's lease portfolio consists primarily of office space and equipment. The Company has approximately 1,200 real estate leases with lease terms ranging from less than 1 year to 17 years and includes the Company's brokerage sales offices, regional and branch offices for title and relocation operations, corporate headquarters, regional headquarters, and facilities serving as local administration, training and storage. The Company's brokerage sales offices are generally located in shopping centers and small office parks, typically with lease terms of 1 year to 5 years. In addition, the Company has equipment leases which primarily consist of furniture, computers and other office equipment.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. At lease commencement, the Company records a liability for its lease obligation measured at the present value of future lease payments and a right-of-use asset equal to the lease liability adjusted for prepayments and lease incentives. The Company uses its collateralized incremental borrowing rate to calculate the present value of lease liabilities as most of its leases do not provide an implicit rate that is readily determinable. The Company does not recognize a lease obligation and right-of-use asset on its balance sheet for any leases with an initial term of 12 months or less. Some real estate leases include one or more options to renew or terminate a lease. The exercise of a lease renewal or termination option is assessed at commencement of the lease and only reflected in the lease term if the Company is reasonably certain to exercise the option. The Company has lease agreements that contain both lease and non-lease components, such as common area maintenance fees, and has made a policy election to combine both fixed lease and non-lease components in total gross rent for all of its leases. Expense for operating leases is recognized on a straight-line basis over the lease term. Finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful life of the underlying asset or the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

The Company recognizes impairment charges related to the exit and sublease of certain real estate operating leases. As part of the Company's plan to reduce its office footprint costs and centralize certain aspects of its operational support structure as discussed in Note 14, "Restructuring Costs," the Company will incur right-of-use asset impairments.

Supplemental balance sheet information related to the Company's leases was as follows:

| Lease Type | Balance Sheet Classification | December 31, 2022 | December 31, 2021 |
|---|---|---|---|
| Assets: | | | |
| Operating lease assets | Operating lease assets, net | $ 422 | $ 453 |
| Finance lease assets (a) | Property and equipment, net | 34 | 33 |
| **Total lease assets, net** | | $ 456 | $ 486 |
| Liabilities: | | | |
| Current: | | | |
| Operating lease liabilities | Current portion of operating lease liabilities | $ 122 | $ 128 |
| Finance lease liabilities | Accrued expenses and other current liabilities | 11 | 11 |
| Non-current: | | | |
| Operating lease liabilities | Long-term operating lease liabilities | 371 | 417 |
| Finance lease liabilities | Other non-current liabilities | 14 | 13 |
| **Total lease liabilities** | | $ 518 | $ 569 |
| **Weighted Average Lease Term and Discount Rate** | | | |
| Weighted average remaining lease term (years): | | | |
| Operating leases | | 5.3 | 5.6 |
| Finance leases | | 2.9 | 2.7 |
| Weighted average discount rate: | | | |
| Operating leases | | 4.3 % | 4.2 % |
| Finance leases | | 3.9 % | 3.4 % |

(a) Finance lease assets are recorded net of accumulated amortization of $50 million and $45 million at December 31, 2022 and 2021, respectively.

As of December 31, 2022, maturities of lease liabilities by fiscal year were as follows:

| Maturity of Lease Liabilities | Operating Leases | Finance Leases | Total |
|---|---|---|---|
| 2023 | $ 132 | $ 10 | $ 142 |
| 2024 | 120 | 8 | 128 |
| 2025 | 94 | 4 | 98 |
| 2026 | 69 | 3 | 72 |
| 2027 | 46 | 1 | 47 |
| Thereafter | 92 | — | 92 |
| Total lease payments | 553 | 26 | 579 |
| Less: Interest | 60 | 1 | 61 |
| Present value of lease liabilities | $ 493 | $ 25 | $ 518 |

Supplemental income statement information related to the Company's leases is as follows:

| Lease Costs | Year Ended December 31, 2022 | 2021 | 2020 |
|---|---|---|---|
| Operating lease costs | $ 140 | $ 141 | $ 150 |
| Finance lease costs: | | | |
| Amortization of leased assets | 12 | 12 | 12 |
| Interest on lease liabilities | 1 | 1 | 2 |
| Other lease costs (a) | 23 | 24 | 24 |
| Impairment (b) | 6 | 2 | 46 |
| Less: Sublease income, gross | 2 | 2 | 2 |
| Net lease cost | $ 180 | $ 178 | $ 232 |

(a) Primarily consists of variable lease costs.

(b) Impairment charges relate to the exit and sublease of certain real estate operating leases. In 2020, the Company impaired or restructured a portion of its corporate headquarters in Madison, New Jersey and the relocation operations' main corporate location in Danbury, Connecticut.

Supplemental cash flow information related to leases was as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| **Supplemental cash flow information:** | | | |
| Operating cash flows from operating leases | $ 162 | $ 162 | $ 165 |
| Operating cash flows from finance leases | 1 | 1 | 2 |
| Financing cash flows from finance leases | 13 | 13 | 14 |
| **Supplemental non-cash information:** | | | |
| Lease assets obtained in exchange for lease obligations: | | | |
| Operating leases | $ 92 | $ 134 | $ 103 |
| Finance leases | 14 | 6 | 11 |

## 7. GOODWILL AND INTANGIBLE ASSETS

***Impairment of Goodwill and Other Indefinite-lived Intangibles***

During the fourth quarter of 2022, the Company performed its impairment assessment of goodwill and other indefinite-lived intangible assets. This assessment resulted in the recognition of an impairment of goodwill at the Owned Brokerage Group reporting unit of $280 million, an impairment of goodwill at the Franchise Group segment of $114 million related to the Cartus/Leads Group reporting unit and an impairment of franchise trademarks of $76 million. See Note 2, "Summary of Significant Accounting Policies—Impairment of Goodwill, Intangible Assets and Other Long-Lived Assets", for additional information.

***Goodwill***

Goodwill by reportable segment and changes in the carrying amount are as follows:

| | Franchise Group | Owned Brokerage Group | Title Group | Total Company |
|---|---|---|---|---|
| Balance at January 1, 2020 | $ 2,636 | $ 669 | $ 155 | $ 3,460 |
| Goodwill acquired | — | — | 1 | 1 |
| Goodwill reduction for sale of a business | — | (11) | — | (11) |
| Impairment (a) | (127) | (413) | — | (540) |
| Balance at December 31, 2020 | 2,509 | 245 | 156 | 2,910 |
| Goodwill acquired (b) | — | 24 | 2 | 26 |
| Goodwill reduction for sale of business (c) | (3) | (10) | — | (13) |
| Balance at December 31, 2021 | 2,506 | 259 | 158 | 2,923 |
| Goodwill acquired (d) | — | 21 | 5 | 26 |
| Goodwill reduction for sale of a business (e) | — | — | (32) | (32) |
| Impairment (f) | (114) | (280) | — | (394) |
| Balance at December 31, 2022 | $ 2,392 | $ — | $ 131 | $ 2,523 |
| *Goodwill and accumulated impairment summary:* | | | | |
| Gross goodwill | $ 3,953 | $ 1,088 | $ 455 | $ 5,496 |
| Accumulated impairments (g) | (1,561) | (1,088) | (324) | (2,973) |
| Balance at December 31, 2022 | $ 2,392 | $ — | $ 131 | $ 2,523 |

(a) During the year ended December 31, 2020, the Company recognized a goodwill impairment charges of $413 million related to Owned Brokerage Group and $127 million at Franchise Group which related to $105 million during the nine months ended September 30, 2020 (while Cartus was held for sale) to reduce the net assets to the estimated proceeds and an additional goodwill impairment charge of $22 million during the fourth quarter of 2020 related to Cartus.

(b) Goodwill acquired during the year ended December 31, 2021 relates to the acquisition of three real estate brokerage operations and one title and settlement operation.

(c) Goodwill reduction during the year ended December 31, 2021 relates to the sale of a relocation-related business during the first quarter of 2021 and the sale of a business at Owned Brokerage Group during the second quarter of 2021.

(d) Goodwill acquired during the year ended December 31, 2022 relates to the acquisition of four real estate brokerage operations and two title and settlement operations.

(e) Goodwill reduction during the year ended December 31, 2022 relates to the sale of the Title Underwriter during the first quarter of 2022 (see Note 1, "Basis of Presentation", for a description of the transaction).

(f) During the year ended December 31, 2022, the Company recognized a goodwill impairment charge of $280 million related to Owned Brokerage Group reporting unit and a goodwill impairment charge of $114 million related to the Cartus/Leads Group reporting unit which is reported within the Franchise Group reportable segment.

(g) Includes impairment charges which reduced goodwill by $394 million during 2022, $540 million during 2020, $253 million during 2019, $1,279 million during 2008 and $507 million during 2007.

***Brokerage Acquisitions***

None of the acquisitions were significant to the Company's results of operations, financial position or cash flows individually or in the aggregate.

During the year ended December 31, 2022, the Company acquired four real estate brokerage operations through its wholly owned subsidiary, Owned Brokerage Group, for aggregate cash consideration of $16 million and established $11 million of contingent consideration. These acquisitions resulted in goodwill of $21 million, other intangibles of $6 million, other assets of $26 million and other liabilities of $26 million.

During the year ended December 31, 2021, the Company acquired three real estate brokerage operations through its wholly owned subsidiary, Owned Brokerage Group, for aggregate cash consideration of $26 million and established $6 million of contingent consideration. These acquisitions resulted in goodwill of $24 million, trademarks of $2 million, other intangibles of $4 million, other assets of $12 million and other liabilities of $10 million.

***Intangible Assets***

Intangible assets are as follows:

| | As of December 31, 2022 | | | As of December 31, 2021 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Amortizable—Franchise agreements (a) | $ 2,010 | $ 1,056 | $ 954 | $ 2,010 | $ 989 | $ 1,021 |
| Indefinite life—Trademarks (b) | $ 611 | | $ 611 | $ 687 | | $ 687 |
| *Other Intangibles* | | | | | | |
| Amortizable—License agreements (c) | $ 45 | $ 15 | $ 30 | $ 45 | $ 14 | $ 31 |
| Amortizable—Customer relationships (d) | 456 | 366 | 90 | 456 | 345 | 111 |
| Indefinite life—Title plant shares (e) | 28 | | 28 | 25 | | 25 |
| Amortizable—Other (f) | 11 | 9 | 2 | 16 | 12 | 4 |
| Total Other Intangibles | $ 540 | $ 390 | $ 150 | $ 542 | $ 371 | $ 171 |

(a) Generally amortized over a period of 30 years.

(b) Primarily related to real estate franchise, title and relocation trademarks which are expected to generate future cash flows for an indefinite period of time. Franchise trademarks were impaired by $76 million during the fourth quarter of 2022.

(c) Relates to the Sotheby's International Realty® and Better Homes and Gardens® Real Estate agreements which are being amortized over 50 years (the contractual term of the license agreements).

(d) Relates to the customer relationships at Franchise Group, Title Group and Owned Brokerage Group. These relationships are being amortized over a period of 7 to 20 years.

(e) Ownership in a title plant is required to transact title insurance in certain states. The Company expects to generate future cash flows for an indefinite period of time.

(f) Consists of covenants not to compete which are amortized over their contract lives and other intangibles which are generally amortized over periods ranging from 3 to 5 years.

Intangible asset amortization expense is as follows:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Franchise agreements | $ 67 | $ 67 | $ 67 |
| License agreements | 1 | 1 | 1 |
| Customer relationships | 21 | 22 | 5 |
| Other | 7 | 4 | 4 |
| Total | $ 96 | $ 94 | $ 77 |

Based on the Company's amortizable intangible assets as of December 31, 2022, the Company expects related amortization expense to be approximately $90 million, $89 million, $89 million, $89 million, $74 million and $645 million in 2023, 2024, 2025, 2026, 2027 and thereafter, respectively.

## 8. OTHER CURRENT ASSETS AND ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Other current assets consisted of:

| | December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Prepaid contracts and other prepaid expenses | $ 81 | $ 65 |
| Prepaid agent incentives | 55 | 42 |
| Franchisee sales incentives | 30 | 26 |
| Other | 39 | 50 |
| Total other current assets | $ 205 | $ 183 |

Accrued expenses and other current liabilities consisted of:

| | December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Accrued payroll and related employee costs | $ 110 | $ 284 |
| Advances from clients | 15 | 31 |
| Accrued volume incentives | 39 | 60 |
| Accrued commissions | 44 | 49 |
| Restructuring accruals | 14 | 10 |
| Deferred income | 62 | 59 |
| Accrued interest | 40 | 42 |
| Current portion of finance lease liabilities | 11 | 11 |
| Due to former parent | 20 | 19 |
| Other | 115 | 101 |
| Total accrued expenses and other current liabilities | $ 470 | $ 666 |

## 9. SHORT AND LONG-TERM DEBT

Total indebtedness is as follows:

| | December 31, 2022 | December 31, 2021 |
|---|---|---|
| Revolving Credit Facility | $ 350 | $ — |
| Extended Term Loan A | 221 | 231 |
| 7.625% Senior Secured Second Lien Notes | — | 542 |
| 4.875% Senior Notes | — | 406 |
| 9.375% Senior Notes | — | 545 |
| 5.75% Senior Notes | 899 | 898 |
| 5.25% Senior Notes | 985 | — |
| 0.25% Exchangeable Senior Notes | 394 | 328 |
| Total Short-Term & Long-Term Debt | $ 2,849 | $ 2,950 |
| Securitization Obligations: | | |
| Apple Ridge Funding LLC | $ 163 | $ 116 |
| Cartus Financing Limited | — | 2 |
| Total Securitization Obligations | $ 163 | $ 118 |

***Indebtedness Table***

As of December 31, 2022, the Company's borrowing arrangements were as follows:

| | Interest Rate | Expiration Date | Principal Amount | Unamortized Discount (Premium) and Debt Issuance Costs | Net Amount |
|---|---|---|---|---|---|
| Revolving Credit Facility (1) | (2) | July 2027 (2) | $ 350 | $ * | $ 350 |
| Extended Term Loan A | (2) | February 2025 | 222 | 1 | 221 |
| Senior Notes (3) | 5.75% | January 2029 | 900 | 1 | 899 |
| Senior Notes (3) | 5.25% | April 2030 | 1,000 | 15 | 985 |
| Exchangeable Senior Notes (4) | 0.25% | June 2026 | 403 | 9 | 394 |
| Total Short-Term & Long-Term Debt | | | $ 2,875 | $ 26 | $ 2,849 |
| Securitization obligations: (5) | | | | | |
| Apple Ridge Funding LLC | | June 2023 | $ 163 | $ * | $ 163 |

* The debt issuance costs related to our Revolving Credit Facility and securitization obligations are classified as a deferred financing asset within other assets.

(1) As of December 31, 2022, the Company had $1,100 million of borrowing capacity under its Revolving Credit Facility, with $750 million of available capacity. As of December 31, 2022, there were $350 million outstanding borrowings under the Revolving Credit Facility and $42 million of outstanding undrawn letters of credit. On February 22, 2023, the Company had $384 million outstanding borrowings under the Revolving Credit Facility and $35 million of outstanding undrawn letters of credit.

(2) See below under the header "Senior Secured Credit Agreement and Term Loan A Agreement" for additional information.

(3) See below under the header "Unsecured Notes" for additional information.

(4) See below under the header "Exchangeable Senior Notes" for additional information and Note 2, "Summary of Significant Accounting Policies—Recently Adopted Accounting Pronouncements", related to the January 1, 2022 adoption of the new standard on "*Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*".

(5) See below under the header "Securitization Obligations" for additional information.

***Maturities Table***

As of December 31, 2022, the combined aggregate amount of maturities for long-term borrowings for each of the next five years is as follows:

| Year | Amount |
|---|---|
| 2023 (a) | $ 366 |
| 2024 | 22 |
| 2025 | 184 |
| 2026 | 403 |
| 2027 | — |

(a) The current portion of long-term debt of $366 million shown on the Consolidated Balance Sheets consists of $350 million outstanding borrowings under the Revolving Credit Facility as of December 31, 2022 and four quarters of 2023 amortization payments totaling $16 million for the Extended Term Loan A. Outstanding borrowings under the Revolving Credit Facility are classified on the balance sheet as current due to the revolving nature and terms and conditions of the facilities.

***Senior Secured Credit Agreement and Term Loan A Agreement***

The Company's Amended and Restated Credit Agreement dated as of March 5, 2013 (as amended, amended and restated, modified or supplemented from time to time, the "Senior Secured Credit Agreement") governs its senior secured revolving credit facility (the "Revolving Credit Facility") and, until its repayment in full in September 2021, its term loan B facility (the "Term Loan B Facility", and collectively with the Revolving Credit Facility, the "Senior Secured Credit Facility") and the Company's Term Loan A Agreement dated as of October 23, 2015 (as amended, amended and restated, modified or supplemented from time to time, the "Term Loan A Agreement") governs its senior secured term loan A credit facility (the "Term Loan A Facility").

In July 2022, Anywhere Group entered into an amendment to the Senior Secured Credit Agreement that terminated the revolving credit commitments due February 2023, replaced LIBOR with a Term SOFR-based rate as the applicable benchmark for the Revolving Credit Facility, and extended the maturity of the Revolving Credit Facility to July 2027, subject to certain earlier springing maturity dates. The maturity date of the Revolving Credit Facility may spring forward to an earlier date as follows: (i) if on or before March 16, 2026, the 0.25% Exchangeable Senior Notes have not been extended, refinanced or replaced to have a maturity date after October 26, 2027 (or are not otherwise discharged, defeased or repaid by March 16, 2026), the maturity date of the Revolving Credit Facility will be March 16, 2026 and (ii) if on or before February 8, 2025, the "term A loans" under the Term Loan A Agreement have not been extended, refinanced or replaced to have a maturity date after October 26, 2027 (or are not otherwise repaid by February 8, 2025), the maturity date of the Revolving Credit Facility will be February 8, 2025.

*Senior Secured Credit Facility*

The Senior Secured Credit Facility includes a $1,100 million Revolving Credit Facility which includes a $150 million letter of credit sub-facility.

The interest rate with respect to revolving loans under the Revolving Credit Facility is based on, at Anywhere Group's option, a term SOFR-based rate including a 10 basis point credit spread adjustment or JP Morgan Chase Bank, N.A.'s prime rate ("ABR") plus (in each case) an additional margin subject to the following adjustments based on the Company's then current senior secured leverage ratio:

| Senior Secured Leverage Ratio | Applicable SOFR Margin | Applicable ABR Margin |
|---|---|---|
| Greater than 3.50 to 1.00 | 2.50% | 1.50% |
| Less than or equal to 3.50 to 1.00 but greater than or equal to 2.50 to 1.00 | 2.25% | 1.25% |
| Less than 2.50 to 1.00 but greater than or equal to 2.00 to 1.00 | 2.00% | 1.00% |
| Less than 2.00 to 1.00 | 1.75% | 0.75% |

Based on the previous quarter's senior secured leverage ratio, the SOFR margin was 1.75% and the ABR margin was 0.75% for the three months ended December 31, 2022.

The obligations under the Senior Secured Credit Agreement are secured to the extent legally permissible by substantially all of the assets of Anywhere Group, Anywhere Intermediate and all of their domestic subsidiaries, other than certain excluded subsidiaries and subject to certain exceptions.

The Senior Secured Credit Agreement contains financial, affirmative and negative covenants as well as a financial covenant that Anywhere Group maintain (so long as commitments under the Revolving Credit Facility are outstanding) a maximum permitted senior secured leverage ratio, not to exceed 4.75 to 1.00. The leverage ratio is tested quarterly regardless of the amount of borrowings outstanding and letters of credit issued under the Revolving Credit Facility at the testing date. Total senior secured net debt does not include the Apple Ridge securitization obligations or our unsecured indebtedness, including the Unsecured Notes and the Exchangeable Senior Notes. At December 31, 2022, Anywhere Group was in compliance with the senior secured leverage ratio covenant.

*Term Loan A Facility*

The Term Loan A Facility includes the outstanding loans under the Term Loan A Facility (the "Extended Term Loan A") due February 2025. Until its repayment in full in September 2021, the Term Loan A Facility also included the Non-extended Term Loan A due February 2023. The Extended Term Loan A provides for quarterly amortization based on a percentage of the original principal amount of $237 million, which commenced on June 30, 2021, as follows: 0.625% per quarter from June 30, 2021 to March 31, 2022; 1.25% per quarter from June 30, 2022 to March 31, 2023; 1.875% per quarter from June 30, 2023 to March 31, 2024; and 2.50% per quarter for periods ending on or after June 30, 2024, with the balance of the Extended Term Loan A due at maturity on February 8, 2025.

The interest rate with respect to the Term Loan A Facility is based on, at Anywhere Group's option, adjusted LIBOR or ABR, plus (in each case) an additional margin subject to adjustment based on the Company’s then current senior secured leverage ratio:

| Senior Secured Leverage Ratio | Applicable LIBOR Margin | Applicable ABR Margin |
|---|---|---|
| Greater than 3.50 to 1.00 | 2.50% | 1.50% |
| Less than or equal to 3.50 to 1.00 but greater than or equal to 2.50 to 1.00 | 2.25% | 1.25% |
| Less than 2.50 to 1.00 but greater than or equal to 2.00 to 1.00 | 2.00% | 1.00% |
| Less than 2.00 to 1.00 | 1.75% | 0.75% |

Based on the previous quarter's senior secured leverage ratio, the LIBOR margin was 1.75% and the ABR margin was 0.75% for the three months ended December 31, 2022.

The Term Loan A Agreement contains covenants that are substantially similar to those in the Senior Secured Credit Agreement.

***Repurchase and Redemption of 4.875% Senior Notes***

During the second and third quarters of 2022, the Company used cash on hand to repurchase $67 million in principal amount of its 4.875% Senior Notes in open market purchases approximately at par value plus accrued interest to the repurchase date. In the fourth quarter of 2022, the Company redeemed all of its outstanding $340 million 4.875% Senior Notes utilizing borrowings under its Revolving Credit Facility, together with cash on hand. The 4.875% Senior Notes were paid at a redemption price of 100% plus the applicable "make whole" premium (as determined pursuant to the indenture governing the 4.875% Senior Notes), together with accrued interest to the redemption date. The 4.875% Senior Notes were scheduled to mature on June 1, 2023 and interest was payable semiannually on June 1 and December 1 of each year.

***5.25% Senior Notes Issuance and Redemption of 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes***

In the first quarter of 2022, the Company redeemed in full the outstanding 7.625% Senior Secured Second Lien Notes and 9.375% Senior Notes using net proceeds, together with cash on hand, from its issuance of 5.25% Senior Notes. The 7.625% Senior Secured Second Lien Notes and 9.375% Senior Notes were each paid at a redemption price of 100% plus the applicable "make whole" premium (as determined pursuant to the indenture governing the 7.625% Senior Secured Second Lien Notes or 9.375% Senior Notes, as applicable), together with accrued interest to the redemption date. The 7.625% Senior Secured Second Lien Notes were scheduled to mature on June 15, 2025 and interest was payable semiannually on

June 15 and December 15 of each year. The 9.375% Senior Notes were scheduled to mature on April 1, 2027 and interest was payable semi-annually on April 1 and October 1 of each year.

***Unsecured Notes***

The 5.75% Senior Notes and 5.25% Senior Notes (collectively the "Unsecured Notes") are unsecured senior obligations of Anywhere Group. The 5.75% Senior Notes mature on January 15, 2029 with interest on such notes payable each year semiannually on January 15 and July 15. The 5.25% Senior Notes mature on April 15, 2030 with interest on such notes payable each year semiannually on April 15 and October 15 which commenced April 15, 2022.

The Company may redeem all or a portion of the 5.75% Senior Notes or 5.25% Senior Notes, as applicable, at the redemption price set forth in the applicable indenture governing such notes, commencing on January 15, 2024 and April 15, 2025, respectively. Prior to those dates, the Company may redeem the applicable notes at its option, in whole or in part, at a redemption price equal to 100% of the principal amount of such notes redeemed plus a "make-whole" premium as set forth in the applicable indenture governing such notes. In addition, prior to the dates noted above, the Company may redeem up to 40% of the notes from the proceeds of certain equity offerings as set forth in the applicable indenture governing such notes.

The Unsecured Notes are guaranteed on an unsecured senior basis by each domestic subsidiary of Anywhere Group that is a guarantor under the Senior Secured Credit Facility, Term Loan A Facility and Anywhere Group's outstanding debt securities and are guaranteed by Anywhere Holdings on an unsecured senior subordinated basis.

The indentures governing the Unsecured Notes contain various negative covenants that limit Anywhere Group's and its restricted subsidiaries' ability to take certain actions, which covenants are subject to a number of important exceptions and qualifications. These covenants include limitations on Anywhere Group's and its restricted subsidiaries' ability to (a) incur or guarantee additional indebtedness, or issue disqualified stock or preferred stock, (b) pay dividends or make distributions to their stockholders, (c) repurchase or redeem capital stock, (d) make investments or acquisitions, (e) incur restrictions on the ability of certain of their subsidiaries to pay dividends or to make other payments to Anywhere Group, (f) enter into transactions with affiliates, (g) create liens, (h) merge or consolidate with other companies or transfer all or substantially all of their assets, (i) transfer or sell assets, including capital stock of subsidiaries and (j) prepay, redeem or repurchase debt that is subordinated in right of payment to the Unsecured Notes.

In particular, under the Unsecured Notes:

- the cumulative credit basket is not available to repurchase shares to the extent the consolidated leverage ratio is equal to or greater than 4.0 to 1.0 on a pro forma basis giving effect to such repurchase;
- the consolidated leverage ratio must be less than 3.0 to 1.0 to use the unlimited general restricted payment basket; and
- a restricted payment basket is available for up to $45 million of dividends per calendar year (with any actual dividends deducted from the available cumulative credit basket).

The consolidated leverage ratio is measured by dividing Anywhere Group's total net debt (excluding securitizations) by the trailing twelve-month EBITDA. EBITDA, as defined in the applicable indentures governing the Unsecured Notes, is substantially similar to EBITDA calculated on a Pro Forma Basis, as those terms are defined in the Senior Secured Credit Agreement. Net debt under the indenture governing the Unsecured Notes is Anywhere Group's total indebtedness (excluding securitizations) less (i) its cash and cash equivalents in excess of restricted cash and (ii) a $200 million seasonality adjustment permitted when measuring the ratio on a date during the period of March 1 to May 31.

***Exchangeable Senior Notes***

In June 2021, Anywhere Group issued an aggregate principal amount of $403 million of 0.25% Exchangeable Senior Notes due 2026. The Company used a portion of the net proceeds from this offering to pay the cost of the exchangeable note hedge transactions described below (with such cost partially offset by the proceeds to the Company from the sale of the warrants pursuant to the warrant transactions described below).

The Exchangeable Senior Notes are unsecured senior obligations of Anywhere Group that mature on June 15, 2026. Interest on the Exchangeable Senior Notes is payable each year semiannually on June 15 and December 15.

The Exchangeable Senior Notes are guaranteed on an unsecured senior basis by each domestic subsidiary of Anywhere Group that is a guarantor under the Senior Secured Credit Facility, Term Loan A Facility and Anywhere Group's outstanding debt securities and are guaranteed by Anywhere on an unsecured senior subordinated basis.

Before March 15, 2026, noteholders will have the right to exchange their Exchangeable Senior Notes upon the occurrence of certain events described in the indenture governing the notes. On or after March 15, 2026, noteholders may exchange their Exchangeable Senior Notes at any time at their election until the close of business on the second scheduled trading day immediately before the maturity date of the notes.

Upon exchange, Anywhere Group will pay cash up to the aggregate principal amount of the Exchangeable Senior Notes to be exchanged and pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination of cash and shares of the Company's common stock, at Anywhere Group's election, in respect of the remainder, if any, of its exchange obligation in excess of the aggregate principal amount of the Exchangeable Senior Notes being exchanged.

The initial exchange rate for Exchangeable Senior Notes is 40.8397 shares of the Company's common stock per $1,000 principal amount of notes (which represents an initial exchange price of approximately $24.49 per share of the Company's common stock). The exchange rate and exchange price of the Exchangeable Senior Notes are subject to customary adjustments upon the occurrence of certain events. In addition, if a "Make-Whole Fundamental Change" (as defined in the indenture governing the Exchangeable Senior Notes) occurs, then the exchange rate of the Exchangeable Senior Notes will, in certain circumstances, be increased for a specified period of time. Initially, a maximum of approximately 23,013,139 shares of the Company's common stock may be issued upon the exchange of the Exchangeable Senior Notes, based on the initial maximum exchange rate of 57.1755 shares of the Company's common stock per $1,000 principal amount of notes, which is subject to customary anti-dilution adjustment provisions.

The Exchangeable Senior Notes will be redeemable, in whole or in part (subject to a partial redemption limitation described in the indenture governing the notes), at Anywhere Group's option at any time, and from time to time, on or after June 20, 2024 and on or before the 30th scheduled trading day immediately before the maturity date, at a cash redemption price equal to the principal amount of the Exchangeable Senior Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, but only if the last reported sale price per share of the Company's common stock exceeds 130% of the exchange price on (1) each of at least 20 trading days, whether or not consecutive, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date it sends the related redemption notice; and (2) the trading day immediately before the date it sends such notice. In addition, calling any Exchangeable Senior Notes for redemption will constitute a Make-Whole Fundamental Change with respect to that note, in which case the exchange rate applicable to the exchange of that note will be increased in certain circumstances if it is exchanged with an exchange date occurring during the period from, and including, the date Anywhere Group sends the redemption notice to, and including, the second business day immediately before the related redemption date.

If certain corporate events that constitute a "Fundamental Change" (as defined in the indenture governing the Exchangeable Senior Notes) of the Company occur, then noteholders may require Anywhere Group to repurchase their Exchangeable Senior Notes at a cash repurchase price equal to the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. The definition of Fundamental Change includes, among other things, certain business combination transactions involving the Company and certain de-listing events with respect to the Company's common stock.

The indenture governing the Exchangeable Senior Notes also provides for events of default which, if any of them occurs, would permit or require the principal of and accrued interest on the Exchangeable Senior Notes to become or to be declared due and payable.

Under the accounting standards applicable at the time of issuance, exchangeable debt instruments that may be settled in cash were required to be separated into liability and equity components. The allocation to the liability component was based on the fair value of a similar instrument that does not contain an equity conversion option. Based on this debt-to-equity ratio, debt issuance costs are then allocated to the liability and equity components in a similar manner. Accordingly, at issuance on June 2, 2021, the Company allocated $319 million to the debt liability and $53 million to additional paid in capital. The difference between the principal amount of the Exchangeable Senior Notes and the liability component, inclusive of issuance costs, represented the debt discount, which the Company amortized to interest expense over the term of the Exchangeable Senior Notes using an effective interest rate of 4.375%. As a result, the Company recognized non-cash interest expense of $8 million related to the Exchangeable Senior Notes during 2021.

Upon the adoption of ASU 2020-06 on January 1, 2022, the Company was required to account for its Exchangeable Senior Notes as a single liability resulting in the recombination of the debt liability and equity components. As a result, the Company derecognized the unamortized debt discount and related equity component associated with its Exchangeable Senior Notes resulting in an increase to Long-term debt of $65 million, a reduction to Additional paid-in capital of

$53 million, net of taxes, and a reduction to Deferred tax liabilities of $17 million. The Company recorded a cumulative effect of adoption adjustment of $5 million, net of taxes, as a reduction to Accumulated deficit on January 1, 2022 related to the reversal of cumulative interest expense recognized for the amortization of the debt discount on its Exchangeable Senior Notes since issuance. See Note 2, "Summary of Significant Accounting Policies—Recently Adopted Accounting Pronouncements," for additional information.

*Exchangeable Note Hedge and Warrant Transactions*

In connection with the pricing of the Exchangeable Senior Notes (and with the exercise by the initial purchasers of the notes to purchase additional notes), Anywhere Group entered into exchangeable note hedge transactions with certain counterparties (the "Option Counterparties"). The exchangeable note hedge transactions cover, subject to anti-dilution adjustments substantially similar to those applicable to the Exchangeable Senior Notes, the number of shares of the Company's common stock underlying the Notes. The total cost of such exchangeable note hedge transactions was $67 million.

Concurrently with Anywhere Group entering into the exchangeable note hedge transactions, the Company entered into warrant transactions with the Option Counterparties whereby the Company sold to the Option Counterparties warrants to purchase, subject to customary adjustments, up to the same number of shares of the Company's common stock. The initial strike price of the warrant transactions is $30.6075 per share. The Company received $46 million in cash proceeds from the sale of these warrant transactions.

Taken together, the purchase of such exchangeable note hedges and the sale of such warrants are intended to offset (in whole or in part) any potential dilution and/or cash payments upon the exchange of the Exchangeable Senior Notes, and to effectively increase the overall exchange price from $24.49 to $30.6075 per share.

At issuance, the Company recorded a deferred tax liability of $20 million related to the Exchangeable Senior Notes debt discount and a deferred tax asset of $18 million related to the exchangeable note hedge transactions. The deferred tax liability and deferred tax asset were recorded net within deferred income taxes in the Consolidated Balance Sheets upon issuance. The deferred tax liability related to the Exchangeable Senior Notes debt discount was reversed on January 1, 2022 upon the adoption of ASU 2020-06 as discussed above.

***Securitization Obligations***

Anywhere Group has secured obligations through Apple Ridge Funding LLC under a securitization program which expires in June 2023. As of December 31, 2022, the Company had $200 million of borrowing capacity under the Apple Ridge Funding LLC securitization program with $163 million being utilized leaving $37 million of available capacity subject to maintaining sufficient relocation related assets to collateralize the securitization obligation.

Anywhere Group, through a special purpose entity known as Cartus Financing Limited, also had securitization agreements providing for a revolving loan facility and a working capital facility that expired on September 30, 2022.

The Apple Ridge entities are consolidated special purpose entities that are utilized to securitize relocation receivables and related assets. These assets are generated from advancing funds on behalf of clients of Anywhere Group's relocation operations in order to facilitate the relocation of their employees. Assets of these special purpose entities are not available to pay Anywhere Group's general obligations. Under the Apple Ridge program, provided no termination or amortization event has occurred, any new receivables generated under the designated relocation management agreements are sold into the securitization program and as new eligible relocation management agreements are entered into, the new agreements are designated to the program.

The Apple Ridge program has restrictive covenants and trigger events, the occurrence of which could restrict our ability to access new or existing funding under this facility or result in termination of the facility, either of which would adversely affect the operation of the Company's relocation services.

Certain of the funds that Anywhere Group receives from relocation receivables and related assets are required to be utilized to repay securitization obligations. These obligations are collateralized by $206 million and $132 million of underlying relocation receivables and other related relocation assets at December 31, 2022 and 2021, respectively. Substantially all relocation related assets are realized in less than twelve months from the transaction date. Accordingly, all of Anywhere Group's securitization obligations are classified as current in the accompanying Consolidated Balance Sheets.

Interest incurred in connection with borrowings under these facilities amounted to $7 million and $4 million for the years ended December 31, 2022 and 2021, respectively. This interest is recorded within net revenues in the accompanying Consolidated Statements of Operations as related borrowings are utilized to fund Anywhere Group's relocation operations where interest is generally earned on such assets. These securitization obligations represent floating rate debt for which the average weighted interest rate was 4.2% and 3.1% for the years ended December 31, 2022 and 2021, respectively.

***Loss on the Early Extinguishment of Debt and Write-Off of Financing Costs***

During the year ended December 31, 2022, the Company recorded a loss on the early extinguishment of debt of $96 million, as a result of the refinancing transactions during 2022, which includes $80 million related to the make-whole premiums paid in connection with the early redemption of the 7.625% Senior Secured Second Lien Notes and 9.375% Senior Notes.

As a result of the refinancing transactions in January and February 2021, the pay down of $150 million of outstanding borrowings under the Term Loan B Facility in April 2021 and the pay downs of the Non-extended Term Loan A and the Term Loan B Facility in September 2021, the Company recorded losses on the early extinguishment of debt of $21 million and wrote off certain financing costs of $1 million to interest expense, during the year ended December 31, 2021.

During the year ended December 31, 2020, the Company recorded a loss on the early extinguishment of debt of $8 million as a result of the refinancing transactions in June 2020.

## 10. FRANCHISING AND MARKETING ACTIVITIES

Domestic franchisee agreements generally require the franchisee to pay the Company an initial franchise fee for the franchisee's principal office plus a royalty fee that is a percentage of gross commission income, if any, earned by the franchisee. Franchisee fees can be structured in numerous ways. The Company utilizes multiple franchise fee models, including: (i) volume-based incentive (under which royalty fee rate is subject to reduction based on volume incentives); (ii) flat percentage royalty fee (under which the franchisee pays a fixed percentage of their commission income); (iii) capped fee (under which the franchisee pays a royalty fee capped at a set amount per independent sales agents per year); and (iv) tiered royalty fee (under which the franchisee pays a percentage of their gross commission income as a royalty fee). The volume incentives currently in effect vary for each eligible franchisee for which the Company provides a detailed table that describes the gross revenue thresholds required to achieve a volume incentive and the corresponding incentive amounts and are subject to change.

Domestic initial franchise fees and international area development fees were $4 million, $5 million and $7 million for each of the years ended December 31, 2022, 2021 and 2020, respectively. Franchise royalty revenue is recorded net of annual volume incentives provided to real estate franchisees of $61 million, $87 million and $63 million for the years ended December 31, 2022, 2021 and 2020, respectively.

The Company’s wholly-owned real estate brokerage services segment, Owned Brokerage Group, pays royalties to the Company’s franchise business; however, such amounts are eliminated in consolidation. Owned Brokerage Group paid royalties to Franchise Group of $358 million, $393 million and $306 million for the years ended December 31, 2022, 2021 and 2020, respectively.

Marketing fees are generally paid by the Company’s real estate franchisees and are generally calculated based on a specified percentage of gross closed commissions earned on real estate transactions, and may be subject to certain minimum and maximum payments. Brand marketing fund revenue was $89 million, $92 million and $69 million for the years ended December 31, 2022, 2021 and 2020, respectively, which included marketing fees paid to Franchise Group from Owned Brokerage Group of $15 million, $14 million and $10 million for the years ended December 31, 2022, 2021 and 2020, respectively. As provided for in the franchise agreements and generally at the Company’s discretion, all of these fees are to be expended for marketing purposes.

The number of franchised and company owned offices in operation are as follows:

| | *(Unaudited)* As of December 31, | | |
|---|---|---|---|
| | **2022** | **2021** | **2020** |
| *Franchised (domestic and international):* | | | |
| Century 21® | 13,611 | 14,246 | 13,222 |
| ERA® | 2,407 | 2,355 | 2,318 |
| Coldwell Banker® | 2,100 | 2,071 | 2,263 |
| Coldwell Banker Commercial® | 171 | 164 | 168 |
| Sotheby's International Realty® | 1,035 | 986 | 952 |
| Better Homes and Gardens® Real Estate | 418 | 411 | 389 |
| Corcoran® | 82 | 122 | 74 |
| Total Franchised | 19,824 | 20,355 | 19,386 |
| *Company owned:* | | | |
| Coldwell Banker® | 606 | 605 | 605 |
| Sotheby's International Realty® | 44 | 41 | 39 |
| Corcoran® | 29 | 29 | 29 |
| Total Company Owned | 679 | 675 | 673 |

The number of franchised and company owned offices (in the aggregate) changed as follows:

| | *(Unaudited)* For the Year Ended December 31, | | |
|---|---|---|---|
| | **2022** | **2021** | **2020** |
| *Franchised (domestic and international):* | | | |
| Beginning balance | 20,355 | 19,386 | 17,776 |
| Additions | 548 | 1,583 | 2,109 |
| Terminations | (1,079) | (614) | (499) |
| Ending balance | 19,824 | 20,355 | 19,386 |
| *Company owned:* | | | |
| Beginning balance | 675 | 673 | 713 |
| Additions | 46 | 25 | 5 |
| Closures | (42) | (23) | (45) |
| Ending balance | 679 | 675 | 673 |

As of December 31, 2022, there were an insignificant number of franchise agreements that were executed for which offices are not yet operating. Additionally, as of December 31, 2022, there were an insignificant number of franchise agreements pending termination.

In order to assist franchisees in converting to one of the Company's brands or as an incentive to renew their franchise agreement, the Company may at its discretion, provide incentives, primarily in the form of conversion notes or other note-backed funding. Provided the franchisee meets certain minimum annual revenue thresholds during the term of the notes and is in compliance with the terms of the franchise agreement, the amount of the note is forgiven annually in equal ratable amounts generally over the life of the franchise agreement. If the revenue performance thresholds are not met or the franchise agreement terminates, franchisees may be required to repay a portion of the outstanding notes. The amount of such franchisee conversion notes or other note-backed funding was $182 million and $164 million at December 31, 2022 and 2021, respectively. These notes are principally classified within other non-current assets in the Company's Consolidated Balance Sheets. The Company recorded a contra-revenue in the statement of operations related to the forgiveness and impairment of these notes and other sales incentives of $45 million for the year ended December 31, 2022 and $32 million for each of the years ended December 31, 2021 and 2020, respectively.

## 11. EMPLOYEE BENEFIT PLANS

### DEFINED BENEFIT PENSION PLAN

The Company's defined benefit pension plan was closed to new entrants as of July 1, 1997 and existing participants do not accrue any additional benefits. The net periodic pension benefit for 2022 was $1 million and was comprised of interest cost of approximately $4 million and the amortization of the actuarial net loss of $2 million, offset by a benefit of $7 million for the expected return on assets. The net periodic pension cost for 2021 was zero and was comprised of interest cost of approximately $3 million and the amortization of the actuarial net loss of $3 million, offset by a benefit of $6 million for the expected return on assets.

At December 31, 2022 and 2021, the accumulated benefit obligation of this plan was $107 million and $137 million, respectively, and the fair value of the plan assets were $90 million and $116 million, respectively, resulting in an unfunded accumulated benefit obligation of $17 million and $21 million, respectively, which is recorded in Other current and non-current liabilities in the Consolidated Balance Sheets.

Estimated future benefit payments from the plan as of December 31, 2022 are as follows:

| Year | Amount |
|---|---|
| 2023 | $ 9 |
| 2024 | 9 |
| 2025 | 9 |
| 2026 | 9 |
| 2027 | 9 |
| 2028 through 2032 | 42 |

The minimum funding required during 2023 is estimated to be $1 million.

The following table presents the fair values of plan assets by category as of December 31, 2022:

| Asset Category | Quoted Price in Active Market for Identical Assets (Level I) | Significant Other Observable Inputs (Level II) | Significant Unobservable Inputs (Level III) | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 1 | $ — | $ — | $ 1 |
| Equity securities | — | 50 | — | 50 |
| Fixed income securities | — | 39 | — | 39 |
| Total | $ 1 | $ 89 | $ — | $ 90 |

The following table presents the fair values of plan assets by category as of December 31, 2021:

| Asset Category | Quoted Price in Active Market for Identical Assets (Level I) | Significant Other Observable Inputs (Level II) | Significant Unobservable Inputs (Level III) | Total |
|---|---|---|---|---|
| Cash and cash equivalents | $ 3 | $ — | $ — | $ 3 |
| Equity securities | — | 64 | — | 64 |
| Fixed income securities | — | 49 | — | 49 |
| Total | $ 3 | $ 113 | $ — | $ 116 |

### OTHER EMPLOYEE BENEFIT PLANS

The Company also maintains post-retirement health and welfare plans for certain subsidiaries and a non-qualified pension plan for certain individuals. The related projected benefit obligation for these plans accrued on the Company's Consolidated Balance Sheets (primarily within other non-current liabilities) was $3 million and $4 million at December 31, 2022 and 2021, respectively.

**DEFINED CONTRIBUTION SAVINGS PLAN**

The Company sponsors a defined contribution savings plan that provides certain of its eligible employees an opportunity to accumulate funds for retirement and has a Company match for a portion of the contributions made by participating employees. The Company's cost for contributions to this plan was $22 million, $20 million and $10 million for the years ended December 31, 2022, 2021 and 2020, respectively.

## 12. INCOME TAXES

The components of pretax income for domestic and foreign operations consisted of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Domestic | $ (368) | $ 486 | $ (449) |
| Foreign | 17 | (3) | (11) |
| Pretax (loss) income | $ (351) | $ 483 | $ (460) |

The components of income tax (benefit) expense consisted of the following:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| *Current:* | | | |
| Federal | $ 24 | $ 29 | $ (5) |
| State | — | 30 | 13 |
| Foreign | 4 | 2 | 2 |
| Total current | 28 | 61 | 10 |
| *Deferred:* | | | |
| Federal | (78) | 70 | (66) |
| State | (18) | 2 | (48) |
| Foreign | — | — | — |
| Total deferred | (96) | 72 | (114) |
| Income tax (benefit) expense | $ (68) | $ 133 | $ (104) |

A reconciliation of the Company's effective income tax rate at the U.S. federal statutory rate of 21% to the actual expense was as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Federal statutory rate | 21 % | 21 % | 21 % |
| State and local income taxes, net of federal tax benefits | 3 | 6 | 3 |
| Discontinued operations—establishment/reversal of deferred tax liability (a) | — | — | 10 |
| Non-deductible equity compensation | — | 1 | (2) |
| Non-deductible executive compensation | (1) | 1 | (1) |
| Goodwill impairment | (8) | — | (7) |
| Uncertain tax positions | (1) | — | — |
| Tax credits (b) | 7 | — | — |
| Net change in valuation allowance | — | — | (1) |
| Other permanent differences | (2) | (1) | — |
| Effective tax rate | 19 % | 28 % | 23 % |

(a) This item reflects the tax impact from the 2019 recognition of gain on the pending sale of Cartus (previously recorded in discontinued operations) and the 2020 de-recognition of that gain.

(b) This item includes a benefit related to the completion of a research tax credit study for tax years 2016 through 2022.

Deferred income taxes result from temporary differences between the amount of assets and liabilities recognized for financial reporting and tax purposes. The components of the deferred income tax assets and liabilities are as follows:

| | December 31, | |
|---|---|---|
| | 2022 | 2021 |
| *Deferred income tax assets:* | | |
| Net operating loss carryforwards | $ 39 | $ 45 |
| Tax credit carryforwards | 27 | 27 |
| Accrued liabilities and deferred income | 86 | 91 |
| Interest expense limitation carryforward | 41 | — |
| Operating leases | 133 | 147 |
| Minimum pension obligations | 14 | 15 |
| Provision for doubtful accounts | 9 | 9 |
| Liability for unrecognized tax benefits | 1 | 1 |
| Interest rate swaps | — | 12 |
| Other | 1 | 2 |
| Total deferred tax assets | 351 | 349 |
| Less: valuation allowance | (20) | (20) |
| Total deferred income tax assets after valuation allowance | 331 | 329 |
| *Deferred income tax liabilities:* | | |
| Depreciation and amortization | 433 | 546 |
| Operating leases | 111 | 119 |
| Prepaid expenses | 9 | 9 |
| Basis difference in investment in joint ventures | 17 | 7 |
| Other | — | 1 |
| Total deferred tax liabilities | 570 | 682 |
| Net deferred income tax liabilities | $ (239) | $ (353) |

As of December 31, 2022, the Company’s deferred tax asset for net operating loss carryforwards is primarily related to certain state net operating loss carryforwards which expire between 2025 and 2034. The Company’s deferred tax asset for tax credits carryforwards is primarily related to foreign tax credits and certain state R&D credits which expire between 2024 and 2033. The Company's interest expense limitation carryforward never expires.

***Accounting for Uncertainty in Income Taxes***

The Company utilizes the FASB guidance for accounting for uncertainty in income taxes, which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company reflects changes in its liability for unrecognized tax benefits as income tax expense in the Consolidated Statements of Operations. As of December 31, 2022, the Company’s gross liability for unrecognized tax benefits was $20 million, of which $18 million would affect the Company’s effective tax rate, if recognized. The Company does not expect that its unrecognized tax benefits will significantly change over the next twelve months.

The Company files U.S., state and foreign income tax returns in jurisdictions with varying statutes of limitations. Tax returns for the 2006 through 2022 tax years remain subject to examination by federal and certain state tax authorities. In significant foreign jurisdictions, tax returns for the 2017 through 2022 tax years generally remain subject to examination by their respective tax authorities. The Company believes that it is reasonably possible that the total amount of its unrecognized tax benefits could decrease by $1 million in certain taxing jurisdictions where the statute of limitations is set to expire within the next twelve months.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits in interest expense and operating expenses, respectively. The Company recognized an increase of interest expense of $1 million for the year ended December 31, 2022 and no change of interest expense for the years ended December 31, 2021 and 2020.

The rollforward of unrecognized tax benefits are summarized in the table below:

| | |
|---|---|
| Unrecognized tax benefits—January 1, 2020 | $ 20 |
| Reduction due to lapse of statute of limitations | (1) |
| Unrecognized tax benefits—December 31, 2020 | 19 |
| Settlements | (1) |
| Reduction due to lapse of statute of limitations | (1) |
| Unrecognized tax benefits—December 31, 2021 | 17 |
| Gross increases - tax positions in prior periods | 3 |
| Gross decreases - tax positions in prior periods | (1) |
| Gross increases - tax positions in current period | 1 |
| Unrecognized tax benefits—December 31, 2022 | $ 20 |

The Company is subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording related assets and liabilities. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities whereby the outcome of the audits is uncertain. The Company believes there is appropriate support for positions taken on its tax returns. The liabilities that have been recorded represent the best estimates of the probable loss on certain positions and are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. However, the outcomes of tax audits are inherently uncertain.

***Tax Sharing Agreement***

Under the Tax Sharing Agreement with Cendant, Wyndham Worldwide and Travelport, the Company is generally responsible for 62.5% of payments made to settle claims with respect to tax periods ending on or prior to December 31, 2006 that relate to income taxes imposed on Cendant and certain of its subsidiaries, the operations (or former operations) of which were determined by Cendant not to relate specifically to the respective businesses of Anywhere, Wyndham Worldwide, Avis Budget or Travelport. With respect to any remaining residual legacy Cendant tax liabilities, the Company and its former parent believe there is appropriate support for the positions taken on Cendant's tax returns. However, tax audits and any related litigation, including disputes or litigation on the allocation of tax liabilities between parties under the Tax Sharing Agreement, could result in outcomes for the Company that are different from those reflected in the Company's historical financial statements.

## 13. STOCK-BASED COMPENSATION

The Company grants stock-based compensation awards to certain senior management members, employees and directors including non-qualified stock options, restricted stock units ("RSUs") and performance share units ("PSUs").

The Company's stockholders approved the Amended and Restated 2018 Long-Term Incentive Plan (the "2018 Plan") at the 2021 Annual Meeting of Stockholders held on May 5, 2021. Under the 2018 Plan, a total of 9 million shares were authorized for issuance and as of December 31, 2022, there are approximately 3.4 million shares available for future grants.

The form of equity award agreements includes a retirement provision for equity grants which provide for continued vesting of awards once an employee has attained the age of 65 years, or 55 years of age or older plus at least ten years of tenure with the Company, provided they have been employed or provided services to the Company for one year following the date of grant or start of the performance period.

Historically, equity awards granted annually generally included a mix of RSUs, PSUs and options. However in 2020, the Company shifted away from granting options, limited equity awards to a small group of executives and granted other key employees cash-based awards, including cash-based RSUs.

RSUs granted vest over three years, with 33.33% vesting on each anniversary of the grant date. The fair value of RSUs is equal to the closing sale price of the Company's common stock on the date of grant. During 2022, the Company granted restricted stock unit awards related to 1 million shares with a weighted average grant date fair value of $17.00 which

includes shares granted to certain executives in March 2022 and directors in May 2022. There were 1.9 million shares underlying share-settled RSUs outstanding at December 31, 2022 with a weighted average grant date fair value of $15.40.

PSUs are incentives that reward grantees based upon the Company's financial performance over a three-year performance period which begins January 1st of the grant year and ends on December 31st of the third year following the grant year. These awards are measured according to two metrics: one is based upon the total stockholder return of Anywhere's common stock relative to the total stockholder return of the S&P MidCap 400 index (the "RTSR award"), and the other is based upon the achievement of cumulative free cash flow goals. The payout under each PSU award is variable and based upon the extent to which the performance goals are achieved over the performance period (with a range of payout from 0% to 175% of target for the RTSR award and 0% to 200% of target for the achievement of cumulative free cash flow award) and will be distributed during the first quarter after the end of the performance period. The fair value of PSU awards without a market condition is equal to the closing sale price of the Company's common stock on the date of grant and the fair value of the RTSR awards is estimated on the date of grant using the Monte Carlo Simulation method. In March 2022, the Company granted performance stock unit awards related to 0.8 million shares with a weighted average grant date fair value of $16.51 to certain executives. There were 2 million shares outstanding at December 31, 2022 with a weighted average grant date fair value of $12.79.

Stock options have a maximum term of ten years and vest over four years, with 25% vesting on each anniversary date of the grant date. The options have an exercise price equal to the closing sale price of the Company's common stock on the date of grant. The fair value of the options is estimated on the date of grant using the Black-Scholes option-pricing model. There were 2.2 million options outstanding at December 31, 2022 with a weighted average exercise price of $25.42, including 2 million exercisable stock options, which have an intrinsic value of zero and a weighted average remaining contractual life of 3.8 years. The Company has not granted options since 2019 and forfeiture and exercise activity was immaterial for the year ended December 31, 2022.

***Stock-Based Compensation Expense***

As of December 31, 2022, based on current performance achievement expectations, there was $19 million of unrecognized compensation cost related to incentive equity awards under the plans which would be recorded in future periods as compensation expense over a remaining weighted average period of approximately 1.7 years. The Company recorded stock-based compensation expense related to the incentive equity awards of $22 million, $29 million and $39 million for the years ended December 31, 2022, 2021 and 2020, respectively.

## 14. RESTRUCTURING COSTS

Restructuring charges for the years ended December 31, 2022, 2021 and 2020 were $32 million, $17 million and $67 million, respectively. The components of the restructuring charges for the years ended December 31, 2022, 2021 and 2020 were as follows:

| | Years Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Personnel-related costs (1) | $ 16 | $ 6 | $ 20 |
| Facility-related costs (2) | 16 | 11 | 47 |
| Total restructuring charges (3) | $ 32 | $ 17 | $ 67 |

(1) Personnel-related costs consist of severance costs provided to employees who have been terminated.

(2) Facility-related costs consist of costs associated with planned facility closures such as contract termination costs, amortization of lease assets that will continue to be incurred under the contract for its remaining term without economic benefit to the Company, accelerated depreciation on asset disposals and other facility and employee relocation related costs.

(3) Restructuring charges for the year ended December 31, 2022 include $20 million of expense related to the Operational Efficiencies Plan and $12 million of expense related to prior restructuring plans. Restructuring charges for the years ended December 31, 2021 and December 31, 2020 related to prior restructuring plans.

***Operational Efficiencies Plan***

Beginning in the third quarter of 2022, the Company commenced the implementation of a plan ("the Plan") to reduce its office footprint costs, centralize certain aspects of its operational support structure and drive changes in how it serves its affiliated independent sales agents as well as consumers from a marketing and technology perspective. Furthermore, in

January 2023, the Company executed a meaningful workforce reduction driven by worsening trends in the housing market. These actions build on the multiple other cost reduction and spending reprioritization initiatives such as simplified and more integrated and digitized offerings, systems and support. Delivering the Company's business model more digitally is an increasing part of improving the consumer experience and the Company's ongoing cost focus. The Company expects to continue to prioritize investments in efforts to support its independent sales agents, franchisees and consumers which includes investments in technology and innovative products, lead generation and franchisee support.

The following is a reconciliation of the beginning and ending reserve balances related to the Plan:

| | Personnel-related costs | Facility-related costs | Total |
|---|---|---|---|
| Balance at December 31, 2021 | $ — | $ — | $ — |
| Restructuring charges (1) | 14 | 6 | 20 |
| Costs paid or otherwise settled | (4) | (4) | (8) |
| Balance at December 31, 2022 | $ 10 | $ 2 | 12 |

(1) In addition, the Company incurred an additional $5 million of facility-related costs for lease asset impairments in connection with the Plan during the year ended December 31, 2022.

The following table shows the total costs currently expected to be incurred by type of cost related to the Plan:

| | Total amount expected to be incurred | Amount incurred to date | Total amount remaining to be incurred |
|---|---|---|---|
| Personnel-related costs | $ 23 | $ 14 | $ 9 |
| Facility-related costs | 12 | 6 | 6 |
| Total | $ 35 | $ 20 | $ 15 |

The following table shows the total costs currently expected to be incurred by reportable segment related to the Plan:

| | Total amount expected to be incurred | Amount incurred to date | Total amount remaining to be incurred |
|---|---|---|---|
| Franchise Group | $ 2 | $ 2 | $ — |
| Owned Brokerage Group | 26 | 14 | 12 |
| Title Group | — | — | — |
| Corporate and Other | 7 | 4 | 3 |
| Total | $ 35 | $ 20 | $ 15 |

***Prior Restructuring Plans***

During 2019, the Company took various strategic initiatives to reduce costs and institute operational and facility related efficiencies to drive profitability. During 2020, as a result of the COVID-19 pandemic, the Company transitioned substantially all of its employees to a remote-work environment which allowed the Company to reevaluate its office space needs. As a result, additional facility and operational efficiencies were identified and implemented which included the transformation of its corporate headquarters in Madison, New Jersey to an open-plan innovation hub. At December 31, 2021, the remaining liability related to these initiatives was $18 million. During the year ended December 31, 2022, the Company incurred $12 million of costs and paid or settled $18 million of costs resulting in a remaining accrual of $12 million at December 31, 2022. The remaining accrual of $12 million and total amount remaining to be incurred of $24 million primarily relate to the transformation of the Company's corporate headquarters.

## 15. COMMITMENTS AND CONTINGENCIES

***Litigation***

The Company is involved in claims, legal proceedings, alternative dispute resolution and governmental inquiries or regulatory actions related to alleged contract disputes, business practices, intellectual property and other commercial, employment, regulatory and tax matters, including the matters described below.

The Company believes that it has adequately accrued for legal matters as appropriate. The Company records litigation accruals for legal matters when it is both probable that a liability will be incurred, and the amount of the loss can be reasonably estimated. Where the reasonable estimate of the probable loss is a range, the Company records as an accrual in its financial statements the most likely estimate of the loss, or the low end of the range if there is no one best estimate. For other litigation for which a loss is reasonably possible, the Company is unable to estimate a range of reasonably possible losses.

Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable developments and resolutions could occur and even cases brought by us can involve counterclaims asserted against us. In addition, litigation and other legal matters, including class action lawsuits and regulatory proceedings challenging practices that have broad impact, can be costly to defend and, depending on the class size and claims, could be costly to settle. Insurance coverage may be unavailable for certain types of claims (including antitrust and Telephone Consumer Protection Act ("TCPA") litigation) and even where available, insurance carriers may dispute coverage for various reasons, including the cost of defense, there is a deductible for each such case, and such insurance may not be sufficient to cover the losses the Company incurs.

From time to time, even if the Company believes it has substantial defenses, it may consider litigation settlements based on a variety of circumstances.

Due to the foregoing factors as well as the factors set forth below, the Company could incur charges or judgments or enter into settlements of claims, based upon future events or developments, with liabilities that are materially in excess of amounts accrued and these judgments or settlements could have a material adverse effect on the Company’s financial condition, results of operations or cash flows in any particular period. As such, an increase in accruals for one or more of these matters in any reporting period may have a material adverse effect on the Company's results of operations and cash flows for that period.

The below captioned matters address certain current litigation involving the Company, including antitrust litigation, litigation related to the TCPA, and worker classification litigation. The captioned matters described herein involve evolving, complex litigation and the Company assesses its accruals on an ongoing basis taking into account the procedural stage and developments in the litigation. One of the antitrust class action matters (the *Burnett* litigation) is scheduled to go to trial in October 2023 and the TCPA class action case is scheduled to go to trial in May 2023.

The Company disputes the allegations against it in each of these matters, believes it has substantial defenses against plaintiffs' claims and is vigorously defending these actions.

All of these matters are presented as currently captioned, but as noted elsewhere in this Annual Report, Realogy Holdings Corp. has been renamed Anywhere Real Estate Inc.

*Antitrust Litigation*

The cases included under this header, Antitrust Litigation, are class actions that challenge residential real estate industry rules and practices for payment of buyer broker commissions. The issues raised by these cases have not been previously adjudicated, and the cases are pending in multiple jurisdictions, are at various stages of litigation, claim to cover lengthy periods, involve different assertions with respect to liability and damages, include federal and certain state law claims, involve numerous and differing parties, and—given that antitrust laws generally provide for joint and several liability and treble damages—could result in a broad range of outcomes, making it difficult to predict possible damages or how legal, factual and damages issues will be resolved.

These factors also complicate the potential for achieving settlement in individual cases or any global multi-party settlement although the Company believes, given the industry-wide impacts of the issues being litigated, potential resolution options should be considered.

The Company believes that additional antitrust litigation may be possible depending on decisions in pending litigation or regulatory developments affecting the industry.

In each of these cases, plaintiffs claim damages for all or a meaningful portion of the buyer brokers' commission paid in each transaction irrespective of the fact that the Company retained relatively little of those commissions (as the vast majority of the commission remained with the independent sales agent and/or franchisee, as applicable).

*Burnett, Hendrickson, Breit, Trupiano, and Keel v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the Western District of Missouri). This is a now-certified class action complaint, which was filed on April 29, 2019 and amended on June 21, 2019, June 30, 2021 and May 6, 2022 (formerly captioned as *Sitzer*).

The plaintiffs allege that the defendants engaged in a continuing contract, combination, or conspiracy to unreasonably restrain trade and commerce in violation of Section 1 of the Sherman Act because defendant NAR allegedly established mandatory anticompetitive policies and rules for the multiple listing services and its member brokers that require listing brokers to make an offer of buyer broker compensation when listing a property. The plaintiffs' experts argue that "but for" the challenged NAR policies and rules, these offers of buyer broker compensation would not be made and plaintiffs seek the recovery of any commissions paid to buyers' brokers as to both brokerage and franchised operations in the relevant geographic area.

The plaintiffs further allege that commission sharing, which provides for the broker representing the seller sharing or paying a portion of its commission to the broker representing the buyer, is anticompetitive and violates the Sherman Act, and that the brokerage/franchisor defendants conspired with NAR by requiring their respective brokerages/franchisees to comply with NAR's policies, rules, and Code of Ethics, and engaged in other allegedly anticompetitive conduct including, but not limited to, steering and agent education that allegedly promotes the practice of paying buyer broker compensation and discourages commission negotiation. Plaintiffs' experts dispute defendants' contention that the practice of offering and paying buyer broker compensation is based on natural and legitimate economic incentives and benefits that exist irrespective of the challenged NAR policies and rules and also contend that international practices are comparable benchmarks.

The antitrust claims in the *Burnett* litigation are limited both in allegations and relief sought to home sellers who from April 29, 2015, to the present used a listing broker affiliated with one of the brokerage/franchisor defendants in four MLSs that primarily serve the State of Missouri, purportedly in violation of federal and Missouri antitrust laws. The plaintiffs seek a permanent injunction enjoining the defendants from requiring home sellers to pay buyer broker commissions or from otherwise restricting competition among brokers, an award of damages and/or restitution for the class period, attorneys' fees and costs of suit. Plaintiffs allege joint and several liability and seek treble damages.

In addition, the plaintiffs include a cause of action for alleged violations of the Missouri Merchandising Practices Act, or MMPA, on behalf of Missouri residents only, with a class period that commences April 29, 2014. The plaintiffs seek a permanent injunction enjoining the defendants from engaging in conduct in violation of the MMPA, an award of damages and/or restitution for the class period, punitive damages, attorneys' fees, and costs of suit.

On August 22, 2019, the Court denied defendants' motions to transfer the litigation to the U.S. District Court for the Northern District of Illinois, and on October 16, 2019, the Court denied the motions to dismiss this litigation filed respectively by NAR and the Company (together with the other named brokerage/franchisor defendants). In September 2019, the Department of Justice ("DOJ") filed a statement of interest and appearances for this matter and, in July 2020 and July 2021, requested the Company provide it with all materials produced in this matter.

The Court granted class certification on April 22, 2022. The Company's petition for an interlocutory appeal of the class certification decision was denied by the United States Court of Appeals for the Eighth Circuit on June 2, 2022. The class the Court has certified includes, according to plaintiffs, over 310,000 transactions for which the plaintiffs are seeking a full refund of the buyer brokers' commissions. On December 16, 2022, the Court issued a decision denying the defendants' motions for summary judgment in this matter. The Court's summary-judgment decision holds that plaintiffs have adduced evidence to support their contention that the challenged rules constitute per se violations of the Sherman Act. Because other courts considering similar antitrust challenges to MLS rules have held that such rules cannot be treated as per se violations, the defendants filed a motion asking the Court to certify the issue for a discretionary interlocutory appeal to the U.S. Court of Appeals for the Eighth Circuit, but the motion was denied by the Court on January 27, 2023.

On December 29, 2022 the court also entered an order directing the parties to conduct a mediation no later than March 15, 2023. On February 6, the court was advised that the parties had participated in the court-ordered mediation. This case had been scheduled to go to trial in February 2023. The court has now continued the trial until October 2023.

The Company disputes the allegations against it in this case, believes it has substantial defenses to both plaintiffs' claims and damage assertions, and is vigorously defending this litigation.

*Moehrl, Cole, Darnell, Ramey, Umpa and Ruh v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the Northern District of Illinois). The *Moehrl* complaint contains substantially similar allegations, and seeks the same relief under the Sherman Act, as the *Burnett* litigation. The *Moehrl* complaint, however, is brought on behalf of home sellers in 20 MLSs in various parts of the country that do not overlap with the *Burnett* MLSs and purports to cover transactions beginning from March 6, 2015 through December 31, 2020.

In contrast to the *Burnett* plaintiffs, the *Moehrl* plaintiffs acknowledge that there are economic reasons why a seller would offer buyer compensation (and accordingly, do not seek recovery of all commissions paid to buyers' brokers), although plaintiffs allege that buyer brokers are overpaid due to the mandatory nature of the applicable NAR policies and rules.

In October 2019, the DOJ filed a statement of interest for this matter. A motion to appoint lead counsel in the case was granted on an interim basis by the Court in May 2020. In October 2020, the Court denied the separate motions to dismiss filed in August 2019 by each of NAR and the Company (together with the other defendants named in the amended *Moehrl* complaint). Plaintiffs filed their motion for class certification on February 23, 2022. The Company's opposition to the plaintiffs' class certification motion was filed on May 31, 2022 (together with the other defendants named in the complaint) and plaintiffs' reply in further support of their motion was filed on August 22, 2022; plaintiffs' motion for class certification remains pending. Discovery in the case is ongoing.

The Company disputes the allegations against it in this case, believes it has substantial defenses to both plaintiffs' claims and damage assertions, and is vigorously defending this litigation.

*Batton, Bolton, Brace, Kim, James, Mullis, Bisbicos and Parsons v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the Northern District of Illinois Eastern Division). In this putative nationwide class action filed on January 25, 2021 (formerly captioned as *Leeder*), the plaintiffs take issue with certain NAR policies, including those related to buyer broker compensation at issue in the *Moehrl* and *Burnett* matters, as well as those at issue in the 2020 settlement between the DOJ and NAR, but claim the alleged conspiracy has harmed buyers (instead of sellers). The plaintiffs allege that the defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and were unjustly enriched, and seek a permanent injunction enjoining NAR from establishing in the future the same or similar rules, policies, or practices as those challenged in the action as well as an award of damages and/or restitution, interest, and reasonable attorneys' fees and expenses.

On May 2, 2022, the Court granted the motion to dismiss filed by the Company (together with the other companies named in the complaint) without prejudice. On July 6, 2022, plaintiffs filed an amended complaint substituting in eight new named plaintiffs and no longer naming Leeder as named plaintiff, that may consequently be referred to as *Batton v. The National Association of Realtors, et al*. The amended complaint is substantially similar to the original complaint but, in addition to the federal Sherman Act and unjust enrichment claims, plaintiffs have added two claims based on certain state antitrust statutes and consumer protection statutes. The Company (together with the other companies named in the complaint) filed a motion to dismiss the amended complaint on September 7, 2022. Plaintiffs' opposition to the motion was filed October 21, 2022, and defendants' reply was filed on November 22, 2022; that fully briefed motion to dismiss remains pending. Discovery has not commenced.

The Company disputes the allegations against it in this case, believes it has substantial defenses to plaintiffs' claims, and is vigorously defending this litigation.

*Nosalek, Hirschorn and Hirschorn v. MLS Property Information Network, Inc., Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc.* (U.S. District Court for the District of Massachusetts). This is a putative class action filed on December 17, 2020 (formerly captioned as *Bauman*), wherein the plaintiffs take issue with policies and rules similar to those at issue in the *Moehrl* and *Burnett* matters, but rather than objecting to the national policies and rules published by NAR, this lawsuit specifically objects to the alleged

policies and rules of a multiple listing service (MLS Property Information Network, Inc.) that is owned by realtors, including in part by one of the Company's company-owned brokerages. The plaintiffs allege that the defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and seek a permanent injunction, enjoining the defendants from continuing conduct determined to be unlawful, as well as an award of damages and/or restitution, interest, and reasonable attorneys' fees and expenses. On December 10, 2021, the Court denied the motion to dismiss filed in March 2021 by the Company (together with the other defendants named in the complaint). On March 1, 2022, plaintiffs filed an amended complaint substituting in two new named plaintiffs and no longer naming the Baumans as named plaintiffs, that may consequently be referred to as *Nosalek v. MLS Property Information Network, Inc*. On January 9, 2023, the plaintiffs filed a second amended complaint which, among other things, added certain entities as defendants, including certain Anywhere wholly-owned franchisor subsidiaries, removed the Count II state law claims that the plaintiffs had previously voluntarily dismissed, and redefined the covered area as limited to home sales in Massachusetts (removing New Hampshire and Rhode Island). The lawsuit seeks to represent a class of sellers who paid a broker commission in connection with the sale of a property listed in the MLS Property Information Network, Inc. On January 23, 2023, MLS Property Information Network, Inc., HomeServices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc. filed their answer to the second amended complaint. The Anywhere defendants filed their answer to the second amended complaint on February 21, 2023. Discovery in the case has commenced.

The Company disputes the allegations against it in this case, believes it has substantial defenses to plaintiffs' claims, and is vigorously defending this litigation.

*Telephone Consumer Protection Act Litigation*

*Bumpus, et al. v. Realogy Holdings Corp., et al.* (U.S. District Court for the Northern District of California, San Francisco Division). In this class action filed on June 11, 2019, against Anywhere Real Estate Inc. (f/k/a Realogy Holdings Corp.), Anywhere Intermediate Holdings LLC (f/k/a Realogy Intermediate Holdings LLC), Anywhere Real Estate Group LLC (f/k/a Realogy Group LLC ), Anywhere Real Estate Services Group LLC (f/k/a Realogy Services Group LLC), and Anywhere Advisors LLC (f/k/a Realogy Brokerage Group LLC and NRT LLC), and Mojo Dialing Solutions, LLC, plaintiffs allege that independent sales agents affiliated with Anywhere Advisors LLC violated the Telephone Consumer Protection Act of 1991 (TCPA) using dialers provided by Mojo and others. Plaintiffs seek relief on behalf of a National Do Not Call Registry class, an Internal Do Not Call class, and an Artificial or Prerecorded Message class.

In March 2022, the Court granted plaintiffs' motion for class certification for the foregoing classes as to the Anywhere defendants but not as to co-defendant Mojo and dismissed Mojo from the case. Plaintiffs and the Anywhere defendants' cross-motions for summary judgment were denied without prejudice on May 11, 2022. The Company's petition for permission to appeal the class certification filed with the 9th Circuit Court of Appeals was denied and the plaintiffs' class notice plan was approved on May 26, 2022.

On January 18, 2023, the Court set a trial date of May 15, 2023. A mediation between the parties in August 2022 did not result in resolution of this matter. While the Company may pursue further attempts at mediation, it can provide no assurance as to whether any such mediation would be successful.

Plaintiffs claim that there were over 1.2 million calls that qualify for inclusion in the classes. The Company disputes the allegations against it in this case, believes it has substantial defenses to both plaintiffs' liability claims and damage assertions, and is vigorously defending this action.

*Worker Classification Litigation*

*Whitlach v. Premier Valley, Inc. d/b/a Century 21 M&M and Century 21 Real Estate LLC* (Superior Court of California, Stanislaus County). This was filed as a putative class action complaint on December 20, 2018 by plaintiff James Whitlach against Premier Valley Inc., a Century 21 Real Estate independently-owned franchisee doing business as Century 21 M&M ("Century 21 M&M"). The complaint also names Century 21 Real Estate LLC, a wholly-owned subsidiary of the Company and the franchisor of Century 21 Real Estate ("Century 21"), as an alleged joint employer of the franchisee's independent sales agents and seeks to certify a class that could potentially include all agents of both Century 21 M&M and Century 21 in California. In February 2019, the plaintiff amended his complaint to assert claims pursuant to the California Private Attorneys General Act ("PAGA"). Following the Court's dismissal of the plaintiff's non-PAGA claims without prejudice in June 2019, the plaintiff filed a second amended complaint asserting one cause of action for alleged civil penalties under PAGA in June 2020 and continued to pursue his PAGA claims as a representative of purported "aggrieved employees" as defined by PAGA. As such representative, the plaintiff seeks all non-individualized relief available to the purported aggrieved employees under PAGA, as well as attorneys' fees. Under California law, PAGA claims are generally not subject to arbitration and may result in exposure in the form of additional penalties.

In the second amended complaint, the plaintiff continues to allege that Century 21 M&M misclassified all of its independent real estate agents, salespeople, sales professionals, broker associates and other similar positions as independent contractors, failed to pay minimum wages, failed to provide meal and rest breaks, failed to pay timely wages, failed to keep proper records, failed to provide appropriate wage statements, made unlawful deductions from wages, and failed to reimburse plaintiff and the putative class for business related expenses, resulting in violations of the California Labor Code. The demurrer filed by Century 21 M&M (and joined by Century 21) on August 3, 2020 to the plaintiff's amended complaint, was granted by the Court on November 10, 2020, dismissing the case without leave to replead. In January 2021, the plaintiff filed a notice of appeal of the Court's order granting the demurrer and filed its brief in support of the appeal in June 2021. In October 2021, Century 21 and Century 21 M&M filed their appellate brief in opposition to plaintiff's appeal and in January 2022, plaintiff filed its reply brief in support of the appeal. In September 2022, Century 21 and Century 21 M&M filed a motion with the Appellate Court to dismiss the appeal in favor of arbitration in response to a recent change in the law, which the plaintiff opposed. On November 18, 2022, the Appellate Court issued an opinion affirming the trial court's grant of the demurrer to Century 21 M&M and Century 21 (and, therefore, found the motion requesting arbitration to be moot). Plaintiff's petition for rehearing filed with the Appellate Court was denied on December 5, 2022 and, on January 26, 2023, plaintiff filed a petition for review of the Appellate Court's ruling with the Supreme Court of the State of California. This case raises various previously unlitigated claims and the PAGA claim adds additional litigation, financial and operating uncertainties.

*Other*

Examples of other legal matters involving the Company may include, but are not limited to:

- antitrust and anti-competition claims;
- TCPA claims;
- claims alleging violations of RESPA, state consumer fraud statutes, federal consumer protection statutes or other state real estate law violations;
- employment law claims, including claims that independent residential real estate sales agents engaged by our company owned brokerages or by affiliated franchisees—under certain state or federal laws—are potentially employees instead of independent contractors, and they or regulators therefore may bring claims against our Owned Brokerage Group for breach of contract, wage and hour classification claims, wrongful discharge, unemployment and workers' compensation and could seek benefits, back wages, overtime, indemnification, penalties related to classification practices and expense reimbursement available to employees or make similar claims against Franchise Group as an alleged joint employer of an affiliated franchisee's independent sales agents;
- other employment law matters, including other types of worker classification claims as well as wage and hour claims and retaliation claims;
- information security claims, including claims under new and emerging data privacy laws related to the protection of customer, employee or third-party information;
- cyber-crime claims, including claims related to the diversion of homesale transaction closing funds;
- vicarious or joint liability claims based upon the conduct of individuals or entities traditionally outside of our control, including franchisees and independent sales agents, under joint employer claims or other theories of actual or apparent agency;
- claims by current or former franchisees that franchise agreements were breached, including improper terminations;
- claims generally against the company owned brokerage operations for negligence, misrepresentation or breach of fiduciary duty in connection with the performance of real estate brokerage or other professional services as well as other brokerage claims associated with listing information and property history;
- claims related to intellectual property or copyright law, including infringement actions alleging improper use of copyrighted photographs on websites or in marketing materials without consent of the copyright holder or claims challenging our trademarks;
- claims concerning breach of obligations to make websites and other services accessible for consumers with disabilities;
- claims against the title agent contending that the agent knew or should have known that a transaction was fraudulent or that the agent was negligent in addressing title defects or conducting the settlement;
- claims related to disclosure or securities law violations as well as derivative suits; and
- fraud, defalcation or misconduct claims.

Other ordinary course legal proceedings that may arise from time to time include those related to commercial arrangements, indemnification (under contract or common law), franchising arrangements, the fiduciary duties of brokers, standard brokerage disputes like the failure to disclose accurate square footage or hidden defects in the property such as mold, claims under the False Claims Act (or similar state laws), consumer lending and debt collection law claims, state auction law, and violations of similar laws in countries where we operate around the world with respect to any of the foregoing. In addition, with the increasing requirements resulting from government laws and regulations concerning data breach notifications and data privacy and protection obligations, claims associated with these laws may become more common. While most litigation involves claims against the Company, from time to time the Company commences litigation, including litigation against former employees, franchisees and competitors when it alleges that such persons or entities have breached agreements or engaged in other wrongful conduct.

* * *

***Cendant Corporate Liabilities and Guarantees to Cendant and Affiliates***

Anywhere Group (then Realogy Corporation) separated from Cendant on July 31, 2006 (the "Separation"), pursuant to a plan by Cendant (now known as Avis Budget Group, Inc.) to separate into four independent companies—one for each of Cendant's business units—real estate services (Anywhere Group, formerly referred to as Realogy Group), travel distribution services ("Travelport"), hospitality services, including timeshare resorts ("Wyndham Worldwide"), and vehicle rental ("Avis Budget Group"). Pursuant to the Separation and Distribution Agreement dated as of July 27, 2006 among Cendant, Anywhere Group, Wyndham Worldwide and Travelport (the "Separation and Distribution Agreement"), each of Anywhere Group, Wyndham Worldwide and Travelport have assumed certain contingent and other corporate liabilities (and related costs and expenses), which are primarily related to each of their respective businesses. In addition, Anywhere Group has assumed 62.5% and Wyndham Worldwide has assumed 37.5% of certain contingent and other corporate liabilities (and related costs and expenses) of Cendant.

The due to former parent balance was $20 million and $19 million at December 31, 2022 and 2021, respectively. The due to former parent balance was comprised of the Company’s portion of the following: (i) Cendant’s remaining contingent tax liabilities, (ii) potential liabilities related to Cendant’s terminated or divested businesses, and (iii) potential liabilities related to the residual portion of accruals for Cendant operations.

***Tax Matters***

The Company is subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording related assets and liabilities. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities whereby the outcome of the audits is uncertain. The Company believes there is appropriate support for positions taken on its tax returns. The liabilities that have been recorded represent the best estimates of the probable loss on certain positions and are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. However, the outcomes of tax audits are inherently uncertain.

***Escrow and Trust Deposits***

As a service to its customers, the Company administers escrow and trust deposits which represent undisbursed amounts received for the settlement of real estate transactions. Deposits at FDIC-insured institutions are insured up to $250 thousand. These escrow and trust deposits totaled approximately $794 million at December 31, 2022. While these deposits are not assets of the Company (and, therefore, are excluded from the accompanying Consolidated Balance Sheets), the Company remains contingently liable for the disposition of these deposits.

***Purchase Commitments and Minimum Licensing Fees***

In the normal course of business, the Company makes various commitments to purchase goods or services from specific suppliers, including those related to capital expenditures. The purchase commitments made by the Company as of December 31, 2022 are approximately $116 million.

The Company is required to pay a minimum licensing fee to Sotheby’s which began in 2009 and continues through 2054. The annual minimum licensing fee is approximately $2 million per year. The Company is also required to pay a minimum licensing fee to Meredith Operations Corporation from 2009 through 2058 for the licensing of the Better Homes

and Gardens® Real Estate brand. The annual minimum fee was approximately $4 million in 2022 and will generally remain the same thereafter.

Future minimum payments for these purchase commitments and minimum licensing fees as of December 31, 2022 are as follows:

| Year | Amount |
|---|---|
| 2023 | $ 63 |
| 2024 | 39 |
| 2025 | 24 |
| 2026 | 10 |
| 2027 | 9 |
| Thereafter | 192 |
| Total | $ 337 |

***Standard Guarantees/Indemnifications***

In the ordinary course of business, the Company enters into numerous agreements that contain standard guarantees and indemnities whereby the Company indemnifies another party for breaches of representations and warranties. In addition, many of these parties are also indemnified against any third-party claim resulting from the transaction that is contemplated in the underlying agreement. Such guarantees or indemnifications are granted under various agreements, including those governing: (i) purchases, sales or outsourcing of assets or businesses, (ii) leases and sales of real estate, (iii) licensing of trademarks, (iv) use of derivatives, and (v) issuances of debt securities. The guarantees or indemnifications issued are for the benefit of the: (i) buyers in sale agreements and sellers in purchase agreements, (ii) landlords in lease contracts, (iii) franchisees in licensing agreements, (iv) financial institutions in derivative contracts, and (v) underwriters in issuances of securities. While some of these guarantees extend only for the duration of the underlying agreement, many survive the expiration of the term of the agreement or extend into perpetuity (unless subject to a legal statute of limitations). There are no specific limitations on the maximum potential amount of future payments that the Company could be required to make under these guarantees, nor is the Company able to develop an estimate of the maximum potential amount of future payments to be made under these guarantees as the triggering events are not subject to predictability. With respect to certain of the aforementioned guarantees, such as indemnifications of landlords against third-party claims for the use of real estate property leased by the Company, the Company maintains insurance coverage that mitigates any potential payments to be made.

***Other Guarantees/Indemnifications***

In the normal course of business, the Company coordinates numerous events for its franchisees and thus reserves a number of venues with certain minimum guarantees, such as room rentals at hotels local to the conference center. However, such room rentals are paid by each individual franchisee. If the franchisees do not meet the minimum guarantees, the Company is obligated to fulfill the minimum guaranteed fees. The maximum potential amount of future payments that the Company would be required to make under such guarantees is approximately $10 million. The Company would only be required to pay this maximum amount if none of the franchisees attended the planned events at the reserved venues. Historically, the Company has not been required to make material payments under these guarantees.

***Insurance and Self-Insurance***

The Consolidated Balance Sheets include liabilities relating to: (i) self-insured risks for errors and omissions and other legal matters incurred in the ordinary course of business within Owned Brokerage Group and (ii) premium and claim reserves for the Company’s title underwriting business. The Company may also be subject to legal claims arising from the handling of escrow transactions and closings. Owned Brokerage Group carries errors and omissions insurance for errors made during the real estate settlement process of $15 million in the aggregate, subject to a deductible of $1.5 million per occurrence. In addition, the Company carries an additional errors and omissions insurance policy for Anywhere Real Estate Inc. and its subsidiaries for errors made for real estate related services up to $45 million in the aggregate, subject to a deductible of $2.5 million per occurrence. This policy also provides excess coverage to Owned Brokerage Group creating an aggregate limit of $60 million, subject to Owned Brokerage Group's deductible of $1.5 million per occurrence.

The Company, through its appropriately licensed subsidiaries within Title Group, acts as a title agent in real estate transactions and helps to provide coverage for real property to mortgage lenders and buyers of real property. When a

subsidiary within Title Group is acting as a title agent issuing a policy on behalf of an underwriter, assuming no negligence on the part of the title agent, such subsidiary is not liable for losses under those policies but rather the title insurer is typically liable for such losses.

Fraud, defalcation and misconduct by employees are also risks inherent in the business. The Company is the custodian of cash deposited by customers with specific instructions as to its disbursement from escrow, trust and account servicing files. The Company maintains fidelity insurance covering the loss or theft of funds of up to $30 million per occurrence, subject to a deductible of $1 million per occurrence.

The Company also maintains self-insurance arrangements relating to health and welfare, workers' compensation, auto and general liability in addition to other benefits provided to the Company's employees. The accruals for these self-insurance arrangements totaled approximately $13 million for both December 31, 2022 and 2021.

## 16. EQUITY

### *Changes in Accumulated Other Comprehensive Loss*

The components of accumulated other comprehensive losses are as follows:

| | Currency Translation Adjustments (1) | Minimum Pension Liability Adjustment | Accumulated Other Comprehensive Loss (2) |
|---|---|---|---|
| Balance at January 1, 2020 | $ (8) | $ (48) | $ (56) |
| Other comprehensive loss before reclassifications | — | (6) | (6) |
| Amounts reclassified from accumulated other comprehensive loss | — | 2 (3) | 2 |
| Income tax benefit | — | 1 | 1 |
| Current period change | — | (3) | (3) |
| Balance at December 31, 2020 | (8) | (51) | (59) |
| Other comprehensive (loss) income before reclassifications | (1) | 10 | 9 |
| Amounts reclassified from accumulated other comprehensive loss | — | 3 (3) | 3 |
| Income tax expense | — | (3) | (3) |
| Current period change | (1) | 10 | 9 |
| Balance at December 31, 2021 | (9) | (41) | (50) |
| Other comprehensive income before reclassifications | — | 1 | 1 |
| Amounts reclassified from accumulated other comprehensive loss | — | 2 (3) | 2 |
| Income tax expense | — | (1) | (1) |
| Current period change | — | 2 | 2 |
| Balance at December 31, 2022 | $ (9) | $ (39) | $ (48) |

(1) Assets and liabilities of foreign subsidiaries having non-U.S. dollar functional currencies are translated at exchange rates at the balance sheet dates and equity accounts are translated at historical spot rates. Revenues and expenses are translated at average exchange rates during the periods presented. The gains or losses resulting from translating foreign currency financial statements into U.S. dollars are included in accumulated other comprehensive income (loss). Gains or losses resulting from foreign currency transactions are included in the Consolidated Statements of Operations.

(2) As of December 31, 2022, the Company does not have any after-tax components of accumulated other comprehensive loss attributable to noncontrolling interests.

(3) These amounts represent the amortization of actuarial gain (loss) to periodic pension cost and were reclassified from accumulated other comprehensive income to the general and administrative expenses line on the statement of operations.

***Anywhere Group Statements of Equity for the years ended December 31, 2022, 2021 and 2020***

Total equity for Anywhere Group equals that of Anywhere, but the components, common stock and additional paid-in capital are different. The table below presents information regarding the balances and changes in common stock and additional paid-in capital of Anywhere Group for each of the three years ended December 31, 2022, 2021 and 2020.

| | Anywhere Group Stockholder's Equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit | Accumulated Other Comprehensive Loss | Non-controlling Interests | Total Equity |
| | Shares | Amount | | | | | |
| **Balance at January 1, 2020** | — | $ — | $ 4,843 | $ (2,695) | $ (56) | $ 4 | $ 2,096 |
| Net (loss) income | — | — | — | (360) | — | 4 | (356) |
| Other comprehensive loss | — | — | — | — | (3) | — | (3) |
| Stock-based compensation | — | — | 34 | — | — | — | 34 |
| Dividends | — | — | — | — | — | (4) | (4) |
| **Balance at December 31, 2020** | — | $ — | $ 4,877 | $ (3,055) | $ (59) | $ 4 | $ 1,767 |
| Net income | — | — | — | 343 | — | 7 | 350 |
| Other comprehensive income | — | — | — | — | 9 | — | 9 |
| Contributions from Anywhere | — | — | 51 | — | — | — | 51 |
| Stock-based compensation | — | — | 20 | — | — | — | 20 |
| Dividends | — | — | — | — | — | (5) | (5) |
| **Balance at December 31, 2021** | — | $ — | $ 4,948 | $ (2,712) | $ (50) | $ 6 | $ 2,192 |
| Cumulative effect adjustment due to the adoption of ASU 2020-06 | — | — | (53) | 5 | — | — | (48) |
| Net loss (income) | — | — | — | (287) | — | 4 | (283) |
| Other comprehensive income | — | — | — | — | 2 | — | 2 |
| Repurchase of common stock | — | — | (97) | — | — | — | (97) |
| Contributions from Anywhere | — | — | 2 | — | — | — | 2 |
| Stock-based compensation | — | — | 6 | — | — | — | 6 |
| Dividends | — | — | — | — | — | (8) | (8) |
| Contributions from non-controlling interests | — | — | — | — | — | 1 | 1 |
| **Balance at December 31, 2022** | — | $ — | $ 4,806 | $ (2,994) | $ (48) | $ 3 | $ 1,767 |

## 17. EARNINGS (LOSS) PER SHARE

***Earnings (loss) per share attributable to Anywhere***

Basic earnings (loss) per common share is computed based on net income (loss) attributable to Anywhere stockholders divided by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed consistently with the basic computation plus the effect of dilutive potential common shares outstanding during the period. Dilutive potential common shares include shares that the Company could be obligated to issue from its Exchangeable Senior Notes and warrants if dilutive (see Note 9, "Short and Long-Term Debt", for further discussion) and outstanding stock-based compensation awards (see Note 13, "Stock-Based Compensation", for further discussion). For purposes of computing diluted earnings (loss) per common share, weighted average common shares do not include potentially dilutive common shares if their effect is anti-dilutive. As such, the shares that the Company could be obligated to issue from its stock options, warrants and Exchangeable Senior Notes are excluded from the earnings (loss) per share calculation if the exercise or exchangeable price exceeds the average market price of common shares.

The Company uses the treasury stock method to calculate the dilutive effect of outstanding stock-based compensation. If dilutive, the Company uses the if converted method to calculate the dilutive effect of its Exchangeable Senior Notes. These notes will have a dilutive impact when the average market price of the Company's common stock exceeds the initial

exchange price of $24.49 per share. The Exchangeable Senior Notes were not dilutive as of December 31, 2022 as the closing price of the Company's common stock as of December 31, 2022 was less than the initial exchange price.

The following table sets forth the computation of basic and diluted (loss) earnings per share:

| | Year Ended December 31, | | |
|---|---|---|---|
| *(in millions, except per share data)* | 2022 | 2021 | 2020 |
| **Numerator:** | | | |
| Net (loss) income attributable to Anywhere shareholders | $ (287) | $ 343 | $ (360) |
| **Denominator:** | | | |
| Weighted average common shares outstanding (denominator for basic (loss) earnings per share calculation) | 113.8 | 116.4 | 115.2 |
| Dilutive effect of stock-based compensation awards (a) | — | 3.8 | — |
| Dilutive effect of Exchangeable Senior Notes and warrants (b) | — | — | |
| Weighted average common shares outstanding (denominator for diluted (loss) earnings per share calculation) | 113.8 | 120.2 | 115.2 |
| **(Loss) earnings per share attributable to Anywhere shareholders:** | | | |
| Basic (loss) earnings per share | $ (2.52) | $ 2.95 | $ (3.13) |
| Diluted (loss) earnings per share | $ (2.52) | $ 2.85 | $ (3.13) |

(a) The Company was in a net loss position for the years ended December 31, 2022 and 2020, and therefore the impact of incentive equity awards were excluded from the computation of dilutive loss per share as the inclusion of such amounts would be anti-dilutive. The year ended December 31, 2021 excludes 3.7 million shares of common stock issuable for incentive equity awards which includes performance share units based on the achievement of target amounts, that are anti-dilutive to the diluted earnings per share computation.

(b) Shares to be provided to the Company from the exchangeable note hedge transactions purchased concurrently with its issuance of Exchangeable Senior Notes in June 2021 are anti-dilutive and therefore they are not treated as a reduction to its diluted shares.

The Company may repurchase shares of its common stock under authorizations from its Board of Directors. Shares repurchased are retired and not displayed separately as treasury stock on the consolidated financial statements. The par value of the shares repurchased and retired is deducted from common stock and the excess of the purchase price over par value is first charged against any available additional paid-in capital with the balance charged to retained earnings. Direct costs incurred to repurchase the shares are included in the total cost of the shares.

The Company's Board of Directors authorized a share repurchase program of up to $300 million of the Company's common stock in February 2022. From the date of authorization through December 31, 2022, the Company repurchased and retired 8.8 million shares of common stock for $97 million. As of December 31, 2022, $203 million remained available for repurchase under the share repurchase program. The purchase of shares under this plan reduces the weighted-average number of shares outstanding in the basic earnings per share calculation.

## 18. RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

### RISK MANAGEMENT

The following is a description of the Company’s risk management policies.

***Interest Rate Risk***

The Company is exposed to market risk from changes in interest rates primarily through senior secured debt. At December 31, 2022, the Company's primary interest rate exposure was to interest rate fluctuations, specifically LIBOR, due to its impact on variable rate borrowings under the Term Loan A Facility, and SOFR, due to its impact on our borrowings under the Revolving Credit Facility. In connection with the July 2022 Amendment to the Senior Secured Credit Facility, LIBOR was replaced with a SOFR-based rate plus a 10 basis point SOFR credit spread adjustment as the applicable benchmark for the Revolving Credit Facility.

As of December 31, 2022, the Company had variable interest rate long-term debt from outstanding amounts under the Term Loan A Facility of $222 million, which was based on LIBOR, and outstanding amounts under our Revolving Credit Facility of $350 million, which was based on term SOFR, excluding $163 million of securitization obligations.

The Company historically used interest rate swaps to manage a portion of the Company's exposure to changes in interest rate associated with variable rate borrowings. During September 2022, the Company terminated $550 million of its interest rate swaps which had expiration dates of August 2025 and November 2027 and the Company's remaining interest rate swaps, which had a value of $450 million, expired in November 2022.

***Credit Risk and Exposure***

The Company is exposed to counterparty credit risk in the event of nonperformance by counterparties to various agreements and sales transactions. The Company manages such risk by evaluating the financial position and creditworthiness of such counterparties and by requiring collateral in instances in which financing is provided. The Company mitigates counterparty credit risk associated with its derivative contracts by monitoring the amounts at risk with each counterparty to such contracts, periodically evaluating counterparty creditworthiness and financial position, and where possible, dispersing its risk among multiple counterparties.

As of December 31, 2022, there were no significant concentrations of credit risk with any individual counterparty or a group of counterparties. The Company actively monitors the credit risk associated with the Company’s receivables.

***Market Risk Exposure***

Owned Brokerage Group operates real estate brokerage offices located in and around large metropolitan areas in the U.S. Owned Brokerage Group has more offices and realizes more of its revenues in California, Florida and the New York metropolitan area than any other regions of the country. For the year ended December 31, 2022, Owned Brokerage Group generated approximately 23% of its revenues from California, 21% from the New York metropolitan area and 13% from Florida. For the year ended December 31, 2021, Owned Brokerage Group generated approximately 25% of its revenues from California, 21% from the New York metropolitan area and 13% from Florida. For the year ended December 31, 2020, Owned Brokerage Group generated approximately 24% of its revenues from California, 20% from the New York metropolitan area and 11% from Florida.

***Derivative Instruments***

The Company records derivatives and hedging activities on the balance sheet at their respective fair values. During September 2022, the Company terminated $550 million of its interest rate swaps which had expiration dates of August 2025 and November 2027 and the Company's remaining interest rate swaps, which had a value of $450 million, expired in November 2022. As of December 31, 2022, the Company had no interest rate swaps.

The swaps helped to protect the Company's outstanding variable rate borrowings from future interest rate volatility. The Company had not elected to utilize hedge accounting for these interest rate swaps; therefore, any change in fair value was recorded in the Consolidated Statements of Operations.

The fair value of derivative instruments was as follows:

| Not Designated as Hedging Instruments | Balance Sheet Location | December 31, 2022 | December 31, 2021 |
|---|---|---|---|
| Interest rate swap contracts | Other current and non-current liabilities | — | 46 |

The effect of derivative instruments on earnings was as follows:

| | | (Gain) or Loss Recognized on Derivatives | | |
|---|---|---|---|---|
| | | Year Ended December 31, | | |
| Derivative Instruments Not Designated as Hedging Instruments | Location of (Gain) or Loss Recognized for Derivative Instruments | 2022 | 2021 | 2020 |
| Interest rate swap contracts | Interest expense | $ (40) | $ (14) | $ 51 |

***Fair Value Measurements***

The following tables present the Company's assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

| Level Input: | Input Definitions: |
|---|---|
| Level I | Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date. |
| Level II | Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date. |
| Level III | Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. |

The availability of observable inputs can vary from asset to asset and is affected by a wide variety of factors including, for example, the type of asset, whether the asset is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level III. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of financial instruments is generally determined by reference to quoted market values. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The fair value of interest rate swaps is determined based upon a discounted cash flow approach.

The Company measures financial instruments at fair value on a recurring basis and recognizes transfers within the fair value hierarchy at the end of the fiscal quarter in which the change in circumstances that caused the transfer occurred.

The following table summarizes fair value measurements by level at December 31, 2022 for assets and liabilities measured at fair value on a recurring basis:

| | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| Deferred compensation plan assets (included in other non-current assets) | $ 1 | $ — | $ — | $ 1 |
| Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and other non-current liabilities) | — | — | 12 | 12 |

The following table summarizes fair value measurements by level at December 31, 2021 for assets and liabilities measured at fair value on a recurring basis:

| | Level I | Level II | Level III | Total |
|---|---|---|---|---|
| Deferred compensation plan assets (included in other non-current assets) | $ 1 | $ — | $ — | $ 1 |
| Interest rate swaps (included in other current and non-current liabilities) | — | 46 | — | 46 |
| Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and other non-current liabilities) | — | — | 9 | 9 |

The fair value of the Company's contingent consideration for acquisitions is measured using a probability weighted-average discount rate to estimate future cash flows based upon the likelihood of achieving future operating results for individual acquisitions. These assumptions are deemed to be unobservable inputs and as such the Company's contingent consideration is classified within Level III of the valuation hierarchy. The Company reassesses the fair value of the contingent consideration liabilities on a quarterly basis.

The following table presents changes in Level III financial liabilities measured at fair value on a recurring basis:

| | Level III |
|---|---|
| Fair value of contingent consideration at December 31, 2021 | $ 9 |
| Additions: contingent consideration related to acquisitions completed during the period | 13 |
| Reductions: payments of contingent consideration | (4) |
| Changes in fair value (reflected in general and administrative expenses) | (6) |
| Fair value of contingent consideration at December 31, 2022 | $ 12 |

The following table summarizes the principal amount of the Company's indebtedness compared to the estimated fair value, primarily determined by quoted market values, at:

| | December 31, 2022 | | December 31, 2021 | |
|---|---|---|---|---|
| **Debt** | Principal Amount | Estimated Fair Value (a) | Principal Amount | Estimated Fair Value (a) |
| Revolving Credit Facility | $ 350 | $ 350 | $ — | $ — |
| Extended Term Loan A | 222 | 216 | 232 | 231 |
| 7.625% Senior Secured Second Lien Notes | — | — | 550 | 583 |
| 4.875% Senior Notes | — | — | 407 | 418 |
| 9.375% Senior Notes | — | — | 550 | 596 |
| 5.75% Senior Notes | 900 | 680 | 900 | 923 |
| 5.25% Senior Notes | 1,000 | 729 | — | — |
| 0.25% Exchangeable Senior Notes | 403 | 280 | 403 | 399 |

(a) The fair value of the Company's indebtedness is categorized as Level II.

## 19. SEGMENT INFORMATION

The reportable segments presented below represent the Company's segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its segments.

Management evaluates the operating results of each of its reportable segments based upon revenue and Operating EBITDA. Operating EBITDA is defined by us as net income (loss) before depreciation and amortization, interest expense, net (other than relocation services interest for securitization assets and securitization obligations), income taxes, and other items that are not core to the operating activities of the Company such as restructuring charges, former parent legacy items, gains or losses on the early extinguishment of debt, impairments, gains or losses on discontinued operations and gains or losses on the sale of businesses, investments or other assets. The Company's presentation of Operating EBITDA may not be comparable to similar measures used by other companies.

In October 2022, the Company initiated a plan to integrate Owned Brokerage Group and Title Group. However, based upon industry and business developments during the fourth quarter of 2022, the Company has determined that its reportable segments will remain consistent at December 31, 2022 with prior periods.

| | Revenues (a) | | |
|---|---|---|---|
| | Year Ended December 31, | | |
| | 2022 | 2021 | 2020 |
| Franchise Group | $ 1,145 | $ 1,249 | $ 1,059 |
| Owned Brokerage Group | 5,606 | 6,189 | 4,742 |
| Title Group | 530 | 952 | 736 |
| Corporate and Other (b) | (373) | (407) | (316) |
| Total Company | $ 6,908 | $ 7,983 | $ 6,221 |

(a) Transactions between segments are eliminated in consolidation. Revenues for Franchise Group include intercompany royalties and marketing fees paid by Owned Brokerage Group of $373 million, $407 million and $316 million for the years ended December 31, 2022, 2021 and 2020, respectively. Such amounts are eliminated through the Corporate and Other line.

(b) Includes the elimination of transactions between segments.

Set forth in the table below is Operating EBITDA presented by reportable segment and a reconciliation to Net (loss) income attributable to Anywhere and Anywhere Group for the years ended December 31, 2022, 2021 and 2020:

| | Operating EBITDA | | |
|---|---|---|---|
| | Year Ended December 31, | | |
| | 2022 | 2021 | 2020 |
| Franchise Group | $ 670 | $ 751 | $ 594 |
| Owned Brokerage Group | (86) | 109 | 48 |
| Title Group | 9 | 200 | 226 |
| Corporate and Other (a)(d) | (144) | (158) | (142) |
| Total Company | 449 | 902 | 726 |
| Less: Depreciation and amortization | 214 | 204 | 186 |
| Interest expense, net | 113 | 190 | 246 |
| Income tax (benefit) expense | (68) | 133 | (104) |
| Restructuring costs, net (b) | 32 | 17 | 67 |
| Impairments (c) | 483 | 4 | 682 |
| Former parent legacy cost, net (d) | 1 | 1 | 1 |
| Loss on the early extinguishment of debt (d) | 96 | 21 | 8 |
| Gain on the sale of businesses, investments or other assets, net (e) | (135) | (11) | — |
| Net (loss) income attributable to Anywhere and Anywhere Group | $ (287) | $ 343 | $ (360) |

(a) Includes the elimination of transactions between segments.

(b) The year ended December 31, 2022 includes restructuring charges of $1 million at Franchise Group, $19 million at Owned Brokerage Group and $12 million at Corporate and Other.

The year ended December 31, 2021 includes restructuring charges of $5 million at Franchise Group, $7 million at Owned Brokerage Group and $5 million at Corporate and Other.

The year ended December 31, 2020 includes restructuring charges of $15 million at Franchise Group, $37 million at Owned Brokerage Group, $4 million at Title Group and $11 million at Corporate and Other.

(c) Non-cash impairments for the year ended December 31, 2022 include an impairment of goodwill at the Owned Brokerage Group reporting unit of $280 million, an impairment of goodwill at the Franchise Group segment of $114 million related to the Cartus/Leads Group reporting unit, an impairment of franchise trademarks of $76 million and $13 million of other impairment charges related to lease asset, investment and software impairments.

Non-cash impairments for the year ended December 31, 2021 primarily relate to software and lease asset impairments.

Non-cash impairments for the year ended December 31, 2020 include:

- a goodwill impairment charge of $413 million related to Owned Brokerage Group;
- an impairment charge of $30 million related to Franchise Group's trademarks;
- $133 million of impairment charges during the nine months ended September 30, 2020 (while Cartus was held for sale) to reduce the net assets to the estimated proceeds;
- a goodwill impairment charge of $22 million related to Cartus;
- an impairment charge of $34 million related to Cartus' trademarks; and
- other asset impairments of $50 million primarily related to lease asset impairments.

(d) Former parent legacy items and Loss on the early extinguishment of debt are recorded in Corporate and Other.

(e) Gain on the sale of businesses, investments or other assets, net for the year ended December 31, 2022 is recorded in Title Group and related to the sale of the Title Underwriter during the first quarter of 2022 and the sale of a portion of the Company's ownership in the Title Insurance Underwriter Joint Venture during the second quarter of 2022. Gain on the sale of businesses, investments or other assets, net for the year ended December 31, 2021 is primarily recorded in Owned Brokerage Group.

**Depreciation and Amortization**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Franchise Group | $ 119 | $ 112 | $ 87 |
| Owned Brokerage Group | 63 | 56 | 59 |
| Title Group | 11 | 11 | 11 |
| Corporate and Other | 21 | 25 | 29 |
| Total Company | $ 214 | $ 204 | $ 186 |

**Segment Assets**

| | As of December 31, | |
|---|---|---|
| | 2022 | 2021 |
| Franchise Group | $ 4,730 | $ 4,821 |
| Owned Brokerage Group | 741 | 1,021 |
| Title Group | 562 | 724 |
| Corporate and Other | 350 | 644 |
| Total Company | $ 6,383 | $ 7,210 |

**Capital Expenditures**

| | Year Ended December 31, | | |
|---|---|---|---|
| | 2022 | 2021 | 2020 |
| Franchise Group | $ 42 | $ 29 | $ 27 |
| Owned Brokerage Group | 40 | 43 | 39 |
| Title Group | 11 | 13 | 9 |
| Corporate and Other | 16 | 16 | 20 |
| Total Company | $ 109 | $ 101 | $ 95 |

The geographic segment information provided below is classified based on the geographic location of the Company's subsidiaries.

| | United States | All Other Countries | Total |
|---|---|---|---|
| **On or for the year ended December 31, 2022** | | | |
| Net revenues | $ 6,829 | $ 79 | $ 6,908 |
| Total assets | 6,309 | 74 | 6,383 |
| Net property and equipment | 316 | 1 | 317 |
| **On or for the year ended December 31, 2021** | | | |
| Net revenues | $ 7,919 | $ 64 | $ 7,983 |
| Total assets | 7,157 | 53 | 7,210 |
| Net property and equipment | 309 | 1 | 310 |
| **On or for the year ended December 31, 2020** | | | |
| Net revenues | $ 6,145 | $ 76 | $ 6,221 |
| Total assets | 6,878 | 56 | 6,934 |
| Net property and equipment | 316 | 1 | 317 |

## GUARANTEE OF PERFORMANCE

**For value received, Anywhere Real Estate Inc., a Delaware corporation (the "Guarantor"), located at 175 Park Avenue, Madison New Jersey 07940, absolutely and unconditionally guarantees to assume the duties and obligations of Coldwell Banker Real Estate LLC, located at 175 Park Avenue, Madison New Jersey 07940 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.**

**The Guarantor signs this guarantee at Madison, New Jersey, and deems it effective on the 28th day of March 2023.**

**Guarantor:**

**Anywhere Real Estate Inc.**

**By:** _____
**Name: Charlotte Simonelli**
**Title: Executive Vice President,**
**Chief Financial Officer and Treasurer**

## GUARANTEE OF PERFORMANCE

**For value received, Anywhere Real Estate Group LLC, a Delaware limited liability company (the "Guarantor"), located at 175 Park Avenue, Madison New Jersey 07940, absolutely and unconditionally guarantees to assume the duties and obligations of Coldwell Banker Real Estate LLC, located at 175 Park Avenue, Madison New Jersey 07940 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2023 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.**

**The Guarantor signs this guarantee at Madison, New Jersey, and deems it effective on the 28th day of March 2023.**

**Guarantor:**

**ANYWHERE REAL ESTATE GROUP LLC**

**By:** _____

**Name: Marilyn J. Wasser**

**Title: Executive Vice President, General Counsel and Corporate Secretary**

# EXHIBIT G-1

**Coldwell Banker Real Estate LLC d/b/a Coldwell Banker Commercial Affiliates**
**Active Outlets As of December 31, 2022**

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

| Franchisee | Address | City | State | Zip | Phone |
|---|---|---|---|---|---|
| Commercial Alfred Saliba Realty | 410 N. Shady Lane | Dothan | AL | 36303 | 3347936600 |
| Commercial McLain Real Estate | 102 Clinton Ave. W | Huntsville | AL | 35801 | 2565333414 |
| Commercial Village Communities | 2704 South Culberhouse, Suite A | Jonesboro | AR | 72401 | 8709357800 |
| Commercial Northland | 5200 E. Cortland Blvd, Suite D3 | Flagstaff | AZ | 86004 | 9285265309 |
| Commercial Westbay Real Estate Group | 1575 Bayshore Highway, Suite 100 | Burlingame | CA | 94010 | 6503444300 |
| Commercial NFRE | 1350 E Lassen Ave, Suite #1 | Chico | CA | 95973 | 5308951545 |
| Commercial West | 851 S Coast Highway 101, Suite 200 | Encinitas | CA | 92024 | 6193250405 |
| Commercial Pacific Partners Real Estate | 1036 5th Street, Suite A | Eureka | CA | 95501 | 7074422222 |
| Commercial Grass Roots Realty | 855 Sutton Way, Suite A | Grass Valley | CA | 95945 | 5302727222 |
| Commercial Valley Realty | 42402 10th Street West, Suite E | Lancaster | CA | 93534 | 6619482644 |
| Commercial BLAIR | 333 West Broadway, Suite 312 | Long Beach | CA | 90802 | 5624956070 |
| Commercial Wilshire Properties | 3731 Wilshire Boulevard, Suite 820 | Los Angeles | CA | 90010 | 2136371112 |
| Commercial Gonella Realty | 3170 Collins Drive | Merced | CA | 95348 | 2097257253 |
| Commercial Brokers of the Valley | 1775 Lincoln Ave. | Napa | CA | 94558 | 7072248454 |
| Commercial Lyle & Associates, LP | 78000 Fred Waring Drive, Suite 200 | Palm Desert | CA | 92211 | 7607726400 |
| Commercial Quality Properties | 11280 Corbin Avenue, Porter Ranch | Porter Ranch | CA | 91326 | 8187252500 |
| Commercial NFRE | 2155 Larkspur Lane | Redding | CA | 96002 | 5302222011 |
| Commercial NFRE | 4011 Woodcreek Oaks Boulevard, Suite 111 | Roseville | CA | 95747 | 9165435222 |
| Commercial Omni Group | 603 Parkcenter Dr, Suite 105 | Santa Ana | CA | 92705 | 8885020853 |
| Commercial SC | 27368 Via Industria, Suite 102 | Temecula | CA | 92590 | 9512007683 |
| Commercial JM Properties | 2203 W. 190th Street | Torrance | CA | 90504 | 3107675600 |
| Commercial Real Estate Solutions | 12138 Industrial Blvd, Suite 100 | Victorville | CA | 92395 | 7606848000 |
| Commercial Alliance | 15025 East Whittier Boulevard, Suite A | Whittier | CA | 90603 | 5623155770 |
| Commercial Valley Brokers | 1307 Franklin Road | Yuba City | CA | 95993 | 5306736614 |
| Commercial Kivett Teeters | 32829 Yucaipa Boulevard | Yucaipa | CA | 92399 | 9097979134 |
| Commercial Prime Properties | 131 N. 6th Street, Suite 300 | Grand Junction | CO | 81501 | 9702437375 |
| Commercial Prime Properties | 35 5th Street #101 | Steamboat Springs | CO | 80487 | 9702437375 |
| Commercial Vanguard Realty | 1898 N. Donnelly Street | Mount Dora | FL | 32757 | 3527357653 |
| Commercial AI Group | 1019 Town Center Drive | Orange City | FL | 32763 | 3867758633 |
| Commercial Benchmark | 570 Memorial Circle, Suite 300 | Ormond Beach | FL | 32174 | 3866728530 |
| Commercial Coast Realty | 5535 S. Williamson Blvd. | Port Orange | FL | 32129 | 3867633323 |
| Commercial Walden and Kirkland | 605 N. Slappey Blvd | Albany | GA | 31701 | 2294368811 |
| Commercial Upchurch Realty | 2405 West Broad Street | Athens | GA | 30606 | 7063547870 |
| Commercial Metro Brokers | 5775 Glenridge Drive, Building D, Suite 200 | Atlanta | GA | 30328 | 6783204800 |
| Commercial Kennon, Parker, Duncan & Davis | 1025 1st Avenue | Columbus | GA | 31901 | 7062561000 |
| Commercial Southern Coast | 730 East General Stewart Way | Hinesville | GA | 31313 | 9123684300 |
| Commercial Spinks Brown Durand | 1111 Mooty Bridge Road | Lagrange | GA | 30240 | 7068845681 |
| Commercial Eberhardt & Barry | 990 Riverside Dr. | Macon | GA | 31201 | 4787468171 |
| Commercial Bullard | 201 Prime Point | Peachtree City | GA | 30269 | 7706321774 |
| Commercial Platinum Partners | 6349 Abercorn Street | Savannah | GA | 31401 | 9122327120 |
| Commercial Global 1 | 2140 McGee Rd., Suite C-800 | Snellville | GA | 30078 | 7703056660 |
| Commercial Premier Real Estate | 1108 Gornto Road | Valdosta | GA | 31602 | 2292443535 |
| Commercial Schneidmiller Realty | 2000 Northwest Blvd. | Coeur d'Alene | ID | 83814 | 2087654300 |
| Commercial Prime Properties | 800 Falls Avenue, Suite 10 | Twin Falls | ID | 83301 | 2087346500 |
| Commercial Real Estate Group | 304 N. Hershey Road | Bloomington | IL | 61704 | 3096623377 |
| Commercial Devonshire Realty | 201 W. Springfield Avenue, 11th Floor | Champaign | IL | 61820 | 2173527712 |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® System.

**Coldwell Banker Real Estate LLC d/b/a Coldwell Banker Commercial Affiliates**
**Active Outlets As of December 31, 2022**

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

| | | | | | |
|---|---|---|---|---|---|
| Commercial Real Estate Group | 3124 IL Route 59, Unit 150 | Naperville | IL | 60564 | 6308442222 |
| Commercial Real Estate Group | 38 Countryside Parkway | Yorkville | IL | 60560 | 8157258500 |
| Commercial Shook | 300 N. 5th Street | Lafayette | IN | 47901 | 7657421400 |
| Commercial Griffith & Blair | 2222 SW 29th ST | Topeka | KS | 66611 | 7852678613 |
| Commercial Legacy Group | 2435 Fitzgerald Industrial , Suite #102 | Bowling Green | KY | 42104 | 2707813844 |
| Commercial McMahan | 6402 Railroad Avenue, Box 306 | Crestwood | KY | 40014 | 5022418811 |
| Commercial McMahan | 1690 Ring Road, Suite 230 | Elizabethtown | KY | 42701 | 2702348600 |
| Commercial McMahan | 2350 Regency Road, Suite B | Lexington | KY | 40503 | 8592190080 |
| Commercial McMahan | 10600 Timberwood Circle, Suite #7 | Louisville | KY | 40223 | 5024258800 |
| Commercial Rogers Group | 820 Main Street | Shelbyville | KY | 40065 | 5026473415 |
| Commercial One | 5025 Bluebonnet Blvd | Baton Rouge | LA | 70809 | 2259252300 |
| Commercial Trahan Real Estate Group | 325 Settlers Trace Blvd. | Lafayette | LA | 70508 | 3379931418 |
| Commercial Ingle Safari Realty | 765 Bayou Pines East | Lake Charles | LA | 70601 | 3374781601 |
| Commercial TEC | 4500 Magazine Street, Suite 2 | New Orleans | LA | 70115 | 5045661777 |
| Commercial Goggins Associates | 79 King Street | Northampton | MA | 1060 | 4136653771 |
| Commercial Chesapeake Real Estate Company | 17 North Harrison Street | Easton | MD | 21601 | 4108229000 |
| Commercial Premier | 199 N. Park Blvd. | Lake Orion | MI | 48362 | 2317235772 |
| Commercial Haynes Real Estate | 15489 S. Telegraph Rd, Suite C | Monroe | MI | 48161 | 7346257100 |
| Commercial Fisher Group | 201 North Riverfront Drive, Suite 230 | Mankato | MN | 56001 | 5076254715 |
| Commercial Orion Real Estate | 630 1st Street South | Waite Park | MN | 56387 | 3202511177 |
| Commercial General Properties | 3133 North Belt Hwy | Saint Joseph | MO | 64506 | 8163641000 |
| Commercial Monsees Realty | 2111 West Broadway | Sedalia | MO | 65301 | 6608265811 |
| Commercial Smith Realty Group | 2000 Highway 90 | Gautier | MS | 39553 | 2284971800 |
| Commercial CBS | 1215 24th Street, Suite 240 | Billings | MT | 59102 | 4066562001 |
| Commercial Prime Properties | 2621 W. College Street, Suite A | Bozeman | MT | 59718 | 4065787653 |
| Commercial Green & Green | 800 N Last Chance Gulch, Suite 103 | Helena | MT | 59601 | 4064421736 |
| Commercial King | 1 North Pack Square, Suite 105 | Asheville | NC | 28801 | 8283985959 |
| Commercial MECA | 100 North Main Street | Belmont | NC | 28012 | 7049712000 |
| Commercial MECA | 2320 W. Morehead Street, 2nd Floor | Charlotte | NC | 28208 | 7049712000 |
| Commercial Dominion Real Estate | 1460 E Dixon Blvd | Shelby | NC | 28152 | 7044812992 |
| Commercial Sun Coast Partners | 1430 Commonwealth Drive, Suite 102 | Wilmington | NC | 28403 | 9103501200 |
| Commercial Element Realty | 2632 47th St. S, 103 | Fargo | ND | 58104 | 7014783390 |
| Commercial Argus Real Estate | 7223 Ventnor Ave | Ventnor City | NJ | 8406 | 8334244258 |
| Commercial Premier | 8290 W. Sahara Avenue, Suite 200 | Las Vegas | NV | 89117 | 7027019700 |
| Coldwell Banker Commercial Select Real Estate | 1170 South Rock Blvd, Suite 3 | Reno | NV | 89502 | 7756884800 |
| Commercial Reliable Real Estate | 7428 5th Avenue | Brooklyn | NY | 11209 | 7189213100 |
| Commercial Prime Properties | 621 Columbia Street | Cohoes | NY | 12047 | 5187859000 |
| Commercial AMH | 392A Conklin Street | Farmingdale | NY | 11735 | 5162932323 |
| Commercial Whitbeck | 20 Miller Street | Plattsburgh | NY | 12901 | 5185629999 |
| Commercial Custom Realty | 955 E. Henrietta Road | Rochester | NY | 14623 | 5855004500 |
| Commercial Emmco Realty Group | 3681 S. Green Road, Suite 201 | Beachwood | OH | 44122 | 2162923700 |
| Commercial Reliant | 2181 Victory Parkway, Suite 102 | Cincinnati | OH | 45206 | 5132418725 |
| Commercial Aspire Realty Services | 399 East Main Street, Suite 100, Floor 1 | Columbus | OH | 43215 | 6143419800 |
| Commercial Pro West | 300 E. Main Street | Medford | OR | 97501 | 5416082050 |
| Commercial Mountain West Real Estate | 365 Bush Street SE | Salem | OR | 97302 | 5035883508 |
| Commercial Town & Country Properties | 651 Northern Boulevard | Clarks Summit | PA | 18411 | 5705875500 |
| Commercial Pennco Real Estate | 480 Seven Bridge Road | East Stroudsburg | PA | 18301 | 5704767711 |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® System.

**Coldwell Banker Real Estate LLC d/b/a Coldwell Banker Commercial Affiliates**
**Active Outlets As of December 31, 2022**

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

| | | | | | |
|---|---|---|---|---|---|
| Commercial CBH | 5895 Lower York Rd | Lahaska | PA | 18931 | 2153572880 |
| Commercial Seaboard McMillan | 720 S. Coit Street | Florence | SC | 29501 | 8436658803 |
| Commercial Caine | 117 Williams Street | Greenville | SC | 29601 | 8642502800 |
| Commercial Atlantic | 3506 West Montague Avenue, Suite 200 | North Charleston | SC | 29418 | 8437449877 |
| Commercial Cornerstone | 2 N. Main Street | Sumter | SC | 29150 | 8037781139 |
| Commercial Black Hills Legacy Real Estate | 6015 Mount Rushmore Road | Rapid City | SD | 57701 | 6053432700 |
| Commercial Kinard Realty | 2650 Peerless Rd. NW | Cleveland | TN | 37312 | 4234765535 |
| Commercial Wallace | 813 S. Northshore Drive | Knoxville | TN | 37919 | 8656901111 |
| Commercial Jim Stewart, Realtors | 2500 S Willis St, Suite 300 | Abilene | TX | 79605 | 3256904000 |
| Commercial First Equity | 5701 Time Square Blvd, Suite 190 | Amarillo | TX | 79119 | 8063543500 |
| Commercial Arnold and Associates | One Acadiana Court | Beaumont | TX | 77706 | 4098335055 |
| Commercial Jim Stewart, Realtors | 18260 Preston Rd, Suite 110 | Dallas | TX | 75252 | 2145349215 |
| Commercial Lewis Realty Group | 7338 Remcon Circle, Suite #100 | El Paso | TX | 79912 | 9155445205 |
| Commercial Impact Properties | 1212 N. Stuart Place Road | Harlingen | TX | 78552 | 9564257098 |
| Commercial Central Advisors | 3711 Clinton Drive | Houston | TX | 77020 | 7136914171 |
| Commercial Alamo City | 7917 McPherson RD. Suite 201 | Laredo | TX | 78045 | 9569372867 |
| Commercial Capital Advisors | 4918 S. Loop 289 | Lubbock | TX | 79414 | 8067930888 |
| Commercial Rio Grande Valley | 508 E Dove Ave | McAllen | TX | 78504 | 9566311322 |
| Commercial Alamo City | 22211 IH-10 West Building #2, Suite 2101 | San Antonio | TX | 78257 | 2104837004 |
| Commercial The Ron Brown Company | 2505 N Navarro St | Victoria | TX | 77901 | 3615751446 |
| Commercial Jim Stewart, Realtors | 500 N. Valley Mills Drive, Suite 201 | Waco | TX | 76710 | 2543130000 |
| Commercial Advantage | 26 North Main Street | Cedar City | UT | 84720 | 4355869411 |
| Commercial Read & Co. | 101 Annjo Court | Forest | VA | 24551 | 4344552285 |
| Commercial Elite | 1201 Central Park Boulevard | Fredericksburg | VA | 22401 | 5407861402 |
| Commercial Now | 1547 E Little Creek Road | Norfolk | VA | 23608 | 7575831000 |
| Commercial Brooks Real Estate | 4071 Ironbound Rd, Suite 200 | Williamsburg | VA | 23188 | 7572291507 |
| Commercial Danforth | 33313 1st Way S | Federal Way | WA | 98003 | 2538743200 |
| Commercial Danforth | 11300 Pinehurst Way NE, Suite 100 | Seattle | WA | 98125 | 2069718800 |
| Commercial Associated, Realtors | 415 N. First Street | Yakima | WA | 98901 | 5092485050 |
| Commercial Real Estate Group | 2830 East John Street | Appleton | WI | 54915 | 9209937003 |
| Commercial McGuire Mears & Associates | 400 Midland Court, Suite 101 | Janesville | WI | 53546 | 6087526325 |
| Commercial Select Properties | 6809 Green Bay Road | Kenosha | WI | 53142 | 2628423000 |
| Commercial Bartels Real Estate | 15251 State Hwy 32 | Lakewood | WI | 54138 | 7152766649 |
| Commercial River Valley | 1808 E Main St. | Onalaska | WI | 54650 | 6087849930 |
| Commercial The Legacy Group | 1701 East E Street, Suite 150 | Casper | WY | 82601 | 3073156161 |
| Commercial The Property Exchange | 255 Storey Blvd. | Cheyenne | WY | 82009 | 3076326481 |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® System.

# EXHIBIT G-2

**Coldwell Banker Real Estate LLC - Outlets that Left the System**
**As of December 31, 2022**

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

**Terminated Outlets and Outlets that have Ceased Operations**

| Franchisee | Address | City | State | Zip | Phone |
|---|---|---|---|---|---|
| Commercial Resort Realty | 20184 Coastal Highway | Rehoboth Beach | DE | 19971 | 3022275000 |
| Commercial Select | 7101 Northwest Expressway, Suite 750 | Oklahoma City | OK | 73132 | 9183923642 |
| Commercial Select | 3010 South Harvard Avenue, Suite 200 | Tulsa | OK | 74114 | 9183940700 |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® System.

**Coldwell Banker Real Estate LLC - Outlets that Left the System**
**As of December 31, 2022**

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

**Transferred Outlets**

| Franchisee | Address Line 1 | City | State | Zip | Phone |
|---|---|---|---|---|---|
| Commercial Apex, Realtors | 2500 S Willis St, Suite 300 | Abilene | TX | 79605 | 3256904055 |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® System.

# EXHIBIT G-3

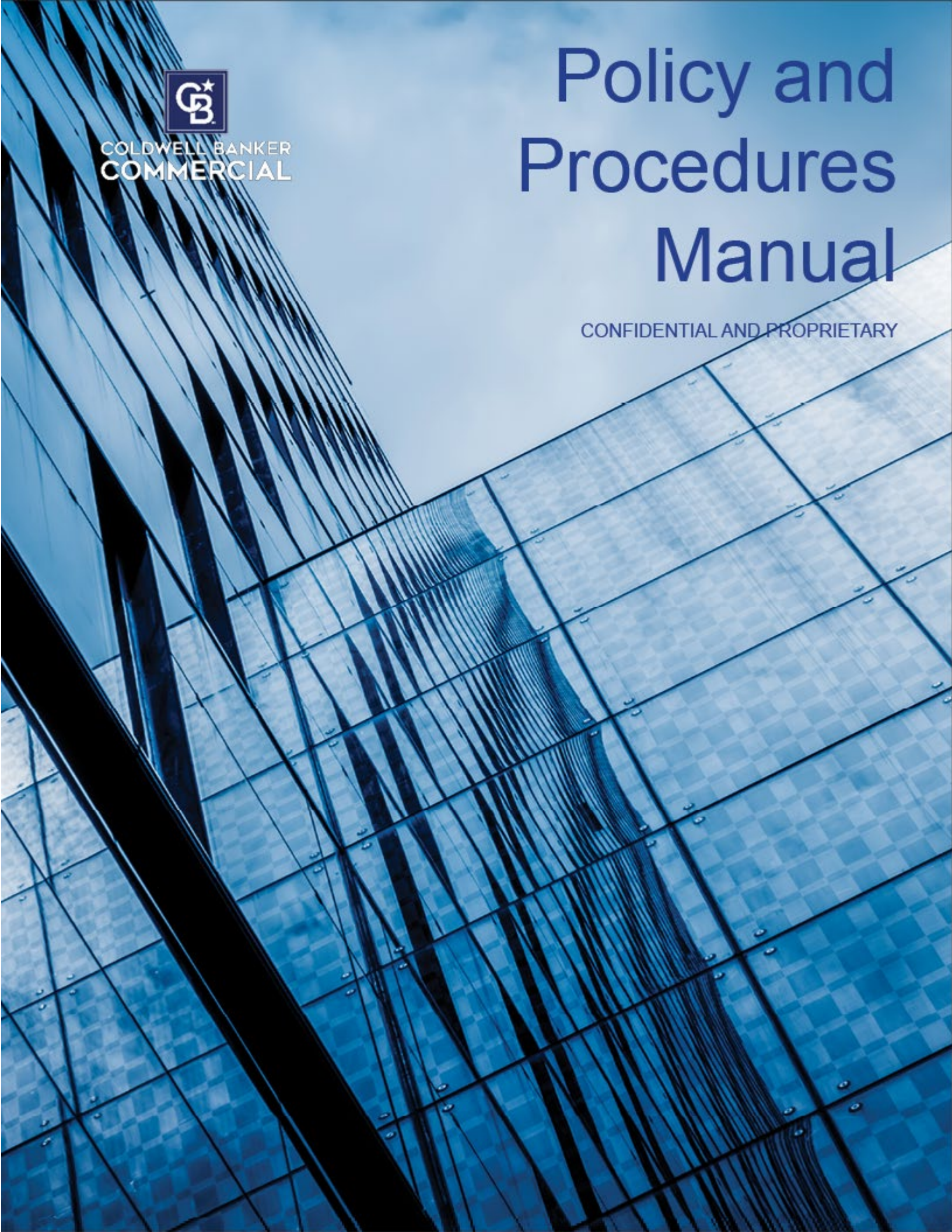
**Coldwell Banker Real Estate LLC dba Coldwell Banker Commerical Affiliates LLC -**
**Offices Awaiting Opening**
**As of December 31, 2022**

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

| Company | Address | City | State | Zip | Phone Number |
|---|---|---|---|---|---|
| Landstar Group | 27 Meridian Court, Suite 117 | Kalispell | MT | 65301 | 6608265811 |
| NFRE | 855 Sutton Way | Grass Valley | CA | 95945 | 5302222011 |

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Coldwell Banker Commercial® System.

# EXHIBIT H




# Policy and Procedures Manual

CONFIDENTIAL AND PROPRIETARY

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# EXHIBIT I

**COMPANY-OWNED AFFILIATE OUTLETS**
**(Other than Coldwell Banker Commercial® and Coldwell Banker® Outlets)**

**SOTHEBY'S INTERNATIONAL REALTY® OUTLETS**
**STATUS OF COMPANY-OWNED**
**SOTHEBY'S INTERNATIONAL REALTY® OUTLETS**
**OPERATED BY ANYWHERE ADVISORS**
**FOR YEARS 2020 TO 2022 [1][2]**
**(Table 4.C)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **California** | 2020 | 20 | 3 | 0 | 1 | 0 | 22 |
| | 2021 | 22 | 1 | 0 | 0 | 0 | 23 |
| | 2022 | 23 | 2 | 4 | 3 | 0 | 26 |
| **Connecticut** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Florida** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 1 | 0 | 0 | 2 |
| **Massachusetts** | 2020 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 1 | 0 | 0 | 0 | 3 |
| | 2022 | 3 | 0 | 0 | 0 | 0 | 3 |
| **New Mexico** | 2020 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2021 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2022 | 2 | 0 | 0 | 1 | 0 | 1 |
| **New York** | 2020 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 0 | 0 | 0 | 0 | 5 |
| **Texas** | 2020 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2021 | 6 | 0 | 0 | 0 | 0 | 6 |
| | 2022 | 6 | 0 | 0 | 0 | 0 | 6 |
| **Total** | 2020 | 37 | 3 | 0 | 1 | 0 | 39 |
| | 2021 | 39 | 2 | 0 | 0 | 0 | 41 |
| | 2022 | 41 | 2 | 5 | 4 | 0 | 44 |

**CORCORAN® OUTLETS**
**STATUS OF COMPANY-OWNED**
**CORCORAN® OUTLETS OWNED AND OPERATED BY NRT NY**
**AND DOING BUSINESS AS THE CORCORAN GROUP**
**FOR YEARS 2020 TO 2022 [1][3]**
**(Table 4.D)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| Florida | 2020 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2021 | 5 | 0 | 0 | 0 | 0 | 5 |
| | 2022 | 5 | 2 | 0 | 0 | 0 | 7 |
| New York | 2020 | 21 | 3 | 0 | 1 | 0 | 23 |
| | 2021 | 23 | 0 | 0 | 0 | 0 | 23 |
| | 2022 | 23 | 0 | 0 | 1 | 0 | 22 |
| Total | 2020 | 26 | 3 | 0 | 1 | 0 | 28 |
| | 2021 | 28 | 0 | 0 | 0 | 0 | 28 |
| | 2022 | 28 | 2 | 0 | 1 | 0 | 29 |

**CORCORAN SUNSHINE®**
**STATUS OF COMPANY-OWNED OUTLETS**
**OWNED AND OPERATED BY NRT NY AND DOING BUSINESS AS**
**CORCORAN SUNSHINE MARKETING GROUP**
**FOR YEARS 2020 TO 2022[1][2]**
**(Table 4.E)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **New York** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |
| **Total** | 2020 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2021 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2022 | 1 | 0 | 0 | 0 | 0 | 1 |

**CITI-HABITATS℠**
**STATUS OF COMPANY-OWNED OUTLETS**
**OWNED AND OPERATED BY NRT NY AND DOING BUSINESS AS**
**CITI-HABITATS FOR YEARS 2020 TO 2022 [1][2]**
**(Table 4.F)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **New York** | 2020 | 7 | 0 | 0 | 7 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 7 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 2020 | 7 | 0 | 0 | 7 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |

**ZIPREALTY®**
**STATUS OF COMPANY-OWNED OUTLETS**
**OWNED AND OPERATED BY ANYWHERE ADVISORS**
**AND DOING BUSINESS AS ZIPREALTY**
**FOR YEARS 2020 TO 2022[1][2]**
**(Table 4.G)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **Nevada** | 2020 | 1 | 0 | 0 | 1 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 2020 | 1 | 0 | 0 | 1 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |

**CLIMB REAL ESTATE®**
**STATUS OF COMPANY-OWNED OUTLETS**
**OWNED AND OPERATED BY ANYWHERE ADVISORS**
**AND DOING BUSINESS AS**
**CLIMB REAL ESTATE FOR YEARS 2020 TO 2022 [1][2]**
**(Table 4.H)**

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired from Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| **California** | 2020 | 4 | 0 | 0 | 4 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | 2020 | 4 | 0 | 0 | 4 | 0 | 0 |
| | 2021 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |

**Notes to Item 20 tables above:**

[1] All numbers are as of December 31 for each year.

[2] As further described in Item 1, during the past three fiscal years, Anywhere Advisors has owned and operated Coldwell Banker Commercial® offices, and it is these offices that are listed as company-owned real estate brokerage offices in Tables 1.A and 4.A. Anywhere Advisors also owned and operated the following other real estate brokerage offices during the past three fiscal years: Coldwell Banker®, Sotheby's International Realty®, Climb Real Estate® and ZipRealty® real estate brokerage offices; however, as of 2020, Anywhere Advisors no longer operates real estate brokerages under the Climb Real Estate® and ZipRealty® Marks. Anywhere Advisors' Subsidiary, NRT NY d/b/a The Corcoran Group has owned and operated Corcoran® offices and NRT NY also owned and operated the following other real estate brokerage offices doing business as Corcoran Sunshine® and Citi Habitats℠; however, in 2020 NRT NY consolidated the Citi Habitats℠ operations into Corcoran® company owned real estate brokerage locations. It is these other real estate brokerage offices owned and operated by Anywhere Advisors that are listed as company-owned real estate brokerage offices in Tables 4.C to 4.H in this Exhibit I.

State Effective Dates

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

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

| State | Effective Date |
|---|---|
| California | 03/30/23, as amended 08/25/23 |
| Hawaii | |
| Illinois | 03/30/23, as amended 08/25/23 |
| Indiana | 03/30/23, as amended 08/25/23 |
| Maryland | 04/03/23, as amended (pending) |
| Michigan | 03/30/23, as amended 08/25/23 |
| Minnesota | 04/28/23, as amended (pending) |
| New York | 03/30/23, as amended 08/25/23 |
| North Dakota | 03/30/23, as amended 08/25/23 |
| Rhode Island | 03/30/23, as amended 08/25/23 |
| South Dakota | 03/30/23, as amended 08/25/23 |
| Virginia | 04/05/23, as amended (pending) |
| Washington | See Separate FDD |
| Wisconsin | 03/30/23, as amended 08/25/23 |

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

## RECEIPT

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

If Coldwell Banker Real Estate LLC d/b/a Coldwell Banker Commercial Affiliates ("we" or "us") offers you a franchise, we must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 14 calendar days (or 10 business days in New York) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed in Exhibit B.

The franchisor is Coldwell Banker Real Estate LLC d/b/a Coldwell Banker Commercial Affiliates and is located at 175 Park Avenue, Madison, New Jersey 07940. Our telephone number is (973) 407-2000.

**Date of Issuance: March 30, 2023, as amended August 25, 2023**

The franchise sellers involved in offering and selling the franchise to you are listed below with a principal business address of 175 Park Ave., Madison, NJ 07940 and telephone number of (973) 407-2000; or will be provided to you separately before you sign the Franchise Agreement:

| Name | | |
|---|---|---|
| | | |
| | Elisabeth Gehringer | Massound Atallah |

We list our registered agents authorized to receive service of process in Exhibit B. I have received a disclosure document with a date of issuance of **March 30, 2023, as amended August 25, 2023** that included the following Exhibits:

A. State Addenda;
B. Federal and State Regulatory Authorities; Registered Agents for Service of Process;
C. Commercial Franchise Agreement, including Guaranty of Payment and Performance, Security Agreement and State Addenda;
C-1. Location Addendum to Franchise Agreement;
C-2. Term Extension Addendum to Franchise Agreement;
C-3. Property Management Office Agreement;
C-4. General Release Agreement;
D-1. Conversion Promissory Note;
D-2. Expansion Promissory Note;
D-3. Security Agreement;
E. Confidentiality Agreement;
F. Financial Statements of Anywhere Real Estate Inc. and Anywhere Real Estate Group LLC; Guarantee of Performance of Anywhere Real Estate Inc.; Guarantee of Performance of Anywhere Real Estate Group LLC;
G-1. List of Franchisees as of December 31, 2022;
G-2. List of Outlets that Left the System (including transfers) From January 1, 2022 to December 31, 2022;
G-3. List of Franchise Offices Awaiting Openings as of December 31, 2022;
H. Table of Contents to Policy and Procedures Manual; and
I. Company-Owned Affiliate Outlets (Other than Coldwell Banker® and Coldwell Banker Commercial® Outlets)

**Date of disclosure document receipt**_____
**(Do not leave blank)**

_____
**Signature of Prospective Franchisee**

_____
**Print Name/Title**

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I. Company-Owned Affiliate Outlets (Other than Coldwell Banker® and Coldwell Banker Commercial® Outlets)

**Date of disclosure document receipt**_____
**(Do not leave blank)**

_____
**Signature of Prospective Franchisee**

_____
**Print Name/Title**

Please complete, sign and date both copies of this receipt, keep one copy (the previous page) for your records, and mail one copy (this page) to the address listed on the front page of this disclosure document or email it to our Franchise Administrator at cbclegalnotice@cbhomeoffice.com