

FRANCHISE DISCLOSURE DOCUMENT

William Raveis®

WILLIAM RAVEIS AFFILIATES, INC.

A Connecticut corporation
7 Trap Falls Road
Shelton, Connecticut 06484
(203) 926-1090 affiliates@raveis.com

William Raveis Affiliates, Inc. ("Raveis") offers franchises for the operation of independently owned real estate Brokerage businesses under the service mark William Raveis ®.

The total investment necessary to begin operation of a William Raveis franchise, excluding any necessary expense for real estate, is between \$75,000 and \$280,500. This includes \$25,000 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact William Raveis Affiliates, Inc. at 7 Trap Falls Road, Shelton, Connecticut 06484, (203) 926-1090.

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

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

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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.
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 William Raveis Real Estate business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be William Raveis Affiliates, Inc. franchisee?	Item 20 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 D.

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 Connecticut. 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 Connecticut than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. You must make minimum royalty, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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EXHIBITS TO FRANCHISE DISCLOSURE DOCUMENT

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ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, William Raveis Affiliates, Inc., the Franchisor, will be referred to as “Raveis” or “we, us or our”. “You” means the individual, corporation, limited liability company or partnership who buys the franchise. If the franchisee will operate through a corporation, limited liability company or other entity, “you” also includes the franchisee’s owners or partners. We are a Connecticut corporation incorporated on January 23, 1995.

Our principal place of business is 7 Trap Falls Road, Shelton, Connecticut, 06484 and our telephone number is (203) 926-1090.

We have no predecessors and no parent company. The following corporations are our affiliates.

a) William Raveis Real Estate, Incorporated, d/b/a William Raveis Real Estate and Home Services, a Connecticut corporation, (“WRRE”) was incorporated on November 14, 1984, with its principal place of business at 7 Trap Falls Road, Shelton, Connecticut, which offers real estate brokerage services in the States of Connecticut and Massachusetts. (See Exhibit WR for a list of offices).

b) William Raveis Holdings, Inc. is a Connecticut corporation incorporated on March 9, 2000, with its principal place of business at 7 Trap Falls Road, Shelton, Connecticut, which is a holding company for several of our affiliates.

c) William Raveis Mortgage, LLC, a Delaware limited liability company formed on December 6, 2004, with its principal place of business at 7 Trap Falls Road, Shelton, Connecticut, which offers mortgage financing services.

d) The Kelsey Company, a Connecticut corporation incorporated on November 4, 1922, with its principal place of business at 7 Trap Falls Road, Shelton, Connecticut, which is a Connecticut title insurance company.

e) William Raveis Insurance Agency, LLC, a Connecticut limited liability company formed on April 14, 2005, with its principal place of business at 7 Trap Falls Road, Shelton, Connecticut, which sells residential, auto and life insurance.

We have been in the business of offering and selling franchises for the operation of real estate brokerage businesses (“Franchises”) to qualified real estate brokers since 1999. We conduct business under the name William Raveis and William Raveis Affiliates. We do not operate a real estate brokerage business, nor do we offer franchises in other lines of business. We limit our business activities to the sale of franchises. The franchise consists of a license permitting franchisees to offer designated real estate brokerage services to customers in accordance with our System and under the Service Marks, Trade Names, logos, and other commercial symbols (“Proprietary Marks”) and copyrights described in Items 13 and 14 of this Disclosure Document.

All franchisees must be duly licensed real estate brokers.

You will operate your office under the name William Raveis (followed by your trade name) at a single location subject to our approval unless you are an existing broker engaged in offering real estate services.

You will serve the public and will compete with other businesses offering real estate brokerage services. The Service Area granted to you is non-exclusive, and we may (except as otherwise described in Item 12 of this Disclosure Document), franchise others to operate real estate brokerage offices or businesses without restriction as to the type of real estate that may be handled by such offices or businesses. In addition to laws and regulations that apply to businesses in general, all brokers and salespersons must be licensed by state law to sell real estate.

The general market you will be serving is well developed and highly competitive. You will compete with other national and local real estate brokerage companies such as, without limitation, RE/MAX, ERA, Weichert Realtors, Century 21, Coldwell Banker, and/or other real estate companies in your Service Area.

We have never operated a real estate brokerage business. However, WRRE has done so since 1974. Neither we nor any of our affiliates have ever offered franchises in any other types of business.

Unless otherwise approved, we only allow you to have our affiliated company marketing collateral in the office. This means that you will only have marketing collateral for William Raveis Mortgage, William Raveis Insurance, or other William Raveis companies in your office and no other competing companies can have materials in your office.

Our Agents for Service of Process are disclosed in **Exhibit AS**.

ITEM 2: BUSINESS EXPERIENCE

Chairman of the Board of Directors, President and Treasurer - William M. Raveis, Jr.

Mr. Raveis continues to serve as the Chairman of the Board of Directors, President, and Treasurer of Raveis since its founding in 1995. He also founded William Raveis Mortgage, LLC in 1984 and William Raveis Real Estate and Home Services, Inc., for whom he has served as Chairman and Chief Executive Officer since its inception in 1974.

President - Chris Raveis

Mr. Raveis is responsible for all operations and sales for Raveis. Additionally, he is Managing Partner for William Raveis - Massachusetts, LLC and William Raveis New York, LLC and Co-President of William Raveis Real Estate Incorporated. Prior to his joining WRRE, Mr. Raveis

headed the national sales team for Home-Link Services, Inc., a Shelton-based company that assisted homeowners with home purchases, sales and moving services. Mr. Raveis joined Raveis on March 10, 2008.

Vice President & Secretary - Ryan Raveis

Mr. Raveis oversees the sales of William Raveis Mortgage, LLC in Connecticut, Massachusetts, Rhode Island, Vermont, and New Hampshire. He began his career with the William Raveis organization in 1998 as a William Raveis Mortgage, LLC Consultant. From 2003 until 2005, Mr. Raveis was employed by Forrester Research, a provider of strategic management consulting and research services in Cambridge, Massachusetts, as Account Executive. He rejoined the William Raveis organization in 2006. Mr. Raveis joined Raveis on March 10, 2008 and serves as Co-President of William Raveis Real Estate Incorporated and President William Raveis Mortgage, LLC.

Senior Vice President – Thomas Milazzo

Mr. Milazzo is a Senior Vice President and responsible for operations and sales for William Raveis Affiliates, Inc. Mr. Milazzo joined Raveis on June 1, 2018. Mr. Milazzo worked as an Office Manager with Coldwell Banker Residential Brokerage in its Westport Main Street & Fairfield Offices from 2013 to May 2018. In that capacity, he was responsible for day to day office operations.

Vice President/Lead Coach of Career Development – Christa Ross

Since June 2019, Ms. Ross has been managing the Career Development Department and agent training programs in Shelton, Connecticut. Beginning in November 1999 and until June 2019 served as an administrator for the Carol Weir Group, an agent group with William Raveis Real Estate Shelton, Connecticut.

Brokers

We do not use franchise brokers. Mr. Thomas Milazzo is the executive with direct management responsibilities to market and service the franchises.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

No person previously identified in Items 1 or 2 of this Disclosure Document has:

1. been convicted of a felony or pleaded nolo contendere to a felony charge if such felony involved fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair; or
2. been held liable in a civil action resulting in a final judgment, has settled out of court any civil action, is a party to any civil action, or is or was a principal, director, executive officer or partner

of any other person that was so held liable, settled or is a party to such action where the civil action (i) involved allegations of fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property, or restraint of trade, or (ii) which was brought by a present or former purchaser-investor and which involves or involved the business opportunity relationship.

Nor is any of the above-referenced individuals subject to any currently effective state or federal agency or court injunctive or restrictive order, is a party to a proceeding currently pending in which such order is sought, or is or was a principal, director, executive officer or partner of any other person that is subject to such order or is a party to any such currently pending proceeding relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

ITEM 4: BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item. No person previously identified in Items 1 or 2 of this Disclosure Document at any time during the previous ten fiscal years has: (A) Filed for bankruptcy protection; (B) been adjudged bankrupt; (C) been reorganized due to insolvency; or (D) been a principal, director, executive officer or partner of any other person that has so filed or was so adjudged or reorganized, during or within one year after the period that such person held such position with such other person.

ITEM 5: INITIAL FEES

You must pay an Initial Franchise Fee of Twenty-Five Thousand (\$25,000.00) Dollars to us in a lump sum when the Franchise Agreement is signed, unless we, or a related company, agree to finance the fee as disclosed in Item 10. The Initial Franchise Fee charged to franchisees is uniform as to all franchisees in the same class currently acquiring a franchise. We will use the Initial Franchise Fee to defray such expenses as screening of applicants, territory evaluations, legal and accounting fees, training, absorb the allowance granted to you for the initial Supply Package (Schedule CF) compliance with federal, state and other laws, sales commissions and some profit. The Initial Franchise Fee may be refundable under certain circumstances set forth in the Connecticut Business Opportunity Act.

You pay us or our affiliates no other fees or payments for services or goods before your business opens.

You must pay an initial Franchise Fee of \$10,000 per unit if you are granted the right by Raveis to acquire Additional Franchised Branches in your existing Service Area or a new Service Area, payable when you sign the then current Franchise Agreement.

ITEM 6: OTHER FEES

Name of fee	Amount	Due Date	Remarks
Royalty Fees SEE NOTES 1, 2	6% of Gross Commission Income (GCI) up to \$1,000,000 subject to minimum royalty payments and Royalty Reduction Plan for GCI over \$1,000,000	On the 10 th day of the month commencing on Impact Date.	GCI include all revenue earned or received in the previous month; but excludes sales or similar taxes. You must pay a minimum royalty fee of \$1,250 on each due date.
Referral Fees SEE NOTES 1, 3	See fee range set forth in Note 3.	3 business days after closing of transaction	Payable to WRRE.
Additional Training SEE NOTE 1, 4	Between \$50 and \$500 per course per person depending on subject matter.	At time of registration	Travel expenses are also imposed, if applicable. Off-site training will require payment for use of the facility.
Attorney's Fees SEE NOTES 1, 9	Various	When incurred	Fees paid to our attorneys to enforce this agreement.
Additional Franchise Fees SEE NOTES 8, 10	\$10,000.00	Upon signing new or revised Franchise Agreement	Additional Franchise Fees are for franchises both inside and outside of your Service Area.
Transfer Fee SEE NOTES 1, 5, 8	\$7,500	Prior to transfer	Payable when you sell your franchise. No charge if you transfer to a corporation, partnership or limited liability company ("LLC") which you, or a family member controls.
Training of transferee SEE NOTES 1, 6, 8	\$2,500 or \$4,500	Prior to transfer	Payable by the transferee.
Late charge SEE NOTE 1	The greater of \$75 or 5% of past due amount	7 days after due date of fees	Imposed on late payment of royalty.
Audit	Actual cost of	At time of	Imposed if GCI is understated by

Name of fee	Amount	Due Date	Remarks
SEE NOTES 1, 7	audit plus interest and late fees on overdue amounts	audit	2% or more.
Interest SEE NOTE 1	1.5% per month, or highest legal rate permitted	Upon accrual	Applies only if your payment for fees is late.
Computer Program Upgrades SEE NOTE 1	\$200 to \$1,000.	Net 30 days from date of invoice	Current estimated cost.
Disclosure of Confidential Information SEE NOTE 1	\$50,000.00 liquidated damages	30 days after demand	Payable if you violate your agreement not to disclose confidential information, data, trade secrets or techniques.

Note 1 All fees except the Referral Fees are imposed by and payable to us. See Note 11. **All fees (other than the Initial Franchise Fee as determined by the Connecticut Business Opportunity Act) are non-refundable and are uniform as to all Franchises.**

Note 2 Provided you are not in default under the Franchise Agreement, you are entitled to participate in our Royalty Reduction Plan in which royalties on Gross Commission Income ("GCI") over \$1,000,000 are calculated in accordance with the following schedule:

	GCI range - low	GCI range - high	Royalty
a.		\$1,000,000	6.00%
b.	\$1,000,001	\$2,000,000	5.50%
c.	\$2,000,001	\$3,000,000	5.00%
d.	\$3,000,001	\$5,000,000	4.50%
e.	\$5,000,001	\$7,500,000	4.00%
f.	\$7,500,001	\$10,000,000	3.00%
g.	\$10,000,001	\$15,000,000	2.50%
h.	\$15,000,001		1.75%

You must pay your royalties at the rate of 6% of GCI during the year. Within the first ninety (90) days of the next succeeding year, we will calculate your GCI for the prior year and rebate the applicable royalty reduction within this period. No royalty reduction will be paid to you if you are in default of the Franchise Agreement, which includes the full and timely payment of royalties at the rate of

6% of GCI throughout the entire year.

- Note 3 In the event a seller or buyer is referred to you by WRRE, you shall pay a referral fee to WRRE. The referral fee will range from 0% to 50%, depending upon the source and as outlined in the Operations Manual.
- Note 4 You, your manager and other employees must attend and complete all additional mandatory training programs. The fees are due and payable at the time of registration. We may also charge a fee for any materials used in connection with training. Training times will be scheduled at reasonably convenient times and locations. We have the right to change the fee schedule from time to time on thirty (30) days prior written notice.
- Note 5 In addition to the Transfer Fee, there are other conditions for transfer. (See Item 17).
- Note 6 The training fee payable by the transferee is due and payable on or before the transferee acquires title to the transferor's interest in the franchise. If the transferee fails to successfully complete training, we may terminate the franchise. The training fee is \$4,500 if the broker of the new franchisee has not been an active member of a real estate brokerage firm during the two (2) years immediately preceding the filing of an application for transfer. For an active broker who conducts business at an existing office, the training fee is \$2,500.
- Note 7 If we audit your business, you will be required to pay the actual cost of the audit, legal fees, interest, and late fees as well as travel to and from your location. Interest runs from the date of underpayment at the rate of 1.5% per month (or the highest permitted rate) until paid.
- Note 8 These fees are adjusted in accordance with increases in the Consumer Price Index ("CPI"). The formula is set forth in Paragraph 30 of the Franchise Agreement.
- Note 9 In the event that we employ counsel to enforce the Franchise Agreement due to your failure to perform any obligations under the Agreement.
- Note 10 Additional franchises are only allowed with our sole and absolute discretion in writing. Each new location requires a separate Franchise Agreement and Disclosure based upon the then current terms and conditions.

ITEM 7: YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to Be Made
	Low	High			
Initial franchise fee NOTE 1	\$25,000	\$25,000	Lump sum	At signing of Franchise Agreement	Us
Leasehold Improvements NOTE 2	\$15,000	\$70,000	As incurred	Before opening	Vendors; contractors and/or landlord
Travel and living expenses while training	\$1,500	\$3,000	As incurred	During training	Airlines, hotels, restaurants, etc.
Real estate NOTE 3	NOTE 3	NOTE 3	NOTE 3	NOTE 3	NOTE 3
Equipment NOTE 4	\$2,500	\$50,000	As incurred	Before opening	Vendors
Signs (Building and Yard) NOTE 5	\$1,000	\$5,000	As incurred	Before opening	Sign company
Office supplies NOTE 6	\$1,000	\$7,500	As incurred	Before opening	Vendors
Miscellaneous opening expenses NOTE 7	\$1,000	\$20,000	As incurred	Before opening	Suppliers; utilities; business licenses;
Insurance (annual Premium) NOTE 8	\$5,000	\$10,000	As incurred	Before opening	Insurance agent
Additional funds (3 months) NOTE 9	\$20,000	\$80,000	As incurred	As required	Suppliers; utilities, employees
Advertising and Promotions NOTE 10	\$3,000	\$10,000	As incurred	Monthly	Vendors, suppliers
TOTAL (DOES NOT INCLUDE REAL ESTATE COSTS) NOTE 3	\$75,000	\$280,500			

- NOTE 1: The Initial Franchise Fee is non-refundable. Remaining initial investments are charged by third-parties and may not be subject to refund.
- NOTE 2: Leasehold improvements consist of a “build out” of your space, including installation of partitions, lighting, interior painting or wall covering, floor covering and signage. A lower cost occurs when the landlord pays for the leasehold improvements, and a higher cost occurs when the franchisee pays for the leasehold improvements.
- NOTE 3: You must lease space for your Office unless you own a suitable building with adequate space. Typical locations are office buildings. The typical office ranges from 1,000 to 3,000 square feet. While real estate costs vary widely from place to place, gross rent is estimated at \$15.00 to \$40.00 per square foot, depending upon factors such as size, condition and location of the leased premises. A higher rent usually occurs when the landlord pays for the leasehold improvements, and a lower rent usually occurs when the tenant makes most or all the improvements. Most landlords require a security deposit and a personal guaranty. You may also incur brokerage fees, rent escalations, real estate tax increases, utility costs, and common area maintenance costs, depending upon the terms of your lease.
- NOTE 4: Includes computer and software, fax machine, telephone system, furniture and office decor. All items may be leased or purchased from Preferred Suppliers.
- NOTE 5: (See Schedule CF for supply package.)
- NOTE 6: You will need business cards, stationery and office supplies which you can purchase from any stationery or office supply outlet. Some of these items are included in the Supply Package (Schedule CF).
- NOTE 7: Includes utility deposits, incorporation or LLC filing fees, broker licenses and zoning and business permits. You should consult your lawyer or local and state authorities about the specific requirements for business licenses and related types of expenses in your local area.
- NOTE 8: Annual premium for required insurance coverage. You must maintain broad form comprehensive general liability coverage of at least \$2,000,000, fire and extended coverage, worker’s compensation, business interruption coverage, and at least \$1,000,000 of errors and omissions coverage. We can change the required coverage and amounts.
- NOTE 9: This is an estimate only of the range of initial start-up expenses for a single location you may incur. We have relied upon the many years of experience of our affiliate, WRRE, to assist in the compilation of this estimate. It does not include salaries or benefits for employees or an allowance for owner’s draw. An

independent real estate broker who converts to a Raveis franchise will have little or no need for additional funds. We cannot estimate or promise when, or whether, any franchisee will achieve positive cash flow or profits. Factors affecting the amount are the time of year when you start your business, your own management skills, expertise and business acumen, sales during the initial period, economic conditions, competition in your market area, if any, and other factors. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

NOTE 10: A recommended Grand Opening advertising and promotion budget is provided by us.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers: You must purchase certain signs, advertising materials, supplies, services and other products and materials for the operation of the franchised office solely from suppliers (including distributors, manufacturers and other sources) who have been approved in writing by us, which we may change, in our sole and absolute discretion, from time to time (see below Sole or Designated Suppliers). We maintain a list of Approved Suppliers. Vendors who are not on the Approved Supplier list may apply to become approved, and you may recommend new suppliers to us.

Preferred Suppliers: We maintain written lists of approved items of equipment, fixtures, furniture, computer hardware, software, and other items (by brand name and/or by standards and specifications) and a list of Preferred Suppliers for those items. We update our list of Preferred Suppliers from time to time. The list of approved items will be updated from time to time. You are not obligated to use Preferred Suppliers so long as the selected suppliers meet system standards.

The Kelsey Company, a Connecticut title insurance company, is one of our affiliates in which William Raveis, our President, has an interest. It is a Preferred Supplier for title insurance services only in the State of Connecticut. You may recommend to your customers that they utilize The Kelsey Company's services, but you are not obligated to do so. You may recommend any other title company licensed to do business in the State of Connecticut if you desire. We derive no income from The Kelsey Company from any referrals you may choose to make.

We will provide you with our standards and specifications and/or design standards and the names and addresses of Approved and Preferred Suppliers prior to the opening of your franchised office. Specifications may be modified on 30 days advance notice to you. We may update our list of Approved and Preferred Suppliers from time to time.

Sole or Designated Suppliers:

At present, the sole Approved Supplier for advertising (including stationery) templates is the WRRE Marketing Department. There is no cost for templates. William Raveis, our President, has an interest in WRRE.

At present, the sole Approved Suppliers for business cards is Mutual Engraving & Printing Company, Inc., of West Hempstead, New York and Staples, which has stores and mail order service throughout the United States.

At present, the sole Approved Supplier for yard signs and open house signs is Northeast Realty Sign of Bridgewater, Massachusetts.

At present, the sole Approved Supplier for direct mail advertising is Impact Marketing of Foothill Ranch, California. The direct mail program is optional.

If you desire to purchase any items from an unapproved supplier, you must submit to us a written request for approval. Our approval will not be unreasonably withheld but must be obtained in writing. We may require that you submit specifications, samples, photographs, or other relevant information to evaluate your request. We will respond to a request for approval within 45 days or sooner. We may periodically require that new samples be delivered to us or our designee for testing, and that we be permitted to re-inspect the supplier's facilities. We may revoke our approval if any supplier or products fails to continue to meet our standards and specifications.

It is estimated that the required initial purchase price of business cards, yard signs and "Open House" signs ranges from 2% to 2.85% of the total cost to establish a franchise (excluding the optional direct mail program). It is estimated that the purchase of the required items will cost 1% to 1.5% total operating expenses thereafter (excluding the optional direct mail program).

We may negotiate purchase arrangements with certain suppliers, including price terms, for the benefit of all the franchisees. Otherwise, we provide no material benefits to our franchisees based upon a franchisee's use of designated or approved sources.

We derive no revenue from your purchases or leases. There are no other Preferred or Approved Suppliers in which any of our officers owns an interest.

ITEM 9: FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS DISCLOSURE DOCUMENT.

Obligation	Paragraph in Franchise Agreement	Item in Disclosure Document
1. Site selection and acquisition/ lease.	Par. 9A	Items 6, 7, 11 and 12
2. Pre-opening purchases/leases	Par. 9D	Items 7 and 8
3. Site development and other preopening requirements.	Par. 8A, 8C, 9A, 9B	Items 6, 7 and 11
4. Initial and ongoing training	Par. 8A, 8C	Items 6, 7 and 11
5. Opening	Par. 6C	Item 11
6. Fees	Par. 4A, 4B, 5, 6, 7B, 8B, 8N, 9D, 10E, 12B	Items 5 and 6
7. Compliance with standards and policies/Operations Manual	Par. 7A, 7B, 8B, 10A	Items 8 and 11
8. Trademarks and proprietary information	Par. 1A, 1B, 1C, 9B, 10A, 15B, 15C, 20E	Items 13 and 14
9. Restrictions on products/ services offered	Par. 8D, 8E, 9D	Item 16
10. Warranty and customer service requirements	Par. 9B	Item 11
11. Territorial Development and sales quotas	Par. 3	Item 12
12. Ongoing product/service purchases	Par. 9D	Item 8
13. Maintenance, appearance and remodeling requirements	Par. 8F, 9A, 9B, 13	Item 11
14. Insurance	Par. 9F	Items 6 and 8
15. Marketing	Par. 6, 8M, 9B	Items 6, 7 and 11
16. Indemnification	Par. 16	Item 6
17. Owner's participation/ management/staffing	Par. 9C	Items 11 and 15
18. Records & Reports	Par. 8J, 8K	Item 6

Obligation	Paragraph in Franchise Agreement	Item in Disclosure Document
19. Inspections/Audits	Par. 8H, 8K	Items 6 and 11
20. Transfer	Par. 10A, 12	Item 17
21. Renewal	Par. 2B	Item 17
22. Post-termination obligations	Par. 10E	Item 17
23. Non-competition covenants	Par. 15	Item 17
24. Dispute resolution	Par. 20, 25, 27	Item 17

ITEM 10: FINANCING

We are not obligated to provide you with any financing. We, or a related company, may agree to provide financing of the initial Franchise Fee based on several factors, including your financial need, your credit history, your ability to repay, your net worth, your stability, the strength of your business plan, as well as our need for the development of your market area. We may require you to furnish us with financial statements, tax returns and other documents. The terms of any financing are open to negotiation between parties.

The terms of our Franchise Agreement require the payment of an Initial Franchise Fee of \$25,000, and this fee is generally payable in a lump sum when the Franchise Agreement is signed. However, we may offer you financing of up to 50% of the Initial Franchise Fee, if business circumstances warrant, in our sole and absolute discretion, and if you meet our credit standards. If we do finance the Initial Franchise Fee, you must execute a Promissory Note substantially in the form of Exhibit FN.

Upon payment default, you will be charged 18% per annum or highest rate allowed by law. The monthly payments are non-refundable. The down payment, monthly payments and term of the loan will be subject to negotiation. If you are a corporation, partnership or limited liability company, your shareholders, partners, or members, respectively, must all personally guarantee the debt. We do not impose prepayment penalties; however, there are no refunds of interest paid, which may, in effect, result in a prepayment penalty. If you default on the Promissory Note, all principal and accrued interest payments are accelerated, and you are obligated to pay immediately the entire amount due and any court costs and attorneys' fees if collection action is necessary. Under the Promissory Note, you waive various rights and defenses, including your rights to diligence, demand, presentment for payment, notice or nonpayment and protest.

We, or a related company, may grant you a start-up marketing and promotional allowance, or we may provide similar financing for your Raveis office, at our sole discretion. The scope and amount of the allowance is subject to negotiation. The allowance may take the form of direct payments to you and generally will be for specific uses, including conversion of signage and

collateral materials, new advertising and marketing programs, transitional expenses associated with converting your office to a new business format, reallocation of assets in a market to enhance your business, recruiting and other costs associated with your affiliation with the Raveis system, or acquisition related costs.

If we do finance these costs, you must execute either a Conversion/Acquisitions/Recruitment (CAR) Promissory Note, substantially in the form of Exhibit CN, the amount of interest to be paid, the security and other relevant terms are described in the following chart.

We may require as a condition to providing any of the above financing that you agree to an extension of your Franchise Agreement term. We may occasionally elect to waive or vary any of the terms described in the chart if we believe business circumstances warrant.

We and our affiliates have no past practice or future intent to sell, assign or discount to a third party all or part of the above financing agreements. We do not guarantee any note, lease, or obligation. We and our affiliates do not receive any direct or indirect payments or other consideration from any person for the placement of financing with the lender.

Item Financed	Initial Franchise Fee
Amount Financed	Up to one half of the then-current Initial Franchise Fee
Down Payment	Varies
Term	Up to 1 year
Finance Charges	Upon a payment default, 18% per annum or the highest rate allowed by law; otherwise, no interest
Payment	Monthly/Quarterly Installments, at our discretion
Prepay Penalty	None (except no refund for interest paid)
Security Required	Personal Guarantee or co-maker status; right of set-off against Royalty Reduction Program
Liability Upon Default	Unpaid Loan/Loss of Franchise – acceleration of payments and other remedies available to us under the Franchise Agreement
Loss of Legal Rights on Default	Waive notice

Item Financed	Conversion/Acquisition/Recruitment Financing (CAR)
Amount Financed	See Note 1 below
Down Payment	Not applicable
Term	2 to 7 years
Finance Charges	Upon a payment default, 18% per annum or the highest rate allowed by law; otherwise, no interest
Payment	Quarterly/Annual Installments, at our discretion
Prepay Penalty	None (except no refund for interest paid)
Security Required	Personal Guarantee or co-maker status; right of set-off against Royalty Reduction Program
Liability Upon Default	Unpaid Loan/Loss of Franchise – acceleration of payments and other remedies available to us under the Franchise Agreement

Loss of Legal Rights on Default	Waive notice
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NOTE 1: This number will vary depending upon the nature of the transaction, the financial condition of the franchisee, the value of the transaction to us in our estimation and other factors which we will decide in our sole and absolute discretion.

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

Except as disclosed below, we need not provide any assistance to you.

Pre-Opening Obligations:

Prior to opening the Franchised Business, Raveis is obligated under the Franchise Agreement (FA) to make available to you, or assist you in obtaining, the following:

- a. Non-conversion Franchises only, excluding additional locations. Standards and specifications for the layout, design, appearance and equipment for your Location (FA 7Ai);
- b. Non-conversion Franchises only, excluding additional locations. At our sole and absolute discretion, approving the site you selected. You shall have one hundred eighty (180) days to locate an approved location. Failure to locate an approved location within one hundred eighty (180) days shall result in termination of the Franchise Agreement. We will approve or disapprove your site within fourteen (14) days after we receive your written application (FA 7Aii);
- c. Providing a list of approved and/or preferred suppliers and vendors (FA 7Aiii);
- d. Providing a list of approved items of equipment, fixtures, furniture and supplies (by brand name and/or by standards and specifications) (FA 7Aiv);
- e. Conducting an initial one-day Field Transition Orientation Program for you and your support staff, agents and managers within 30 days prior to the Impact Date at a location designated by us (FA 7Av);
- f. Upon the completion of your Field Transition Orientation Program, lending you a copy of our Operations Manual (FA 7Avi);
- g. Providing guidance and procedures in preparing to open your Raveis office, including standards and procedures for providing approved services, marketing, promoting and operating the business (FA 7Avii);
- h. Providing an allowance, in our sole and absolute discretion, for an initial supply of stationery, business cards, yard signs, special marketing materials and training materials

required to be used in the franchised business described in **Schedule CF**. We, at our sole and absolute discretion, may modify the supply package from time to time. (FA 7Aviii);

i. Providing guidelines and procedures in developing a Grand Opening advertising and promotion campaign (FA 6D7Aix);

Obligations after Opening:

j. For a period of six (6) months following the Impact Date, assisting you with respect to problems or difficulties encountered by you in the operation of your Raveis office (FA 7Bi(a));

k. Periodically visiting your office at our discretion to evaluate your business methods and to ensure your compliance with the Franchise Agreement and the Operations Manual (FA 7Bi(b));

l. Providing information and recommendations at our discretion regarding management and operations and an exchange of information among other franchises (FA 7Bii);

m. Providing access to continuing courses of training, conferences, seminars at times, locations and at prices designated by us (FA 7Biii);

n. In the future, at our discretion, establishing a national marketing fund and formulating and conducting regional marketing and promotional programs (FA 7Biv);

o. From time to time, changing, improving and developing the System, the products and services offered under the System as we make them available to franchisees (FA 7Bv);

p. From time to time, providing written, recorded or electronically transmitted materials (such as newsletters, bulletins, etc.) as we make available to all franchisees (FA 7Bvi);

q. Providing sample referral forms and procedures for referrals (FA 7Bvii);

r. Conducting a Broker/Manager training program for two days at our training center in Shelton, Connecticut for your Broker and your Manager. Both are required to attend and complete the training. (FA 7Bix, FA7cii);

s. We may, but are not obligated to, from time to time, make available to our Franchisees real estate related services and products such as title insurance, home warranties, casualty insurance for home and auto, and other services. If we inform you that the product or service is available, you must obtain, at your expense, necessary products, equipment and services, which we advise that are necessary to utilize the products or services. (FA 7Bix)

Advertising Programs; Local Advertising

Raveis does not have, or conduct, an advertising program, but you may develop marketing materials for your own use, at your own cost. You may not use any advertising materials unless they have been approved in advance in writing by us.

We do not provide for placement of advertising on behalf of franchises. All placement is done on a local basis, typically by local advertising agencies hired by individual franchises.

Regional Marketing

We, in our sole discretion, may decide that there exists enough Franchisees in one or more marketing or trade areas (e.g., Areas of Dominant Influence) to form an Affiliated Management Group ("AMG" or "AMGs"). In such case we shall have the right to require that the Franchisees from one or more local, regional, state or national AMGs which you must join within fifteen (15) days after receipt of our written notice.

Each AMG shall be organized and governed in a form and manner, and shall commence operations on a date, approved in advance by the Company. We may make amendments or changes to the AMG's by-laws and rules, in our discretion, to facilitate the objectives of the AMG.

Your contributions to the AMG will be determined by the membership thereof.

All local and regional advertising and promotional materials must conform to Identity Standards outlined in the Operations Manual.

Grand Opening Marketing

We will provide guidelines and procedures in developing a budget and marketing campaign for your grand opening.

Fees Uniform; Non-Refundable

The marketing fees are uniform as to all persons currently acquiring a franchise and are non-refundable.

Site Selection (for Non-Conversion Franchisees only)

You select your Licensed Location within your Service Area, within sixty (60) days from the date of the Franchise Agreement, subject to our approval. We will evaluate the feasibility of the site and, in doing so, may consider some or all the following criteria in making our decision: zoning regulations, population density, proximity to other franchisees and affiliated company offices, level of income of the population in the Service Area, and related criteria. We must approve or disapprove your site, in our sole and absolute discretion, in writing within 14 business days after you submit your written application. (See Item 11b Pre-Opening Obligations). If we do not timely notify you, it will be deemed that the proposed site is not

approved. We do not guarantee, warrantee or represent the success of any Licensed Location.

Site Selection (for Conversion Franchisees only)

If you are a Conversion Franchisee, you will be allowed to retain your current site unless you desire to change your site, in which case the site selection procedure for Non-Conversion Franchisees shall apply.

Length of Time to Open

Non-conversion Franchisees are expected to open their Offices approximately 90 days after they sign a Franchise Agreement. This date is called the "Impact Date." The factors that affect the time are the ability to select an approved site, negotiate a lease, licensing or registration as a real estate broker, completion of training and delivery and installation of equipment, furniture and supplies. If you are an existing real estate broker with an operating business ("Conversion Franchisee"), the time expected to open your Franchised Business is 60 days after you sign the Franchise Agreement, which is your Impact Date.

Computer System

Before commencement of operations of your franchised office, you must purchase the required computer hardware, software, internet connections and service, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment (the "Computer System"). You must also obtain high speed communication access for your Computer System, such as broadband or DSL. The Computer System will keep track of and generate data and reports on listings, sales, commissions, expenses, payroll, taxes, and will provide internet and intranet access. The Computer System currently costs between \$2,700 and \$2,800. You may purchase or lease your computer system from Preferred Suppliers.

You will be solely responsible for the acquisition, operation, maintenance, repair, and upgrading of your Computer System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades, or updates for your Computer System. We currently do not require that you purchase a maintenance or repair service, but we reserve the right to do so in the future. Currently, computer program upgrades will cost between \$200 to \$1,000 per year.

You must have a functioning email address so that we can send you notices and communicate with you.

The principal components of the current Computer System are as follows

Hardware	Minimum Requirements	Recommended Requirements
Processor	Intel Core i3	Intel Core i5

Memory	4 GB	8 GB
Hard Drive	500GB	1TB or higher
CD-ROM	DVD-ROM	DVD+-RW
Monitor	VGA (1024x768)	VGA (1600x1200)
Network Card	Ethernet Card 10/100	Gigabit Ethernet 10/100/1000
Digital Camera	8 Megapixel or higher	10 Megapixel or higher
Printer	HP OfficeJet	HP LaserJet
Software		
Operating System	Windows 10 Professional	Windows 10 Professional or Higher
Office Suite	Microsoft Office 2016	Microsoft Office 2016
Anti-Virus Software	Norton Antivirus	Norton Antivirus
Web Browser	Internet Explorer 11	Internet Explorer 11

We may retrieve from your Computer System all data and information we consider necessary, desirable, or appropriate. There are no contractual limitations on our right to access information.

We reserve the right to change or upgrade the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs.

We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates may develop or maintain, on your signing the Software License Agreement. We or our affiliates may charge a monthly fee for any proprietary software or technology that we or our affiliates license to you and for maintenance and support services that we or our affiliates provide.

Raveis' Operations Manual

After you complete the introductory Field Transition Orientation Program, we will lend you a copy of our Operations Manual, which contains mandatory and suggested standards and policies, standard operating procedures, and rules. The Operations Manual is confidential and remains our property. We have the right to modify the Operations Manual, but any such modification will not unreasonably increase your obligations under the Franchise Agreement. The Operations Manual's Table of Contents, including the number of pages devoted to each

subject and the total number of pages in the Manual as of the date of our last fiscal year end, is shown in **Exhibit OM**.

Training Program

a. Field Transition Orientation. At a time designated by us within thirty (30) days prior to Impact Date, we shall conduct an Introductory Field Transition Orientation Program for your broker, manager, support staff and agents in the operation of the franchise. All of them must complete the Orientation Program. The training course is mandatory, and your Broker and Manager must complete the course. We do not charge for this program. You are responsible for transportation costs to and from the training facility, meals and lodging for all attendees. The Field Transition Orientation Program will run for approximately one (1) day.

b. Broker/Manager Post-Opening Training. Our initial Broker/Manager Post-Opening Training program of two (2) days' duration is conducted by us at our headquarters in Shelton, Connecticut, or at another location which is agreed to by you and us. The training course is mandatory, and your Broker and Manager must complete the course. We do not charge for this program. You will be responsible for paying for your own personal expenses including travel, lodging, meals, and other expenses. Training will start within ninety (90) days after the Impact Date.

The training is conducted by our experienced managers or employees. We offer instruction in marketing systems, capabilities of the company, technology, relocation and referrals, financial reporting, forms and related matters. The instructional materials consist of Power Point presentations and our Operations Manual.

Training will be held on consecutive weekdays (excluding holidays), approximately 7.5 to 8 hours a day.

The chart below describes the subject matter, total maximum time devoted to each subject, and current location of our training facility, which is located at our headquarters.

Day 1

Subject	Hours of Classroom Training	Location
Welcome and introduction	.25	Shelton, CT
Company Overview	.25	Shelton, CT
Education and Training	.50	Shelton, CT
Recruiting	.50	Shelton, CT

Technology Overview	1.25	Shelton, CT
Marketing Programs	1.00	Shelton, CT
New Homes	.50	Shelton, CT
Luxury Properties	.50	Shelton, CT

Day 2

Subject	Hours of Classroom Training	Location
Relocation and Referrals	.50	Shelton, CT
E-Commerce	.50	Shelton, CT
Financial Reporting	.50	Shelton, CT
Forms Workshop	.50	Shelton, CT
Questions and Answers	.50	Shelton, CT
William Raveis Mortgage	.50	Shelton, CT
William Raveis Attorney Network	.50	Shelton, CT
Wm. Raveis Insurance	.50	Shelton, CT
Closing Remarks	.25	Shelton, CT

We will provide you with training materials during training, which may include pre-recorded tapes, recruiting information and other related materials. All training materials will remain our sole property.

We also may offer additional or refresher training courses and seminars from time to time. Some of these courses and seminars may be mandatory and some may be optional. These courses may be conducted at our headquarters or at any other locations selected by us. You must attend (and/or cause your Managing Broker or other employees to attend) and satisfactorily complete all mandatory training programs, including basic and advanced training, attend refresher courses, meetings, seminars, and conferences as we may require from time to time. If you or any of your employees are unable to complete a required program satisfactorily, you may designate a substitute trainee acceptable to us.

We reserve the right to impose reasonable charges for training materials in connection with advanced training courses. You and other attendees must bear the cost of travel, lodging and food. If we rent an off-site facility, you will reimburse us for the cost. We will notify you of any additional charges before you or your employees enroll in a course. Presently, we charge between \$50 and \$500 per course per person depending on the subject matter, payable at the time of registration. We have the right to change the fee schedule from time to time. You will receive thirty (30) days prior notice of any change in the fee schedule.

All classes are scheduled by advance written notice to all franchisees. Scheduled classes may be canceled; our class cancellation policies will be included in the written notice of class schedules.

ITEM 12: TERRITORY

Unless otherwise agreed on the Addendum, Schedule ET, attached to the Franchise Agreement, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that our affiliated company, WRRE, may own (outside your Service Area). You are granted a Franchise to operate the Franchised Business at and from only one location which is approved by us. The Location must be within the Service Area, a description of which will be attached to the Franchise Agreement as **Schedule SA**. Raveis determines the boundaries of the Service Area (usually town, village or county boundaries) based upon its analysis and judgment concerning your ability adequately to discharge the obligations described in the next sentence. You are required to promote, market and render diligently and effectively your services and develop energetically the potential for listings and sales within such area and devote the time, attention and efforts of your staff to achieve that end. While the Franchise Agreement is in effect and you are not in default, WRRE has agreed it will not own, operate, or establish an office within your Service Area. We have entered into a non-competition agreement with WRRE, whereby WRRE agrees that it will not open or maintain any Offices which are located within your Service Area, excluding WRRE Offices in existence prior to the date of your Franchise Agreement. You may conduct business outside of your Service Area, even in other Service Areas that are licensed to other franchisees. We may locate other franchisees anywhere in your Service Area.

We reserve the right for ourselves and our affiliated companies to offer, to sell, distribute and license others to sell and distribute Raveis services through alternative channels of distribution (i.e., the internet or similar electronic media). Our affiliated companies can use alternative channels of distribution to make sales in your Service Area or services under Proprietary Marks which are the same or different from the Trademarks you use under the Franchise Agreement.

Additional Locations

If during the term of the Franchise Agreement you desire to open one or more "Additional Locations" and, if in our sole subjective judgment, your Service Area can be served by one or more additional offices, we may, in our sole and absolute discretion, grant you the right to open one or more Additional Locations within your Service Area, provided that you are in full

compliance with your then-current Franchise Agreement, and provided that you are able to demonstrate, to our sole and absolute satisfaction, that your GCI have consistently improved during the then current term of the Franchise Agreement and that your reputation in the Service Area is excellent. An Initial Franchise Fee will be charged for each Additional Location within your existing Service Area (see Item 6).

You may also make application to open additional locations outside of your Service Area. You may acquire additional William Raveis franchises only if you or any entity in which you are a principal are in full compliance with any franchise or other agreement with us, and you and any entity in which you are a principal have opened all offices for which you have signed Franchise Agreements. You and/or your principals must sign our then-current form of Franchise Agreement for each additional franchise which you acquire and pay an additional Franchise Fee for each approved location (See Item 6).

If you are unable to conduct the Franchised Business from your Licensed Location for reasons beyond your control or if you desire to relocate for good business reasons with our prior permission, which permission will not be unreasonably withheld, you may relocate within the Service Area.

Website

We have the right to post your real estate listings and other information about your office and/or sales activities on our Internet and Intranet Websites without restriction. You may maintain one or more separate and distinct websites in connection with the franchised business, but you are not required to do so. You may keep your website when the Franchise Agreement ends.

You must obtain advance written approval from us for each domain name and home page address. You may not use any of our Proprietary Marks as part of your e-mail address without our prior written approval. You shall have no authority to participate in websites established by others. You will provide and continuously update us on all domain names and e-mail addresses you may establish.

See Item 16 for additional information.

ITEM 13: TRADEMARKS

We have entered into a license agreement with WRRE to use and sub-license the service mark which is listed in the chart below. This mark is on the principal register of the U.S. Patent and Trademark Office ("USPTO").

We grant you the right to operate an office under a non-exclusive sub license for the service marks listed below and under any other trade name, trademark, service mark, slogan or logo or commercial symbol currently used, or which may subsequently be used by us in the operation of the Raveis Affiliates, Inc. system, collectively referred to as "Proprietary Marks".

You must follow all our rules when you use any of the Proprietary Marks. You cannot use our name or mark as part of a corporate (or other entity) name or with modifying words, designs or symbols. In addition, you cannot use any name, mark, design, or slogan in connection with the sale of any unauthorized product or service or in any other manner unless expressly permitted in writing by us.

There are no effective determinations of the USPTO, any trademark trial and appeal board, any trademark administrator or any court, any pending interference, opposition, or cancellation proceeding or any pending material federal or state litigation involving such Proprietary Marks which could materially affect the ownership or use of any Proprietary Marks.

The Franchise Agreement does not provide for any form of compensation or payment to you if we require that you modify or discontinue use any of our Proprietary Marks.

There are no currently effective agreements that significantly limit our rights to use or license the use of the Trademarks listed in this Section in a manner material to the franchise except as follows: We have entered into a license agreement with WRRE, the Owner of the Marks. The agreement limits our right to use, or sub license the use of the Proprietary Marks as the Service Mark License Agreement between WRRE and us is for a twenty (20) year term from April 29, 2013, with an option to renew for ten (10) years. Breach of the License Agreement could cause the sub license to become void.

WRRE has the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. You must promptly notify us of any infringement or challenge to your use of any of our Proprietary Marks. You also agree to promptly notify us of any litigation, instituted against us or you, involving our Proprietary Marks. The Franchise Agreement does not require us to take any action with respect to any infringement of the use of the Proprietary Marks or to defend any claim that any of the Proprietary Marks infringe. We are not required to protect your use of the Proprietary Marks or that we are required to protect you against claims of infringement or unfair competition arising out of your use of the Proprietary Marks. However, it is our policy to request that WRRE take all appropriate action necessary to defend the Proprietary Marks from any claims and to seek legal recourse in the event of any infringement by any third party. In the event WRRE elects to undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you agree to execute all documents and do such acts and things as may, in the opinion of WRRE's legal counsel, be necessary to carry out such defense or prosecution.

Under the Franchise Agreement, you acknowledge our interest in and/or rights in and to, the Proprietary Marks and expressly agree that, during the term of the Franchise Agreement, and after expiration or termination thereof, you shall not directly or indirectly contest or aid in contesting the validity of said Proprietary Marks or our interest therein or take any action whatsoever in derogation of our claimed rights therein.

We do not know of any infringing use that could materially affect your use of our Proprietary Marks in any state.

We have the right to require you to modify or discontinue your use of any Proprietary Marks upon sixty (60) days' advance notice to all franchisees who are then currently in our system without any form of compensation or payment to you.

The following describes the service mark which you are authorized to use under your sub-license agreement:

Registration Number	Description of Mark	Principal or Supplemental Register of the USPTO	Registration Date
4,267,407	"William Raveis" owned by William Raveis Real Estate, Incorporated	Principal	January 1, 2013

WRRE has filed all required affidavits. The registration has not been renewed.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Except for common law copyrights on all proprietary advertisements, manuals, and printed materials, Raveis does not own any other patents or copyrights which are material to the Franchise. None of the common law copyrights are registered and there are no agreements currently in effect which significantly limit the rights of Raveis to use or license the use of the common law copyrights in a manner material to you. Raveis' Operations Manual must be always treated as confidential and neither it, other confidential or trade secret materials of Raveis, nor any other confidential or copyrighted material of Raveis may be copied, duplicated, recorded or otherwise made available to any unauthorized person, firm or entity without the prior written consent of Raveis.

We will always be and remain the sole owner of the copyrights for all materials that appear on your website. See Item 12 WEBSITE.

The Franchise Agreement requires you to maintain all our Confidential Information as confidential both during and after the term of the Franchise Agreement. "Confidential Information" includes all information, data, techniques, and know-how designated or treated by us as confidential and includes the Operations Manual. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by us. Under the Franchise Agreement you agree that all information, data, techniques, and know-how developed or assembled by you or your employees or agents during the term of the Franchise Agreement and relating to the System will be deemed a part of the Confidential Information protected under the Franchise Agreement.

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

You, if you are an individual (or if you are an entity, a majority in interest of your principals), are obligated to participate in the actual operation of the Franchised Business. One of the principals of an entity must be approved in writing as the Managing Broker and he or she is responsible for the day-to-day supervision and oversight of the office. The Managing Broker is responsible for compliance with the Franchise Agreement and Operations Manual. You may not change the Managing Broker without our written approval. All principals of the entity must sign the Personal Guaranty which is **Exhibit PG**. However, if you own more than one William Raveis franchise, there must be employed by you on a full-time basis at least one Managing Broker per Location. The identity of each such Managing Broker must be disclosed to us and should the identity of any such Managing Broker change due to death, disability, or termination of employment, we must be promptly notified in writing. Each Managing Broker must devote his or her entire time during normal business hours to the management, operation and development of the Franchised Business, but is permitted to be a full-time real estate salesperson. Unless we waive such requirement, the Managing Broker will be required to complete the Field Transition Orientation Program and the Broker/Manager Post-Opening Training Program described in Item 11.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Except as follows, you may only operate a real estate brokerage business from your Licensed Location, unless we permit you, in writing, to conduct other activities. "Real Estate Brokerage" means acting as a real estate broker for others, including selling, buying, auctioning, leasing, or renting of any and all real estate and improvements to real estate, only from the Licensed Location in exchange for fees, commissions or other compensation excluding barter. Property management services shall be deemed to be included within the description of Real Estate Brokerage services. You can only operate under a business or trade name which includes the words "William Raveis" plus your company name, and which complies with the Operations Manual. You are not restricted from obtaining any real estate listing or buyer that you can lawfully procure, whether in your Service Area. You must use the trade name and Proprietary Marks exclusively, and they must be used in all advertising, promotions, communications and all other materials in any medium. We reserve the right, in advance, to review and require changes to any advertising or other materials including the William Raveis name or Proprietary Marks.

At both your option and William Raveis Mortgage, LLC's option, to be exercised within sixty (60) days after Impact Date, you may enter into an automatically renewable one (1) year License Agreement with our Affiliate, William Raveis Mortgage, LLC to enable it to display in your Office pamphlets, brochures, posters and other marketing materials for which it will pay you each year a license fee based upon the greater of a dollar amount equal to two times the number of closed transactions in the prior calendar year, or \$500.00. The charge shall be due and payable semi-annually on a calendar year basis. The License Agreement is shown as **Exhibit LA**.

You are required to meet certain quality service standards that we may establish periodically, and your customer service may be monitored through a client survey developed by us. We also may conduct investigations of customer complaints about your performance and may require you to resolve a complaint to our satisfaction.

You are subject to certain restrictions in Paragraph 1.A. of the Franchise Agreement in the use of any domain name and e-mail address which you may maintain for the franchised business. See Item 12.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Paragraph in the Franchise Agreement	Summary
a Length of term of the franchise	Paragraph 2A	10 years from the date of the Franchise Agreement.
b Renewal or extension of the term	Paragraph 2B	If you are in good standing, you may renew for an additional 10-year term.
c Requirements for renewal or extension	Paragraph 2B	a) Maintain occupancy of premises or be able to obtain alternate premises; b) give written notice; c) sign all agreements then in force; d) must not be in default under the Franchise Agreement; e) may be asked to sign a contract with materially different terms and conditions than your original contract.
d Termination by you	Paragraph 10C	You may terminate the Franchise Agreement if we agree with you in writing.
e Termination by us without good cause	None	Not applicable.
f Termination by us with good cause	Paragraph 4B and 10	We can terminate only if you are in default under the Franchise Agreement. If you own multiple franchises, a default of one Franchise Agreement may be a default of all Franchise Agreements, depending upon your percentage of ownership.

Provision	Paragraph in the Franchise Agreement	Summary
		Read the default provisions carefully.
g “Cause” defined: curable defaults	Paragraphs 10A and 10B	You have 15 days to cure the following: a) Failure to pay any financial obligation (other than Promissory Notes); b) failure to develop, equip and fixture the premises; c) failure to comply with the Franchise Agreement or Operations Manual or our Proprietary Marks; d) non-compliance with or violation of any health or safety law, ordinance, or regulation.
h “Cause” defined: non-curable defaults	Paragraphs 10A and 10B	a) Conviction of a felony; b) bankruptcy; c) under-reporting gross receipts; d) unapproved transfers; e) loss of lease; f) disclosures of confidential information; g) failure to open for business by the Impact Date; h) failure to select an approved site; i) death or disability; j) denial or loss of a necessary license; k) abandonment; l) false statements in application; m) failure to timely submit reports; n) receipt of too many notices to cure; o) default of any Note payable to us; p) prohibited use of Proprietary Marks.
i Your obligations on termination or non-renewal	Paragraph 10E	You must a) completely de-identify; b) pay all sums due to us; c) stop using the Operations Manual. See also section r. below re: post-term covenants.
j Assignment of contract by us	Paragraph 12A	No restrictions on our right to assign.
k “Transfer” by you - definition	Paragraph 12B	Includes transfer of agreement or assets, ownership change, sub-franchise, or encumbrance.
l Our approval of transfer by you	Paragraph 12B, C, E, F	We have the right to approve or reject all transfers except to a business entity you form according to our requirements.
m Conditions for our approval of transfer	Paragraph 12B, D, E, F	a) All of your obligations are assumed by transferee; b) All of your debts are paid; c) You are not in default; d) Transferee must have adequate financial resources; e) Transferee passes personnel tests; f)

Provision	Paragraph in the Franchise Agreement	Summary
		Training of the transferee must be completed; g) Upon approval, existing Franchise Agreement is canceled and Transferee must sign the then-current form of Franchise Agreement; h) Transfer fee has been paid; i) Release in our favor of has been signed (see Exhibit GR); j) Training fee paid; k) Terms are approved; l) Transferee must be a licensed real estate broker; m) Must conform to the then current design, decor, equipment and trade dress standards; and n) Must subordinate purchase money financing to fees due us.
n Our right of first refusal to acquire your business	Paragraphs 12E, 12F	We can match any offer to buy your business within thirty (30) days from receipt of offer.
o Our option to purchase your business	Paragraph 12G	We may buy your business upon termination with certain exceptions.
p Your death or disability	Paragraph 12A	Franchise may continue to be operated by franchisee if a corporation, partnership or limited liability company, subject to conditions imposed on permitted transferee (See Section m. above) or if application is rejected, franchisee or personal representative may assign the franchise.
q Non-competition covenants during the term of the franchise	Paragraph 15A	No involvement in a competing business without our prior written approval anywhere in the U.S.
r Non-competition covenants after the franchise is terminated or expires	Paragraph 15B	Unless you follow this Agreement, no involvement in a competing franchised or licensed business at the Licensed Location or within 20-mile radius of Licensed Location for a period of six (6) months. In any event, no diversions of customer and no inducement of Raveis employees to leave employment for a period of six (6) months.
s Modification of the agreement	Paragraphs 8B and 18B	Modifications permitted only in writing, signed by you and us. Operations Manual

Provision	Paragraph in the Franchise Agreement	Summary
		subject to unilateral change by us. Revisions to the Manual will not unduly affect your obligations, including economic requirements under the Franchise Agreement.
t Integration /merger clause.	Paragraph 24	Only the terms of the Franchise Agreement and its exhibits are binding (subject to state law); any other promises may not be enforceable. We may change our Operations Manual. Any Operations Manual changes will not unreasonably increase your obligations in the Franchise Agreement.
u Dispute resolution by arbitration or mediation	Paragraphs 10B and 20	Except for certain claims, all disputes must be arbitrated in Fairfield County, Connecticut. Any default under Paragraph 10A is non-arbitrable.
v Choice of forum	Paragraph 25	Litigation must take place in Fairfield County, Connecticut.
w Choice of law	Paragraph 26	Connecticut law applies.

ITEM 18: PUBLIC FIGURES

We do not use any public figure to promote our franchise.

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 circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned, affiliated, 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, historical records of that outlet. If you receive any other financial performance

information or projections of your future income, you should report it to the franchisor's management by contacting our Executive Vice President, Chris Raveis, c/o William Raveis Affiliates, Inc., 7 Trap Falls Road, Shelton, CT 06484 (203) 926-1090, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

The following chart shows the number of our franchises and our affiliate WRRE Offices during the three fiscal years prior to this Disclosure Document, together with a projection of the number of franchises expected to be sold during the fiscal year ending December 31, 2024.

TABLE 1
System-wide Outlet Summary
For Years 2021-2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	23	23	0
	2022	23	24	+1
	2023	24	17	-7
Affiliate Owned	2021	100	113	+13
	2022	113	117	+4
	2023	117	117	0
Total Outlets	2021	123	136	+13
	2022	136	141	+5
	2023	141	134	-7

TABLE 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor) for Years 2021-2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Connecticut	2021	0
	2022	0
	2023	0
Massachusetts	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

TABLE 3
Status of Franchised Outlets
For Years 2021 to 2023*

State	Year	Outlets	Outlets	Non-	Reacquired	Ceased	Outlets at
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		at Start of Year	Opened Terminations	Renew als	by Franchisor	Operations - Other Reasons	End of the Year
Connecticut	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	0	0	0	0	2
Rhode Island	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
Massachusetts	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
Maine	2021	7	0	0	0	0	7
	2022	7	0	0	0	0	7
	2023	7	0	0	0	-5	2
New Hampshire	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Vermont	2021	6	0	0	0	0	6
	2022	6	0	0	0	0	6
	2023	6	0	0	0	-2	4
Total	2021	23	0	0	0	0	23
	2022	23	1	0	0	0	24
	2023	24	0	0	0	-7	17

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

The following chart shows the status of Affiliate-owned offices during the three fiscal years prior to the date of this Disclosure Document.

TABLE 4
STATUS OF AFFILIATE OWNED OUTLETS
For Years 2021-2023

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of Year
Connecticut	2021	43	2	0	0	0	43
	2022	45	0	0	0	0	45
	2023	45	0	0	2	0	43
Massachusetts	2021	38	2	0	0	0	40
	2022	40	2	0	0	0	42
	2023	42	6	0	2	0	46
New Hampshire	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
	2023	1	0	0	0	0	1
New York	2021	9	0	0	0	0	9
	2022	9	0	0	0	0	9
	2023	9	0	0	0	0	9
Florida	2021	10	10	0	1	0	19

	2022	19	1	0	0	0	20
	2023	20	0	0	2	0	18
Total	2021	100	14	0	1	0	113
	2022	113	4	0	0	0	117
	2023	117	6	0	6	0	117

TABLE 5
Projected Openings as of December 31, 2024

State	Franchise Agreements Signed but Outlet Not Opened (2021)	Projected New Franchised Outlets in the Next Fiscal Year (2022)	Projected New Affiliate Owned Outlets in the Next Fiscal Year
Connecticut	0	0	0
Florida	0	0	0
Maine	0	0	0
Massachusetts	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New York	0	0	0
Rhode Island	0	0	0
Vermont	0	0	0
Total	0	0	0

Exhibit NF lists the names of all current franchises and the addresses and telephone numbers of their outlets as of December 31, 2023.

Exhibit TF lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed or who otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year 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 franchise system.

ITEM 21: FINANCIAL STATEMENTS

Our Audited Financial Statements for fiscal years end December 31, 2023, 2022 and 2021 are attached hereto as **Exhibit FS**.

ITEM 22: CONTRACTS

A copy of all proposed agreements is attached as **Exhibit FA** and all exhibits to it which are called Schedules. The State Contract Addenda is contained in **Exhibit AD**.

ITEM 23: RECEIPTS

See the following page. You will find a detachable receipt on the last page.

EXHIBIT FA**WILLIAM RAVEIS AFFILIATES, INC.
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WILLIAM RAVEIS AFFILIATES, INC.

FRANCHISE AGREEMENT

This Agreement, made and entered into on the ____ day of _____, 20__ (the "Effective Date") by and between **WILLIAM RAVEIS AFFILIATES, INC.**, ("Raveis") a Connecticut corporation which maintains its principal place of business at 7 Trap Falls road, Shelton, Connecticut, 06484, Telephone: (203) 926-1090, affiliates@raveis.com and _____, a ☐ corporation ☐ limited liability company ("LLC") ☐ partnership ☐ individual (check the appropriate box) located at _____, ("you").

WHEREAS, Raveis has acquired experience and skill in the business of operating and licensing others to operate a real estate brokerage service franchise known as William Raveis® pursuant to trade name, service marks and logos developed by and/or licensed to, Raveis;

WHEREAS, Raveis has also developed a business plan and method ("the System") for utilizing its products and services whereby the franchisees are provided with information, techniques, uniform and efficient operating methods, and standards of appearance, services and operations meeting uniform quality standards and specifications, advertising materials, proprietary marks, and information to create public demand and good will for the products and services associated with the System; and

WHEREAS, Raveis is party to certain Agreements with (i) William Raveis Real Estate Incorporated d/b/a William Raveis Real Estate & Home Services ("WRRE") and (ii) William Raveis Mortgage, LLC, pursuant to which Raveis, as Licensee, has the right to use and sub-license certain proprietary management and agent training and support services, marketing tools, products, services, advertising and customer support services, together with the Service Marks; and

WHEREAS, you desire to obtain a license to use the System and the Marks hereafter identified and to operate a William Raveis office, and Raveis desires to grant you this license; and

WHEREAS, Raveis is ready and willing to grant a non-exclusive license to you for the operation of a single franchise using the William Raveis® names, marks, logos, insignia, slogans and commercial symbols, upon the terms and conditions hereinafter

1. THE FRANCHISE

A. *Grants and Reservations*

i. Raveis grants to you, and you accept from Raveis, during the term of this agreement, a non-exclusive license to own and operate a single unit real estate brokerage service franchise under the service mark "William Raveis", immediately followed by your trade name (example – William Raveis ABC Realty) from a single location at your premises located within the Service Area set forth in **Schedule SA**, attached hereto and made a part hereof (subject to certain exceptions hereinafter set forth), upon the terms and conditions hereinafter set forth together with the right to use in connection therewith, those Raveis trademarks, service

marks, insignias, techniques, methods, logos, trade names, slogans, trade secrets, systems and the like (hereinafter referred to as "Proprietary Marks"), and patents which are currently in use or hereafter used, and its advertising and sales methods, provided you shall adhere to the terms and conditions hereof. Raveis reserves the right to issue franchises to operate competing businesses within your Service Area. Raveis, its affiliates and related companies expressly reserve the right to distribute, offer to sell and sell (or license others to distribute and sell), all their products and services identified by brand names, through alternative channels of distribution of any kind (i.e., the internet or similar electronic media) at any location, whether or not in your Service Area.

ii. Raveis has established and maintains, or may establish and maintain, an Internet Website and Intranet Website that provide information about the System and the services that the franchisees provide. Raveis will have sole discretion and control over the Websites (including timing, design, contents, and continuation). Raveis has the right to post your real estate listings and other information about your Office and/or sales associates on our Internet Website and our Intranet Website without restriction. You will have the right, but not the obligation, to maintain a separate and distinct World Wide Web site in connection with the franchised business, subject to the requirements of section iii.

Raveis may (but is not required to) include at the Website an interior page containing information about your Office. If Raveis includes such information on the Website, Raveis may require you to prepare all or a portion of the page, at your expense, using a template that Raveis provides. All such information shall be subject to Raveis' approval prior to posting. You shall have no authority to, and shall not establish, any website domain name or listing on the Internet or World Wide Web, or any other electronic media, without Raveis' prior written approval. You shall have no authority to participate in Websites established by others.

iii. You agree to comply with the following requirements, and all applicable requirements set forth by Raveis in the Operations Manual or otherwise, in connection with the Website(s) you develop and maintain in connection with the franchised business:

Raveis may furnish you with materials for your Website, which you must adapt, localize, and utilize, but Raveis will be and always remain the sole owner of the copyrights for all material which appears on your Website. Upon termination of this Agreement, you may retain ownership of your existing website, but you must comply with the provisions of Paragraph 10E(iii).

The requirement for our prior approval set forth in this Section will apply to all activities on the Internet or other computer communications network to be engaged in by you, except that you may maintain one or more e-mail addresses and may conduct e-mail communications without Raveis' prior written approval. You may not use any of the Proprietary Marks (in whole or in part) as part of your e-mail address without Raveis' prior written approval, which Raveis may withhold for any or no reason. Any e-mail address which Raveis permits you to use that contains any of the Proprietary Marks (in whole or in part) will be Raveis' intellectual property and will be deemed assigned to Raveis by virtue of your use.

You shall provide Raveis with, and continuously provide updates of, all domain names and e-mail addresses. Upon the expiration or termination for any reason of this Agreement, you may retain ownership and use of your domain names and e-mail addresses identified, so long

as you remove (and refrain from adding) Raveis' Proprietary Marks, references to your Raveis Affiliated Office and your previous affiliation as a Raveis Affiliated franchisee. Following the expiration or termination of this Agreement, you may not establish any website using any similar or confusing domain names and/or e-mail addresses, you may not identify yourself on any website as a former franchisee of Raveis, and you may not use the Proprietary Marks or any colorable imitation of any of them in any metatag.

iv. All material and information which appears on any Websites you maintain in connection with the franchised business will constitute "Confidential Information" as defined in paragraph 15.C. of this Agreement.

v. If you are a corporation, partnership, limited liability company or any other entity, each shareholder, partner, or member of the limited liability company shall personally guaranty all the franchisee's obligations, the form of which is annexed hereto as **Schedule PG**.

B. Nature of Franchise. Raveis gives and grants to you a non-exclusive sub-license to use the service marks, as shown on **Schedule SM**, and all other Proprietary Marks hereafter developed and patents solely for the operation of a single Raveis real estate Office only from your approved location in accordance with the terms and conditions set forth herein.

You will utilize Raveis' System including the forms, procedures, methods and techniques authorized by Raveis. You also agree to use Raveis' Proprietary Marks and licensed patent for only the promotion and conduct of the franchised business and in accordance with the procedures prescribed by Raveis from time to time in its Operations Manual and in this Agreement. In addition, you agree that you will not use any Proprietary Mark or patent in connection with the sale of any unauthorized product or services, or in any manner not explicitly pre-approved in writing by Raveis.

C. Your Agreement as to Proprietary Marks. You acknowledge the validity of Raveis' Proprietary Marks and that the same are the property of Raveis, which has licensed the William Raveis mark from WRRE. You shall not place (or permit anyone else to place) any names or marks, other than approved Proprietary Marks on any packages, containers, products, documents, marketing and promotional materials or other materials which you obtain from Raveis or from third parties.

i. Under this Franchise Agreement ("the Agreement"), Raveis grants to you the non-exclusive right to operate a franchise under the trademark William Raveis® together with your trade name, and under any other trade name, trademark, service mark, logo and slogan currently used or that may hereafter be used by Raveis in the operation of the franchise.

You must identify yourself as an independent owner of your business in a manner prescribed by Raveis. You agree to prominently display the Proprietary Marks on or in connection with displays, forms, stationery, office signs, yard signs, business cards and advertising materials developed by Raveis.

You must use all Proprietary Marks in full compliance with this Agreement and the policies prescribed from time to time by Raveis. You are prohibited from using any of Raveis' names or marks as part of any corporate (or other entity) name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed by Raveis to you). In addition, you may not use any name or proprietary mark in connection with the sale of any unauthorized

product, service, business or in any other manner not expressly pre-approved in writing by Raveis.

You agree to prominently display the Proprietary Marks on or in connection with displays, forms, stationery, office signs, yard signs, business cards and advertising materials designated by Raveis.

ii. Raveis does not provide for any form of compensation or payment to you if you lose your right to continue to use Raveis' Proprietary Marks.

iii. In the event of any claim of infringement of, or challenge to, your use of any name or mark, you shall promptly notify Raveis of any claim, demand or suit based upon or arising from any attempt by any such person, firm, or corporation to use the Proprietary Marks licensed hereunder, or any tolerable variation thereof, in which Raveis has a proprietary interest. You also agree to promptly notify Raveis of any litigation instituted by any person, firm, corporation, or governmental office against Raveis, or you, involving Raveis' Proprietary Marks. Raveis or its affiliates have the right to control any administrative proceeding or litigation involving a Proprietary Mark licensed by Raveis to you. In the event Raveis, or its affiliate company, WRRE, the owner of the Proprietary Marks, elects to undertake the defense of prosecution of any litigation relating to the Proprietary Marks, you agree to cooperate with Raveis and/or its affiliated company and execute any and all documents and do such acts and things as may, in the opinion of legal counsel for Raveis and/or its affiliated company, be necessary to carry out such defense or prosecution.

You acknowledge Raveis' ownership of, and/or interest in and to, the Proprietary Marks and expressly agree that, during the term of the Franchise Agreement and after expiration or termination thereof, you shall not directly or indirectly contest or aid in contesting the validity of said Proprietary Marks or Raveis' ownership thereof, and/or interest therein, or take any action whatsoever in derogation of Raveis' claimed rights therein.

You understand and agree that your right to use the Proprietary Marks is not exclusive in that Raveis, in its sole discretion, may grant other Franchisees the right to use such Proprietary Marks and commercial symbols and slogans, and may develop and license other marks in conjunction with the Raveis products and services on such terms and conditions as Raveis, in its sole discretion, deems advisable.

It is expressly recognized that all goodwill associated with and identified by the Proprietary Marks shall inure directly and exclusively to the benefit of Raveis and is the property of Raveis and that, upon the transfer, expiration or termination of this Franchise Agreement, no monetary amount shall be assigned or attributable to any good will with respect to your use of the Proprietary Marks.

In order to assist you in the operation of your business and in the use of the Proprietary Marks, to preserve the validity and integrity of the Proprietary Marks, to assure that you are properly employing the same in the operation of your business, and to assure that you are operating your business in accordance with the terms of the Franchise Agreement and Operations Manual, Raveis or its agents shall have the right to inspect your business records

and business operations and use of said name, mark and symbols during normal business hours.

Raveis reserves the right to require that you modify or discontinue your use of any Proprietary Marks upon sixty (60) days advance written notice to all franchisees in the System.

iv. All Guarantors shall be expressly bound by the provisions of this Section C.

2. TERM

A. *Initial Term.* This Agreement shall take effect upon its execution by all parties thereto and unless terminated pursuant to its provisions, the Agreement will remain in effect for ten (10) years from the Effective Date of the Agreement.

B. *Renewal of the Franchise.*

i. You shall be granted the right to renew the Agreement for an additional ten (10) year period on the then-current terms and conditions available to all new and renewing single unit franchisees. The renewal must be affected by the execution by you of Raveis' then-current Franchise Agreement and all other agreements, legal instruments and other documents customarily used by Raveis in the granting of franchises. These agreements, legal instruments and documents may vary materially from those presently in use. Your written application for renewal shall be received by Raveis not less than ninety (90) days nor more than six (6) months prior to the expiration date of the existing Franchise Agreement.

ii. Renewal of the Franchise Agreement is granted subject to the following requirements:

(1) Raveis may refuse to renew the Agreement if, on the renewal date, you are in default of your obligations (including monetary obligations and gross commission income requirements) under the Agreement, or if you have lost your ability and right to occupy the premises from which the business is being operated, due to default, or otherwise, and you are unable to secure a substitute location acceptable to the Raveis, which acceptance will not be unreasonably withheld, provided that the new facility complies with all the current standards and specifications as provided in the Operations Manual.

(2) The renewal must be affected by the execution by you and Raveis of the then-current Renewal Franchise Agreement and all other agreements, legal instruments and documents then customarily used by Raveis in the grant of franchises. These agreements, legal instruments and documents may vary materially from those agreements, legal instruments, and documents currently in use by Raveis.

3. TERRITORIAL RIGHTS

A. *Service Area.*

i. Unless otherwise agreed in Addendum Schedule ET to be attached to this Agreement, you will be granted a non-exclusive territory (Service Area) which will be shown on **Schedule SA** annexed hereto. The location of your Office must be an approved location (sometimes referred to as "Licensed Location") within your Service Area. You have no right to operate more than one Office from an approved location within your Service Area. Raveis may in its sole and absolute discretion grant you an exclusive Service Area. The terms and conditions are set forth in Schedule ET, which, to be effective, must be signed by Raveis' and you and annexed to this Agreement.

ii. Raveis has entered into a non-competition agreement with its affiliate, WRRE. Provided you are not in default of your franchise agreement, WRRE, an affiliated company, has agreed it will not own or operate an Office, or establish WRRE Offices who are selling the same or similar services under the same name or a different trade name or the same or a different trademark or the same or a different service mark within the Service Area specified in the Agreement, excluding WRRE offices in existence prior to the Effective Date of your Franchise Agreement. WRRE has the right to broker sales in your Service Area from an office located outside of your Service Area.

iii. Otherwise, you are not granted an exclusive Service Area. Raveis has the right to grant other franchises to conduct business within your Service Area that may compete with your franchised business in your Service Area. However, neither Raveis nor its affiliate, WRRE, will open or operate an Office within your Service Area, nor will Raveis modify your Service Area without your prior written consent unless you are in default hereof. Relocation of your franchise requires the approval of Raveis. You may only operate one franchised business only from your approved location within the Service Area. You may conduct business outside of your Service Area, even in a Service Area where other Raveis franchises, Company owned Offices or affiliated Company Offices are located.

B. *Additional Locations*

If during the term of the Franchise Agreement you are not in default of this Agreement and you desire to open one or more "Additional Locations" and if, in Raveis' sole subjective judgment, your Service Area can be served by one or more additional Offices, Raveis may, in its sole and absolute discretion, grant you the right to open one or more Additional Locations within your Service Area or a new Service Area, provided that you are in full compliance with your then current Franchise Agreement, and provided that you are able to demonstrate, to Raveis' sole and absolute satisfaction, that your Gross Commission Income ("GCI") has consistently improved during the then current term of the Franchise Agreement and that your reputation in the existing Service Area is excellent. An Initial Franchise Fee will be charged for each Additional Location within or outside of your existing Service Area.

You may also apply to open additional locations outside of your Service Area. You may acquire additional William Raveis franchises only if you or any entity in which you and a principal are in full compliance with any franchise or other agreement with Raveis, and you and any entity in which you are a principal have opened all offices for which you have signed Franchise Agreements. You and/or your principals must sign Raveis' then-current Franchise Agreement and related documents for each additional franchise which you are granted and extend the expiration date for all franchise offices to run co-terminus with that for the newly added office.

Raveis reserves the right for itself and its affiliated companies to sell, distribute and license others to sell and distribute Raveis services under the same or different Proprietary Marks through alternative channels of distribution including the internet or similar electronic media.

If you are unable to conduct the Franchised Business from your Licensed Location for reasons beyond your control or if you desire to relocate for good business reasons with Raveis' prior permission, which permission will not be unreasonably withheld, you may relocate such Location within your Service Area.

4. FRANCHISE FEE

A. Fee Payable. Upon execution of the Agreement, you shall pay Raveis an Initial Franchise Fee of Twenty-five Thousand (US \$25,000.00) Dollars, unless Raveis agrees to finance the fee as further described in subparagraph C.

The Initial Franchise Fee is payable in full upon execution of the Agreement. The Initial Franchise Fee is not refundable under any circumstances. The franchise fee is uniform as to all persons currently being granted a franchise.

The Initial Franchise Fee is not segregated to provide specific services to any franchisee or applicant.

B. Additional Franchise Fees. If Raveis agrees in writing that you may open additional franchise location(s) within or outside of your Service Area described in **Schedule SA**, you will be charged an Initial Franchise Fee by Raveis for such additional location(s). Raveis may withhold such approval of any additional franchise locations for any reason in its sole and absolute discretion.

For each additional franchise which is approved and granted by Raveis (in its sole and absolute discretion) within or outside the Service Area (as shown on **Schedule SA**), the initial Franchise Fee will be \$10,000.00 by entering into Addendum BO. You may acquire additional William Raveis Affiliates franchises only if you or any entity in which you are a principal, are not in default of any franchise or other agreement with Raveis and you have opened all Additional Branch Offices for which you have signed Franchise Agreements. You must execute the then current Raveis Franchise Agreement for each additional franchise which you acquire. A separate Disclosure document will be provided for each additional franchise. If you or any entity in which you are the Broker or a principal with a twenty (20%) percent or greater interest are in default of any Franchise Agreement, it will be deemed that you are in default of all Franchise Agreements, all of which are subject to termination by Raveis.

If you are granted the right to open one or more Additional Franchised Branches, the terms of this Agreement and the terms of any other existing franchise agreements with you shall be extended to coincide with the expiration date of the most recent Franchise Agreement.

C. Financing Franchise Fee. While Raveis is not obligated to provide you with any financing, nevertheless, Raveis, or a related company, may agree to provide financing of the initial Franchise Fee based on several factors, including your financial need, your credit history, your ability to repay, your net worth, your stability, the strength of your business plan, as well as our need for the development of your market area. Raveis may require you to furnish it with financial statements, tax returns and other documents. The terms of any financing are open to negotiations between parties.

Subparagraph A above of this Paragraph requires the payment of an Initial Franchise Fee of \$25,000, and this fee is generally payable in a lump sum when this Agreement is signed. However, Raveis may provide you financing of up to 50% of the Initial Franchise Fee, if business circumstances warrant, in Raveis' sole and absolute discretion, and if you meet Raveis' credit standards. If Raveis does finance the Initial Franchise Fee, you must execute a Promissory Note.

Upon payment default, you will be charged 18% per annum or highest rate allowed by law. The monthly payments are non-refundable. The down payment, monthly payments and term of the loan will be subject to negotiation. If you are a corporation, partnership or limited liability company, your shareholders, partners, or members, respectively, must all personally guarantee the debt. Raveis does not impose prepayment penalties; however, there are no refunds of interest paid, which may, in effect, result in a prepayment penalty. If you default on the Promissory Note, all principal and accrued interest payments are accelerated, and you are obligated to pay immediately the entire amount due and any court costs and attorneys' fees if collection action is necessary. Under the Promissory Note, you waive various rights and defenses, including your rights to diligence, demand, presentment for payment, notice or nonpayment and protest. The chart below sets forth the material terms and conditions.

INITIAL FRANCHISE FEE CHART	
Item Financed	Initial Franchise Fee
Amount Financed	Up to one half of the then-current Initial Franchise Fee
Down Payment	Varies
Term	Up to 1 year
Finance Charges	Upon a payment default, 18% per annum or the highest rate allowed by law; otherwise, no interest
Payment	Monthly/Quarterly Installments, at our discretion
Prepay Penalty	None (except no refund for interest paid)
Security Required	Personal Guarantee or co-maker status; right of set-off against Royalty Reduction Program
Liability Upon Default	Unpaid Loan/Loss of Franchise – acceleration of payments and other remedies available to us under the Franchise Agreement
Loss of Legal Rights on Default	Waive notice

5. FRANCHISE ROYALTY FEES

A. (i) During the term of this Agreement, commencing upon the Impact Date which is the actual date you begin to use Raveis' marks (but no later than the date set forth in a preliminary approval letter Raveis will deliver to you when you are given execution copies of the Franchise Agreement), you agree to pay Raveis' Royalty Fees equal to six (6%) percent, of the gross commissions earned, derived and/or received by you ("Gross Commission Income") (hereinafter referred to as "GCI") from (1) all transactions involving the purchase, sale, lease, rental, hypothecation, license, exchange or other transfer or disposition of any interest in developed or undeveloped real estate, condominiums, planned unit developments, mobile homes, panelized housing, time share units, or manufactured homes; (2) all other transactions for which a real estate license is required (which, for purposes of this Agreement, is deemed to include all fees and remuneration collected or earned by you in performing title or escrow

services, or organizing, promoting, selling or otherwise servicing any kind of real estate syndicate, partnership, limited liability company or corporation, real estate investment trust or other real estate investment organization, or finding any investors for any of the above, said Royalty Fees being payable with respect not only to any cash payments, but also the value of all other forms of compensation and remuneration received, including but not limited to promissory notes, securities, partnership interests, interests in real estate and other forms of property; (3) all transactions in which the Proprietary Marks or the System are used, including that portion of a transaction in which personal property is bought or sold; and (4) the sale or provision by you of any products or services developed or made available by Raveis or any of its affiliates, all of which is hereinafter referred to as GCI.

(ii) In connection with all transactions of the above-described type, GCI include those revenues received in the operation of your franchised business, including transactions by salespeople, agents, representatives, contractors, employees, partners, directors, officers, or members of the Franchisee. "Significant Shareholders" (as hereinafter defined in Paragraph 5.A(iii)), or corporations or other entities which control or are controlled by you shall, to the extent not otherwise included in your GCI, be included as part of your Gross Commission Income for the purpose of calculating Royalty Fees payable under this Agreement. In addition, the Royalty Fees shall be paid on all transactions in which you are involved in relation to your own account (that is, on transactions for properties owned by Franchisee), and for which the services or facilities of your Franchised Business Office are used, or in which the Raveis name or Proprietary Marks are used in any manner.

(iii) For purposes of this Agreement, a "Significant Shareholder" of Franchisee shall mean any party who beneficially owns twenty percent (20%) or more of any class of Franchisee's stock, or who in fact controls the management and/or supervises Your Franchised Business. For purposes of this Paragraph, the beneficial ownership of stock shall mean direct or indirect ownership, including, without limitation, ownership by the spouse of a party or by any dependent of a party who resides in the same household as that party.

(iv) Provided you are not in default of this Franchise Agreement, you are entitled to participate in Raveis' Royalty Reduction Plan in which royalties on GCI over \$1,000,000 are calculated in accordance with the following schedule:

	GCI range - low	GCI range - high	Royalty
a.		\$1,000,000	6.00%
b.	\$1,000,001	\$2,000,000	5.50%
c.	\$2,000,001	\$3,000,000	5.00%
d.	\$3,000,001	\$5,000,000	4.50%
e.	\$5,000,001	\$7,500,000	4.00%
f.	\$7,500,001	\$10,000,000	3.00%
g.	\$10,000,001	\$15,000,000	2.50%
h.	\$15,000,001		1.75%

You must pay your royalties at the rate of 6% of GCI during the year. Within the first ninety (90) days of the next succeeding year, Raveis will calculate your GCI for the year and rebate the applicable royalty reduction within this period. No royalty reduction will be paid to you if you are in default of the Franchise Agreement, which includes the timely full payment of royalties at the rate of 6% of GCI throughout the entire year.

(v) During every twelve (12) month period following the commencement of this Agreement, you will be required to pay to Raveis a minimum royalty Fee on GCI of \$15,000.00, payable at the rate of \$1,250.00 on each due date.

(vi) Notwithstanding Paragraph 5.A.(1), new Franchisees are not required to pay royalties on residential commission income earned because of transactions under contract or in escrow on the Impact Date so long as such transactions are closed within 30 days of Impact Date.

B. The royalty Fees are fully earned by and payable to Raveis immediately upon either your receipt of revenue, or when the revenue is earned, whether received.

C. You shall report your GCI by fax, e-mail, or any other electronic device as determined by Raveis, on the 10th day of each month for GCI earned in the immediately preceding month and shall submit written summaries on the same day monthly on forms approved by Raveis, reporting such information. Royalty payments are due on the 10th day of each month for GCI earned or received in the preceding month. If you fail to report your GCI as required, Raveis may estimate it, and based upon an average of the most recent three-month period in which royalties were paid and you shall be liable for the estimated sum.

D. The Royalty Fees are non-refundable, are not collected on behalf of, or payable to, a third party.

E. *Referral Fees.* In the event a seller or buyer is referred to you by WRRE (which is an affiliate of Raveis), you shall pay referral fees to WRRE ranging from 0% to 50%, depending upon the source and as outlined in the Operations Manual. Said fees shall be paid by you within three (3) business days after the closing of the involved transaction.

6. ADVERTISING FEES

A. Raveis does not conduct a national advertising and marketing fund.

B. *Affiliated Management Group* . Raveis, in its sole discretion, may decide that there exists enough Franchisees in one or more marketing or Service Areas (e.g., Areas of Dominant Influence) to form an Affiliated Management Group ("AMG" or "AMGs"). In such case, Raveis shall have the right to require that you form one or more local, regional, state or national AMGs, which you must join within thirty (30) days after receipt of Raveis' written notice.

Each AMG shall be organized and governed in a form and manner, and shall commence operation on a date, approved in advance by Raveis. Raveis may make amendments or changes to the AMG's by-laws and rules, in its discretion, to facilitate the objectives of the AMG.

Your contributions to the AMG will be determined by the membership thereof.

C. *Local Advertising* . All local advertising and promotional materials must conform to Identity Standards outlined in the Operations Manual.

D. *Grand Opening Marketing.* Raveis will provide guidance and assistance in developing a grand opening marketing campaign and you agree to follow its procedures in accordance with the Operations Manual and its policies.

7. RAVEIS' OBLIGATION TO PERFORM SERVICES

A. *Pre-Opening Assistance.* The obligations to be performed by Raveis prior to the opening of the franchised business are:

i. Non-conversion Franchises excluding additional locations: It will provide standards and specifications for the layout, design, appearance, and equipment for your Licensed Location.

ii. Non-conversion Franchises, excluding additional locations: At Raveis' sole and absolute discretion, it will decide whether to approve or disapprove the site you select for your location. You shall have one hundred eighty (180) days to locate an approved location. Failure to locate an approved location within one hundred eighty (180) days shall result in termination of the Franchise Agreement. You must receive this approval in writing before you sign a lease. Raveis will make its decision within fourteen (14) days after it receives your written application.

iii. It will provide a list of approved and/or preferred suppliers and vendors.

iv. It shall provide a list of approved items of furniture, equipment, fixtures, and supplies (by brand name and/or standards and specifications). The cost of leasehold improvements, furniture, fixtures, supplies and equipment are your responsibility.

v. At a time designated by Raveis, within thirty (30) days prior to Impact Date, it shall conduct a Field Transition Orientation Program for your broker, managers, support staff and agents in the operation of the franchise. They must complete the Orientation Program. You are responsible for transportation costs to and from the training facility, meals and lodging for all attendees. The Field Transition Orientation Program shall run for approximately one day and shall be conducted at your Office.

vi. When you successfully complete your Field Transition Orientation Program, Raveis shall loan you one copy of the Operations Manual containing mandatory and suggested standards, standard operating procedures, rules and specifications prescribed from time to time by Raveis, as well as information relative to your other obligations under this Agreement in the operation of the franchise. This Operations Manual will remain confidential and the property of Raveis. Raveis will have the right to add to and otherwise modify the Operations Manual from time to time as it deems necessary, provided that no such additions or modifications will alter your fundamental status and rights under this Agreement. Raveis reserves the right to create additional manuals relating to various aspects of the business which it will loan to you for your use.

vii. Raveis shall provide you with guidelines and procedures with respect to initial opening of your Office as it deems appropriate, initial standards and procedures for obtaining supplies, providing approved services, marketing and promoting the business and operating the business.

viii. You will be required to obtain from Raveis' approved suppliers an initial supply of stationery, business cards, yard signs and special marketing and training materials required to be used in the franchised business, as described in **Schedule CF**. Raveis has the right, in its sole and absolute discretion, to modify the initial supply package from time to time. Raveis will provide, in its sole and absolute discretion, an allowance for the initial supply of such items. You will be provided with advertising templates (including templates for your stationery) at no charge.

ix. Raveis will provide guidelines and procedures for the development of a Grand Opening marketing and promotion campaign with which you shall comply.

B. *Post-Opening Assistance.* The obligations to be performed by Raveis during the operation of the franchised business are:

i. (a) For a period of six (6) months after Impact Date, Raveis shall consult with you and/or assist you with respect to problems or difficulties you encounter in the operation of the franchised business as follows: (1) Advice concerning programs and procedures; (2) guidelines; (3) systems, and/or (4) specifications or techniques relating to the operation of the franchised business. The timing of these initial support services will be at Raveis' sole and absolute discretion, and the services may be off-site, on-site, by telephone, through electronic communication or other communication devices.

(b) In addition, periodically (in Raveis' sole discretion) a Raveis representative will visit you to inspect your Office to evaluate your business methods and ensure compliance with the Franchise Agreement and Operations Manual. Raveis will provide you with periodic evaluations of your compliance with Raveis' performance standards with respect to management, operations, quality, efficiency, and complaint resolution.

ii. Raveis will, from time to time, in its sole discretion, make a reasonable effort to provide you with information and recommendations concerning management and operation, including marketing developments, advertising plans, programs, products, services, materials and techniques, systems and equipment and, in addition, will, from time to time, supply you with an exchange of information among other franchised agencies when possible and available.

iii. Raveis will provide access to conferences, seminars, continuing courses of training at times and locations designated by Raveis. You will pay for the cost of additional training at prices to be determined by Raveis from time to time.

iv. Raveis may, in the future, in its discretion, establish a national marketing fund and formulate and conduct regional marketing and promotional programs. (See Paragraph 6).

v. Raveis will, from time to time, in Raveis' sole and absolute discretion, change, improve and continue to develop the System, the products and services offered under the System as Raveis makes them available to franchisees.

vi. From time-to-time Raveis will provide written, recorded or electronically transmitted materials as and when Raveis makes them available to all franchisees.

vii. Raveis will make available sample referral forms for use in referring business between William Raveis franchisees and company owned Offices. We also will establish procedures for referrals between you and other Raveis franchisees and company owned Offices; provided, however, that all referral commissions shall be subject to the schedule of referral fees set forth in Paragraph 5.F.

viii. Raveis will provide Orientation and Broker/Manager training programs as fully described in subparagraph C below.

ix. Unless approved by us in writing, we only allow you to have affiliated company marketing collateral for William Raveis Mortgage, William Raveis Insurance, or other William Raveis companies identified by us in the office and no other competing companies can have collateral marketing materials in the office. In addition, Raveis may, but is not obligated, from time to time, to make available to you and other Franchisees real estate related services and products, including, but not limited to, those related to mortgage origination, title insurance, homeowner's insurance, automobile insurance, home warranties, communications systems, and other services. Raveis will give you written notice that such product or service is available. The written notice will also provide that said service or product may be utilized by you in the operation of the Franchise Business. If Raveis advises you that such product or service is an essential element of the Franchise as determined by Raveis, and accordingly must be utilized, you will, at your sole expense: (i) obtain all necessary equipment, products or services which Raveis advises you are necessary for the utilization of such product or service including, but not limited to, computer hardware and software; and (ii) begin using such product or service within ninety (90) days after your receipt of said written notice. In the event Raveis advises you that such product or service may be utilized, and you elect to so utilize said product or service, you will, at your own expense, obtain all necessary equipment, products or services which Raveis advises you are necessary for the utilization of such product or service, including, but not limited to, computer hardware and software. Nothing in this paragraph shall create any obligation on the part of Raveis to introduce or make any such services or products available to you.

C. Training :

i. Field Transition Orientation. Within thirty (30) days prior to Impact Date at a location designated by Raveis, Raveis will conduct an Introductory Orientation Program. The broker, manager, support staff and agents must attend and complete this program consisting of introductory information about the franchise system, to be held at your Office. Raveis will supply all necessary materials. Raveis does not charge for the program. The Field Transition Orientation Program will run for approximately one day.

ii. Broker/Manager Post-Opening Training. An initial two (2) day Broker/Manager Training Program is offered by Raveis for the Broker and the Manager. Both must complete the training program.

This training program is mandatory. The training includes instruction in the operation and management of a Raveis Office as well as sales, management, and marketing. Training will be conducted within ninety (90) days after the Impact Date. In addition to travel, lodging and meals, you must pay for the wages and benefits for each attendee. Training will be conducted at Raveis' Training Center in Shelton, Connecticut.

Raveis plans to offer, from time to time, additional training courses dealing with new products, methods, techniques, services, and other information useful to franchisees. These courses may be mandatory, and some will be optional. They will be conducted at Raveis' headquarters or at other locations selected by Raveis. The broker (or, if you have multiple locations, the manager) must attend and complete all mandatory training programs. Raveis will charge between \$50.00 and \$500.00 per course per person depending upon the subject matter, payable at the time of registration. Also, you must bear the entire cost of travel, room and board and wages and employee benefits while attending the additional courses. If the broker or any of the Managers are unable to attend or complete a required program, you may designate a substitute acceptable to Raveis. Training times are scheduled at reasonably convenient times and locations. Off-site training at a facility will require reimbursement for the use of the facility. Additional training fees are due and payable at the time of registration. Raveis has the right to change the fee schedule, at its sole and absolute discretion, from time to time on thirty (30) days prior notice to you.

8. DUTIES OF FRANCHISEE

A. *Licensed Broker in the State or States where the Franchised Business is Located.*

You must be a licensed real estate broker in the state or states where your franchised business is located.

B. *Compliance with Manuals.* You understand and acknowledge that every detail of the System is important to you, Raveis and other franchisees to develop and maintain superior products and services provided by all franchisees, and to protect Raveis' reputation and good will. You, therefore, shall comply with all requirements set forth in the Operations Manual and this Agreement.

i. To protect the reputation and goodwill of Raveis and to maintain high standards of operation under Raveis Proprietary Marks, you shall strictly conduct your business in accordance with the Operations Manual.

ii. You shall always treat the Operations Manual and any additional manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. The Operations Manual can be obtained on-line with proper authorization. Otherwise, you shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

iii. All Operations Manuals shall always remain the sole property of Raveis and shall always be kept in a secure place on your premises.

iv. Raveis may, in its sole and absolute discretion, from time-to-time revise all or part of the contents of the Operations Manual, and you expressly agree to comply with each new or changed standard, policy or rule so long as the revisions do not alter your fundamental rights and status with this Agreement. Any such changes will not increase your obligations, including economic requirements, under this Agreement.

v. You shall always ensure that your copy of the confidential Operations Manual is kept current and up to date; and, in the event of any dispute as to the contents of the confidential Operations Manual, the terms of the master copy of the confidential Operations Manual maintained by Raveis at Raveis' headquarters shall be controlling.

C. Completion of Training Programs. Thirty (30) days prior to Impact Date you shall complete a Field Transition Orientation Program, and within ninety (90) days from Impact Date you shall attend, and complete Raveis' Broker/Manager Training Program as described in this Agreement. (See paragraphs 7A(vi), 7B(ix) and 7C).

D. Other Businesses. You shall not operate any other business at or from the location of your franchised business without prior written approval from Raveis, except as provided in subparagraph E. Unless approved by us in writing, you may only display our affiliated company marketing collateral for William Raveis Mortgage, William Raveis Insurance, or other William Raveis companies in the office and no other competing companies can have collateral marketing materials in the office.

E. License Agreement with William Raveis Mortgage, LLC

i. At the option of both William Raveis Mortgage, LLC ("WRM") and you, both of you may enter into a License Agreement to allow WRM to display marketing materials featuring WRM's products and services.

ii. If both of you exercise your option within sixty (60) days after Impact Date, WRM will enter into a License Agreement with you for a period of one (1) year, automatically renewable from year to year until the expiration of the Franchise Agreement or when terminated by WRM on ninety (90) days prior written notice to you. WRM will pay you an annual license fee based on the greater of a dollar amount equal to two times the number of closed transactions in the prior calendar year, or \$500. Said fee shall be due and payable semi-annually on the first day of the month of January or July as the case may be. The first payment shall be prorated if the License Agreement commences on a day other than the beginning of a semi-annual period.

F. Repairs. You shall maintain, repair, and replace all furnishings, fixtures, furniture, equipment, yard signs, and decorations in accordance with Raveis' standards and specifications, as set forth in the Operations Manual.

G. Insurance. You shall procure and maintain insurance policies protecting Raveis and you against loss from personal injury, death, property damage, or otherwise with respect to the franchised Office with the following limits; which are subject to change from time to time by Raveis in its sole and absolute discretion:

<u>Kind of Insurance</u>	<u>Limits of Liability</u>
Public, liability property damage and products liability	Combines single limit \$2,000,000 or combines single limit \$1,000,000 and a \$1,000,000 umbrella policy

Workers' compensation	as required by law
Fire and extended coverage including vandalism and malicious mischief	Full replacement cost
Business Interruption	Loss of income and extra expense for actual loss sustained
Errors and Omissions	\$1,000,000

All insurance policies shall be written by insurance companies satisfactory to Raveis, with AM Rating of A- or better, and shall name Raveis as an additional insured for General Liability and Umbrella (if applicable) and shall contain an express waiver of all rights of subrogation against Raveis. You shall provide Raveis with certificates of such insurance policies within thirty (30) days after issuance and annually thereafter.

H. *Permit Access.* You shall grant Raveis access to the Office at such times during business hours as Raveis shall reasonably request to assure itself of compliance by you with the provisions of this Agreement and/or to examine your books and records to verify your GCI from the Office and to make periodic inspections and evaluation of your premises and business operations.

I. *Commence Operation.* If you are a non-conversion Franchisee, you shall commence the operation of your Office on or before the Impact Date which shall be within ninety (90) days of the date of this Agreement (your Impact Date) at a site located and selected by you and approved by Raveis. If you are an existing real estate broker with an operating Office ("Conversion Franchisee"), you will open your franchised business on the Impact Date which is no more than sixty (60) days from effective date of this Agreement. If the franchise is not operating within ninety (90) days of the effective date of this Agreement (or, in the case of a Conversion Franchisee, 60 days), it will expire without further notice, unless it has been extended in writing by Raveis. Raveis, at its sole and absolute discretion, may extend the time for you to commence operation of the Franchise.

J. *Submit Financial Statements.* You shall submit to Raveis a complete and accurate annual profit and loss statement and balance sheet, which statement shall be prepared and certified by a certified public accountant within ninety (90) days after the close of your fiscal year. Such statements shall be in the form specified by Raveis and shall be prepared in accordance with generally accepted accounting methods and principles consistently applied.

K. *Maintain Books and Records; Audits.* You are required to keep full, complete, and accurate books and accounts in accordance with generally accepted accounting principles. You shall submit to Raveis monthly a signed statement of GCI for each preceding period. If you fail to report your GCI on a timely basis, Raveis may estimate such income in calculating Royalties and Marketing Fees due. If you fail to remit when due any payments required under this Agreement, you agree to pay all collection costs, reasonable attorney's fees and interest on the unpaid amount at the rate of 1.5% per month (**APR 18%**) but, in any event, no greater than the highest legal rate, in addition to unpaid amounts. Raveis has the right to inspect and audit your financial records and books of account. For a period of three (3) years from the date of each transaction, you shall retain all Purchase and Sale Agreements, real estate agent agreements, real estate leases, rental agreements, invoices and billing statements, and bank statements at your principal Office and make them available to Raveis at its

request. If an audit discloses that you have under-reported GCI by two percent (2%) or more, you shall reimburse Raveis for the audit cost, including accounting, legal and travel expenses, interest which runs from the date of underpayment and late fees payable thirty (30) days after billing.

L. *Purchase Computer System and Related Equipment.* Before commencing operations, you must purchase and install the computer hardware, software, internal connections, required dedicated telephone and power lines, and other computer-related accessories, peripherals, and equipment (the "Computer System"). You shall obtain high speed communications access for your computer system, such as broadband or DSL. The Computer System shall be configured in accordance with Raveis' then current standards set forth in the Operation Manual or otherwise in writing. You shall always maintain a functioning email address for your franchise business. It is agreed that Raveis or its affiliates may condition (a) any license of proprietary software to you, or your use of technology that Raveis or its affiliates may develop or maintain, on your signing the Software License Agreement. Raveis or its affiliates may charge a monthly fee for any proprietary software or technology that Raveis or its affiliates license to you and for maintenance and support services that Raveis or its affiliates provide; (b) Raveis may retrieve from your Computer System all data and information it considers necessary, desirable or appropriate.

M. *Meet Quality Standards.* All fixtures, equipment and supplies for your franchise office selected by you must meet the then current quality standards set forth in the Operations Manual or otherwise in writing, subject to compliance with laws and regulations.

N. *Signage.* You shall acquire all signage required by Raveis for use at or in connection with the franchised business subject to compliance with applicable laws and regulations.

O. *Purchase Additional Equipment.* Raveis may require that you purchase additional equipment, including computer software and hardware, from time to time about changes in the system, or that you replace equipment due to obsolescence or excessive wear.

P. *Late Charges.* If any fees or charges are not paid within seven (7) days after the due date, Raveis may charge a non-refundable late charge equal to five percent (5.00%) of the applicable fee or \$75, whichever is greater.

9. FRANCHISE OPERATIONS

A. *Site Selection, Approval, Lease of Premises*

i. For Non-Conversion Franchises only, except for additional locations. You are responsible for selecting the site of your business within your Service Area. You shall select an acceptable site within sixty (60) days after the date of this Agreement and make written application to Raveis for approval. Raveis will evaluate the feasibility of the site. Raveis may consider some or all the following criteria in deciding: zoning regulations, proximity to other franchisees, and affiliated company Offices, population density, level of income of the population in the Service Area, and related criteria in the Service Area. Raveis will notify you of its approval or disapproval in its sole and absolute discretion of the site within fourteen (14) business days after you submit your written application for the site. If Raveis does not provide timely notice of approval or disapproval, it will be deemed that Raveis has not approved the site. You understand and agree that Raveis does not guarantee, warranty or represent the success of any site. You

may not change your site within the Service Area without the written approval of Raveis, which approval will not be unreasonably withheld.

Unless you are an existing tenant who is converting an existing brokerage business to a franchise, you expressly acknowledge that Raveis may require, as a condition to granting its approval of any lease, that the lease contain substantially the following provisions:

a. In the event of a breach of the lease by you, the Landlord shall notify Raveis in writing at least thirty (30) days prior to termination of the lease, and Raveis shall have the right, but not the obligation, upon giving written notice of its election to you and the Landlord, to cure the breach and succeed to your rights as tenant under the lease.

b. Raveis may, at any time after taking occupancy, relet the premises to another Raveis franchisee with the Landlord's approval of the new franchisee, which consent shall not be unreasonably withheld or delayed.

c. You may assign this lease to Raveis at any time if the Landlord is given written notice of the assignment, provided that such an assignment shall not, however, be made except upon termination of this Franchise Agreement, and it shall be effective only if accepted in writing by Raveis.

d. No amendment, modification, assignment, sublease, or voluntary termination shall be entered into by you without the written approval of Raveis, which approval will not be unreasonably withheld.

ii. Delivery of Lease: You shall promptly deliver to Raveis a true and complete copy of the fully executed lease and all amendments thereto to Raveis. If you are an existing tenant converting to a Raveis franchise, you shall deliver to Raveis a true and complete copy of your lease within five (5) days after signing this Franchise Agreement.

iii. Construction of Office: Your Office will be located at only the Licensed Location [and no other location] within your Service Area. You agree that, at your sole cost and expense, you will promptly construct and equip the Office at the Licensed Location and that the Office will be ready for operation not later than ninety (90) days following the date you execute this Franchise Agreement, which is your Impact Date. The Licensed Location, and all equipment, furniture, furnishings, trade fixtures, graphics and signage used in the Office will be subject to Raveis' design and lay-out specifications and (unless you have an existing Office at the time you become a Franchisee) its written approval. Except for required renovations pursuant to Paragraph 13 of this Franchise Agreement, no alteration or modification of this Office shall be made following its completion without Raveis' prior written approval. All plans and specifications shall be prepared, at your expense, by your designer, architect and/or engineer utilizing Raveis' design standards and specifications, trade dress and other criteria.

iv. Site Selection - Conversion Franchisee Only: If you are a Conversion Franchisee, you will be allowed to retain your current site unless you desire to change your site, in which case the site selection procedure for Non-Conversion Franchisees shall apply.

v. Allowance/Financing for New or Conversion Franchises. Raveis, or a related company, may grant you a start-up marketing and promotional allowance, or Raveis may agree to provide similar financing for your Raveis office, at its sole discretion. The scope and amount of the allowance is subject to negotiation. The allowance may take the form of direct payments to you and generally will be for specific uses, including conversion of signage and collateral materials, new advertising and marketing programs, transitional expenses associated with converting your office to a new business format, reallocation of assets in a market to enhance your business, recruiting and other costs associated with your affiliation with the Raveis System, or acquisition related costs.

If Raveis does finance these costs, you must execute either a Conversion/Acquisitions/Recruitment (CAR) Promissory Note, the amount of interest to be paid, the security, and other relevant terms are described in the following chart.

Raveis may require as a condition to providing any of the above financing that you agree to an extension of your Franchise Agreement term. Raveis may occasionally elect to waive or vary any of the terms described in the chart if Raveis believes business circumstances warrant.

CAR CHART	
Item Financed	Conversion/Acquisition/Recruitment Financing (CAR)
Amount Financed	See Note 1 below
Down Payment	Not applicable
Term	2 to 7 years
Finance Charges	Upon a payment default, 18% per annum or the highest rate allowed by law; otherwise, no interest
Payment	Quarterly/Annual Installments, at our discretion
Prepay Penalty	None (except no refund for interest paid)
Security Required	Personal Guarantee or co-maker status; right of set-off against Royalty Reduction Program
Liability Upon Default	Unpaid Loan/Loss of Franchise – acceleration of payments and other remedies available to us under the Franchise Agreement
Loss of Legal Rights on Default	Waive notice

NOTE 1: This number will vary depending upon the nature of the transaction, the financial condition of the franchisee, the value of the transaction to us in our estimation and other factors which we will decide in our sole and absolute discretion.

B. *Use of Premises*

i. Promptly following completion of the Office as provided in Paragraph 8.I. and Paragraph 9A, during the remainder of the term of this Agreement, you agree to operate the Office exclusively for operating a William Raveis Real Estate franchise, continuously using your best efforts, skill and diligence in the conduct thereof. You will conduct such operations in strict compliance with all federal, state and local laws and regulations. You will obtain and maintain in effect all licenses, permits or other consents required for the lawful operation of your business. In addition, you shall comply with the following provisions:

(1) In the event your lease terminates because of damage or destruction due to a casualty loss, Raveis shall permit you to open and operate a new Office for the balance of the term hereof at a site to be mutually approved in writing by Raveis and you. All costs of relocating the franchised business and the cost of any leasehold improvements, fixtures, furnishings, and equipment necessary to open and operate the new Office shall be borne by you; and

(2) You shall maintain and display at the Office Raveis' approved signs and you shall not place additional signs or posters in or about the Office without Raveis prior written consent. Unless approved by us in writing, we only allow you to have affiliated company marketing collateral for William Raveis Mortgage, William Raveis Insurance, or other William Raveis companies in the office and no other competing companies can have materials in the office. At Raveis request, you shall promptly discontinue the use of any signs, advertising or promotional materials, whether or not such materials were previously approved by Raveis. You shall not use or display the Raveis Proprietary Marks except in a manner previously approved in writing by Raveis. All materials bearing the Raveis Proprietary Marks must include such notice of registration or license as Raveis may from time to time specify. You shall prominently display in the client service area, in places designated by Raveis, all media reviews, awards, plaques and marketing materials disclosing franchise opportunities that Raveis shall require and/or approve in writing.

C. Supervision, Participation. You, if you are an individual (or if you are an entity, a majority in interest of your principals), are obligated to participate in the actual operation of the Franchised Business. One of the principals of an entity is required to own at least a 10% interest in the entity and must be approved in writing as the Managing Broker and he or she is responsible for the day-to-day supervision and oversight of the Office. The Managing Broker is responsible for compliance with the Franchise Agreement and Operations Manual. You may not change the Managing Broker without the written approval of Raveis. All principals of the entity must sign the Personal Guaranty which is **Schedule PG**. However, if you own more than one Raveis Affiliates franchise, there must be employed by you on a full-time basis at least one manager per Location. The identity of each such Manager/Broker must be disclosed to Raveis and should the identity of any such Manager/Broker change due to death, disability, or termination of employment, Raveis must be promptly notified in writing. Each Manager/Broker must devote his or her entire time during normal business hours to the management, operation, and development of the Franchised Business, but is permitted to be a full-time real estate salesperson. Unless Raveis waives such requirement, the Manager/Broker will be required to complete the Field Transition Orientation Program described in Paragraph 7.A. and the Manager/Broker training program described in Item 11.

D. Services, Products, Supplies

i. You shall operate your Raveis Office in accordance with Raveis' standards of quality, appearance, and service (including such standards as, from time to time, may be prescribed in Raveis' Operations Manual). You shall always maintain the interior and exterior of your Office and the surrounding premises in sound, clean and attractive condition, and shall periodically complete such redecoration, repair and restoration as may be required to meet Raveis' standards.

Except to the extent otherwise required by law, you shall operate your franchise only under the name "William Raveis" followed by your trade name, without any other accompanying words or symbols of any nature unless first approved in writing by Raveis. Raveis products and services not included in the Raveis Affiliates System may not be sold, displayed, or used at your leased location unless Raveis approves thereof in writing.

You agree and understand that the approved building design and layout of your Office shall be used exclusively for the operation of your franchised business, unless otherwise agreed in writing by Raveis.

You shall conduct your business strictly in accordance with the procedures set forth in the Operations Manual. Raveis, in its sole and absolute discretion, may make modifications, deletions and additions to the Operations Manual so long as such do not alter your fundamental rights and status under this Franchise Agreement.

ii. You may only operate a real estate brokerage business from your Licensed Location unless Raveis permits you, in writing, to conduct other activities. "Real Estate Brokerage" means acting as a real estate broker for others, including selling, buying, auctioning, leasing, or renting of all real estate and improvements to real estate, only from the Licensed Location in exchange for fees, commissions or other compensation excluding barter. Property management services shall be deemed to be excluded from the description of "Real Estate Brokerage" services.

You are required to meet certain quality service standards that Raveis may establish periodically, and your customer service may be monitored through a client survey developed by Raveis. Raveis also may conduct investigations of customer complaints about your performance and may require you to resolve a complaint to our satisfaction.

You shall conduct your business seven (7) days a week (excluding certain national and state holidays) during normal business hours, as defined in the Operations Manual.

iii. You must purchase certain signs, advertising materials, supplies, services and other products and materials for the operation of your franchised office solely from suppliers (including distributors, manufacturers, and other sources) who have been approved ("Approved Supplier(s)") in writing by Raveis, which Raveis may change, in its sole and absolute discretion, from time to time. Vendors who are not on the Approved Supplier list may apply to become approved, and you may recommend new suppliers to Raveis.

iv. Raveis maintains a list of Approved Suppliers. Raveis will provide you with its standards and specifications and/or design standards and the names and addresses of Approved Suppliers prior to the opening of your franchised office. Specifications may be modified on 30 day's advance notice to you. Raveis may update its list of Approved Suppliers from time to time.

v. If you desire to purchase any items from an unapproved supplier, you must submit to Raveis a written request for approval. Raveis' approval will not be unreasonably withheld but must be obtained in writing. Raveis may require that you submit specifications, samples, photographs or other relevant information in order to evaluate your request. Raveis will respond

to a request for approval within 45 days or sooner. Raveis may periodically require that new samples be delivered to us or our designee for testing, and that Raveis be permitted to re-inspect the supplier's facilities. Raveis may revoke our approval if any supplier or products fails to continue to meet our standards and specifications.

vi. Raveis maintains a written list of approved items of equipment, fixtures, furniture, computer hardware and software, and other items (by brand name and/or by standards and specifications) and a list of preferred suppliers ("Preferred Supplier(s)") for those items. Raveis updates its list of Preferred Suppliers from time to time. The list of approved items will be updated from time to time. You are not obligated to use Preferred Suppliers so long as the selected suppliers meet system standards.

vii. The Kelsey Company, a Connecticut title insurance company, is one of Raveis' affiliates. Unless waived by us in writing, if your office is in Connecticut, you are required to display marketing collateral material for the Kelsey Company at your office and may not display marketing collateral material for a competing title insurance company. It is a Preferred Supplier for title insurance services in the State of Connecticut. You may recommend to your customers that they utilize The Kelsey Company's services, but you are not obligated to do so. You may recommend any other title company licensed to do business in the State of Connecticut if you desire. Raveis derives no income from The Kelsey Company from any referrals you may choose to make.

viii. Raveis may negotiate purchase arrangements with certain suppliers, including price terms, for the benefit of all the franchisees. Otherwise, Raveis provides no material benefits to its franchisees based upon a franchisee's use of designated or approved sources.

10. DEFAULT AND TERMINATION

A. *Non-Arbitrable Defaults.* Raveis may not terminate this Agreement prior to the expiration of its term except for "good cause", which shall include the occurrence of any event of default described in this sub-paragraph A or in sub-paragraph B hereinafter. Upon the occurrence of any event of default described in this Paragraph A, Raveis may, at its option, and without waiving its rights hereunder or any other rights available at law or in equity (including its rights to damages), terminate this Agreement and all of your rights hereunder and all other Franchise Agreements pursuant to Paragraph 4.B. effective immediately upon the date Raveis gives written notice of termination, or upon such other date as may be set forth in such notice of termination, or in those instances enumerated below, automatically upon the occurrence of, or the lapse of the specified period, following an event of default. The occurrence of any one or more of the following events shall constitute an event of default and grounds for termination of this Agreement by Raveis as set forth herein:

i. If you fail to pay any financial obligation (other than Promissory Notes) due pursuant to this Agreement and fail to cure such failure to pay within fifteen (15) days after date of receipt of Raveis' written Notice to Cure;

ii. If you or any person owning an interest in the franchise is convicted of a felony or a crime of moral turpitude, or if you are convicted of any crime or offense relating to or relevant to the operation of the franchised business;

iii. If you become insolvent or make a general assignment for the benefit of creditors, or if a petition in bankruptcy is filed by you, or such a petition is filed against and consented to by you, or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for your business or assets is filed and consented to by you, or if a receiver, trustee or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed;

iv. If you are reasonably determined by Raveis to have under-reported by two percent (2%) or more your GCI to Raveis on two (2) or more occasions during the term of this Agreement, whether you subsequently rectify such deficiency or not. Notwithstanding the provisions of Paragraph 20 hereof (Arbitration), issues regarding the deficiencies enumerated in this Paragraph 10, Sub-paragraph A and Raveis' right to terminate this Agreement based thereon, shall not be subject to arbitration;

v. If you (if the franchisee is a corporation, partnership or LLC, then if any partner, shareholder or member of an LLC owning fifty percent (50%) or more of the franchise) die or becomes disabled and (a) the franchise is not extended, and (b) you fail to assign the franchise pursuant to the conditions imposed under Paragraph 12.B. (Assignment by Franchisee);

vi. If you suffer cancellation or termination, or fail to renew or extend the lease or sublease, or otherwise fail to maintain possession of the Licensed Location occupied by the franchised Office and fail to secure suitable alternative premises at a location approved by Raveis;

vii. If you fail to timely develop, equip and fixture the franchised premises pursuant to Raveis requirements, standards and specifications and you fail to cure such deficiency within fifteen (15) days after receipt of Raveis' notice to cure;

viii. If you, without written permission first obtained from Raveis, disclose any trade secrets, confidential information or make any unauthorized use of the confidential Operations Manual which Raveis loans to you;

ix. If there is any violation of any Transfer or Assignment provisions contained in Paragraph 12 B, C or D of this Agreement;

x. If you fail to select an acceptable site within sixty (60) days of the date of this Agreement or open for business under the Raveis Proprietary Marks pursuant to Raveis' standards of operation by the Impact Date;

xi. If you have been denied any necessary state, federal or municipal license or permit and/or have had such license or permit suspended, revoked or terminated;

xii. If you make any prohibited assignment, sub-license or encumbrance of any of Raveis' Proprietary Marks.

xiii Default of any Promissory Notes payable to Raveis.

B. *Arbitrable Defaults.* Upon the occurrence of any event of default described in this Paragraph B, Raveis may, subject to the provisions hereof regarding arbitration of disputes, at its option, and without waiving its rights hereunder or any other rights available at law or in equity, terminate this Agreement and all of your rights hereunder and all other Franchise Agreements pursuant to Paragraph 4B effective immediately upon the date Raveis gives written notice of termination, upon such other date as may be set forth in such notice of termination, or in those instances enumerated below, automatically upon the occurrence of, or the lapse of the specified period following, an event of default. The occurrence of any one or more of the following events shall, subject to the provisions hereof regarding arbitration of disputes, constitute an event of default and grounds for termination of this Agreement of Raveis as set forth herein:

i. If you fail to perform or breach any covenant, obligation, term, conditions, warranty, or certification herein (other than as specified in Paragraph 10, Sub-paragraph A hereof) and fail to cure such non-compliance within fifteen (15) days from the date of receipt of Raveis' written Notice to Cure;

ii. If you operate your business in a manner contrary to or inconsistent with the Proprietary Marks or Patents or as specified by Raveis in its Operations Manual, and you fail to cure such deficiency within fifteen (15) days from the date of receipt of Raveis' written Notice to Cure;

iii. If you fail, for a period of fifteen (15) days after receipt of notice of non-compliance, to comply with any law, ordinance, or regulation applicable to the operation of your business including, without limitation, any health or safety law;

iv. If you abandon or cease to operate your business for a period of seven (7) days or more;

v. If you have made any materially false statement to Raveis in connection with your application for this franchise;

vi. If you fail, on three (3) or more occasions during any calendar year to submit, on a timely basis, the reports and statements required by the terms of this Agreement or any other reports and statements required by this Agreement;

vii. If you receive from Raveis two (2) or more Notices to Cure the same or similar defaults or violations of this Agreement during any twelve (12) month period, or four (4) or more Notices to Cure any default or violation of this Agreement during the term hereof, or any renewal.

If Raveis gives you a Notice to Cure pursuant to this Paragraph 10, Sub-paragraph B, you may within fifteen (15) days following the receipt of such notice request arbitration pursuant to Paragraph 20 hereof concerning whether you have an obligation to cure any alleged deficiency set for in this Paragraph 10, Sub-paragraph B, if such deficiency has not already been corrected. If you attempt to correct any such deficiency within said fifteen (15) day period, and so notify Raveis of such correction, Raveis shall advise you within ten (10) days of the date of receipt of the notice, whether the alleged deficiency has been corrected, and if such advice is in the negative, then you shall have fifteen (15) days thereafter from date of receipt to request arbitration.

C. *Mutual Agreement* . Except as hereinabove set out, this Agreement may be terminated prior to the expiration date only by mutual agreement of Raveis and you, which mutual termination agreement must be reduced to writing and signed by both Raveis and you.

D. *Statutory States* . The following states have statutes which may supersede this Agreement in your relationship with Raveis, including the areas of termination and renewal of your franchise. ARKANSAS [Stat. Section 70-807]; CALIFORNIA [Bus. & Prof. Code Sections 20000-20043]; CONNECTICUT [Gen. Stat. Section 42-133e et seq.]; DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551 et seq.]; HAWAII [Rev. Stat. Section 482E-1]; ILLINOIS [815 ILCS 705/1-44]; INDIANA [Stat. Section 23-2-2.7]; IOWA [Code Sections 523H.1-523H.17]; MICHIGAN [Stat. Section 19.854(27)]; MINNESOTA [Stat. Section 80C.14]; MISSISSIPPI [Code Section 75-24-51]; MISSOURI [Stat. Section 407.400]; NEBRASKA [Rev. Stat. Section 87-401]; NEW JERSEY [Stat. Section 56:10-1]; RHODE ISLAND [General Laws Sections 6-50-1 et seq.]; SOUTH DAKOTA [Codified Laws Section 37-5A-51]; VIRGINIA [Code 13.1-557-574-13.1-564]; WASHINGTON [Code Section 19.100.180]; and WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the franchise in your relationship with Raveis, including the areas of termination and renewal of this Agreement. See **Schedule AD** State Addenda for more information.

E. *Post-Termination*. Upon expiration, non-renewal, or termination of this Agreement, you shall immediately cease to be a licensed Raveis franchisee, and:

i. Shall promptly pay all sums owing to Raveis. In event of termination by Raveis due to a default by you, said sums shall include all damages, costs, and expenses, including reasonable attorney's fees incurred by Raveis in connection with such termination or in connection with recovering sums owing Raveis with or without suit or arbitration.

ii. Shall pay to Raveis, all damages, costs, and expenses, including reasonable attorney's fees, incurred by Raveis subsequent to the termination of the Agreement as herein provided in obtaining injunctive relief which may be reasonably required by Raveis to protect its interests in connection with such termination and its Proprietary Marks.

iii. Shall immediately cease to use, by advertising or in any manner whatsoever, the Proprietary Marks, any business methods associated with the name "William Raveis®", similar names which may be confusing to the public, and any forms, manuals, slogans, signs, marks, symbols, or devices used in connection with the operation of a Raveis franchise. You further agree, upon any such termination, to cease and refrain from holding yourself out to the public in any way as affiliated or in any way connected with Raveis, and to distinguish your business, if any, thereafter so clearly from that of Raveis as to avoid all possibility of any confusion by the public, including the removal of any reference to your relationship with Raveis. If you retain possession of your site, you shall make such reasonable modifications to the exterior and interior, including removal of any distinctive decor, signage, trade dress, designs and trade fixtures, to minimize its identification as a William Raveis Office.

iv. Shall immediately turn over to Raveis all Operations Manuals, forms, marketing materials, form agreements, and files, instructions, and similar materials, and shall retain no copy or record of any of the foregoing, excepting only your copy of this Agreement, and any documents which you reasonably need for compliance with any legal requirements.

v. Shall immediately and continuously refrain, when receiving telephone calls, from identifying with, or referring to, the Proprietary Marks sublicensed herein. If your franchise was terminated or not renewed for cause, you shall terminate all classified, directory listings and domain name listing of the franchised Office and shall not refer to any succeeding business as a former Raveis Office.

vi. Shall, to the extent applicable, comply with the post-term covenant not to compete and the confidentiality provisions contained in Paragraph 15.B. and C.

11. FRANCHISEE'S INTEREST UPON TERMINATION OR NON-RENEWAL

Upon termination of this Agreement whether by you, by Raveis or by expiration or non-renewal, you will receive no payment or adjustment whatsoever for any goodwill you may have established either prior to or during its operation of the franchise. You shall retain your equipment, leasehold improvements, fixtures, and furniture, as Raveis has no obligation to buy the same from you, unless otherwise provided by law. If Raveis is required to purchase your equipment or leasehold improvements or both upon termination of this Agreement, pursuant to state or federal law or judicial order, the purchase price shall be computed at your cost less depreciation and amortization based upon a five (5) year life under the straight-line method. If Raveis has assignment rights in any lease or sublease, it may elect to exercise those rights.

12. ASSIGNABILITY

A. *Assignment by Raveis.* This Agreement and all rights and duties hereunder may be assigned or transferred by Raveis at its sole and absolute discretion to any person or legal entity which agrees to assume Raveis' obligations hereunder, and shall be binding upon and inure to the benefit of Raveis' successors and assigns including, without limitation, any entity which acquires all or a portion of the capital stock of Raveis or any entity resulting from or participating in a merger, consolidation or reorganization in which Raveis is involved, and to which Raveis' rights and duties hereunder are assigned or transferred.

B. *Assignment by Franchisee.* This agreement is personal to you, and you shall not sell, assign, sub-franchise, transfer or encumber the franchise (including the Franchise Agreement) nor any interest therein, nor shall you suffer nor permit any such sale, assignment, transfer or encumbrance to occur by operation of law, without Raveis' prior written consent. Further, if you are a corporation, partnership or LLC, no person owning an interest therein or owning shares of stock in the franchisee shall sell, assign, sub-franchise, transfer nor encumber any such interest or shares of stock if such a sale, assignment, sub-franchise, transfer or encumbrance shall result in a transfer of effective control over the franchisee, without Raveis' prior written consent. Any of the transactions previously described in this paragraph shall be referred to hereinafter as an "Assignment". An attempted Assignment, other than as permitted in the Franchise Agreement, shall be null and void and shall constitute a breach of the Franchise Agreement, and the Franchise Agreement shall be thereafter subject to termination by Raveis.

If you want to make a permitted Assignment (a) of this Agreement, or (b) a controlling interest in the franchisee entity, or (c) in a series of transfers which, in the aggregate, constitute the transfer of a majority interest in the franchisee entity, all the following conditions must be met prior to or concurrently with the effective date of the transfer:

i. You must satisfy in full all obligations to Raveis and others (including vendors and suppliers) arising out of the operation of the franchise, and the Assignee must agree to assume and discharge all obligations to Raveis and others arising out of the franchise; provided, however, that any such agreement by the Assignee shall not relieve you of its obligations under this Franchise Agreement. If the Assignee is an entity, the principals must sign a personal guaranty.

ii. The Assignee (or its principals of the Assignee if an entity) shall have sufficient financial resources and a satisfactory credit rating to be able to properly conduct the franchised business.

iii. The principals of the Assignee shall agree to meet with Raveis' staff and agree to take such personnel tests as may be required by Raveis to evaluate their resources, aptitude and capability to own and operate the franchise.

iv. The Broker and Manager of the Assignee must agree to undergo the training required of new franchisees and to pay Raveis a training fee of Four Thousand Five Hundred Dollars (\$4,500.00) (as adjusted by any increase in the CPI), which sum is due prior to the effective date of the assignment. Up to two persons may attend the training sessions: The assignee (or, in the case of a corporation, partnership or LLC, one of its principals) and the assignee's manager. The assignee shall pay for the cost of food, lodging and travel. The training fees are non-refundable and are payable prior to the date of transfer. If the trainees fail to successfully complete the training program, Raveis may terminate the Franchise Agreement. If the Assignee is an active broker, who conducts business at an existing office, the training fee is \$2,500, subject to the same conditions as stated above.

v. The Assignee (or the principals of Assignee if an entity) must be a licensed real estate broker.

vi. If permitted by applicable law, you shall execute a general release, under seal, in a form satisfactory to Raveis, of all claims against Raveis, its shareholders, directors, officers, employees and agents.

vii. Raveis must approve the economic terms and conditions of such Assignment, including, without limitation, that in the opinion of Raveis the price and terms of payment are not so burdensome as to adversely affect the ability of the Assignee to operate the franchised business.

viii. Upon Raveis' approval of such Assignment, the Franchise Agreement currently in force shall be cancelled, the Assignee shall be required to execute the then-current form of Franchise Agreement generally issued by Raveis to Raveis' franchisees, and, prior to the assignment, you shall pay a non-refundable transfer fee of Seven Thousand Five Hundred

(\$7,500.00) Dollars (as adjusted by any increase in the CPI) to defray legal and administrative and accounting fees and expenses Raveis incurs in connection with the transfer. Said sum is payable prior to the date of transfer.

ix. If you finance any part of the purchase price of the transferred interest, you and/or its owner agree that all obligations of the Assignee under or pursuant to any promissory notes, agreements or security interests reserved by the you or its owners in the assets of the franchised business or the franchised premises shall be subordinate to the Assignee's obligations to pay royalty fees, marketing fees and other amounts due to Raveis.

x. You must make such repairs, renovations and modifications to the Licensed Location and equipment to conform to Raveis' then-current standards for design, trade dress, decor, equipment and signs.

C. Assignment by Shareholders, Partners or Members. If the franchisee is a corporation, partnership or LLC, the cumulative transfer of a majority of the stock (in the case of a corporation) or a majority interest (in the case of a partnership or LLC), whether in one or more transactions, shall be deemed to be a prohibited Assignment herein without the written consent of Raveis.

D. Assignment to New Entity. This Franchise Agreement may, on one occasion, be assigned to a newly organized, closely held corporation, partnership, or LLC in which you own a majority of the issued and outstanding capital stock of the corporation or a majority interest in the partnership or LLC as long as the following conditions are met:

i. An individual who owns at least fifty-one (51%) percent of the entity shall either: (a) actively manage the entity and continue to devote his/her time and best efforts to the business of the franchise;

ii. The entity is newly organized, and its business activities are confined exclusively to acting as a Raveis franchisee;

iii. The entity must agree to become a party to, and be bound by, the provisions of this Franchise Agreement executing such documents as are required by Raveis.

iv. The franchisee, all shareholders of the corporation, all members of the LLC and/or all partners must agree to remain personally liable and to execute a Personal Guaranty in the form approved by the Raveis as set forth on **Schedule PG** annexed hereto.

v. The corporate stock certificates or LLC certificates of membership must contain a legend that they are subject to the terms of this Franchise Agreement and the shareholders, partners or member of the LLC, as the case may be, must agree that they will not sell, assign, pledge or otherwise encumber their interest in the entity, except in compliance with this Agreement. In the case of a partnership or an LLC, if there are no certificates of membership, the partners or members shall sign and deliver an affidavit to Raveis verifying this fact.

vi. You must not be in default of this Agreement.

vii. You shall submit to Raveis prior to any proposed transfer of any equity or voting interest in the franchisee's entity, and at any other time upon request, a list of all holders of direct or indirect equity and voting interest of record reflecting their respective present and/or proposed direct or indirect interests in the franchisee, in such form as Raveis may require.

E. *Right of First Refusal.* Except for transfers pursuant to subparagraphs D and F, you may not sell, transfer, lease or sublet any interest in the Raveis franchise or in the equipment used therein without first offering the same to Raveis in writing at a stated price and stated terms which Raveis may accept in writing at any time within forty-five (45) days from receipt of the written offer by you. If Raveis declines or does not accept the offer, you may thereafter sell or dispose of the business to a third party, but not at a lower price nor on more favorable terms than have been offered to Raveis. If the franchised business is not sold by you within six (6) months from the date it is offered to Raveis, then you must re-offer to sell to Raveis prior to the sale to a third party.

F. *Transfers to Family Members.* You, or if you are an entity, the principals, if individuals, may, with Raveis' consent, which will not be unreasonably withheld, transfer the Franchised business, or an equity interest therein, to such person's spouse, parent, or lineal descendants if a person, satisfactory to Raveis, manages the business and the transferee guarantees the performance of the Franchise Agreement and payment of all fees. If the Transferor fails to provide for continuity of management satisfactory to Raveis, it may, in its sole discretion, reject the application for transfer.

G. *Raveis' Right to Purchase Franchise.* Upon termination of the Agreement for any reason other than your decision not to renew the Agreement at the end of this then current term, or if you desire, prior to the termination of the Agreement, to discontinue the operation of the Raveis franchise for any reason other than a sale to a third party, you must give Raveis a written offer to sell your entire interest in the business and all related personal property. If, within thirty (30) days after receipt of the written offer from you, the parties are unable to agree on the purchase price and terms, then the fair market value of the business or property will be determined by an independent appraiser mutually selected by both parties. The cost of appraisal shall be equally divided between the parties. If the parties are unable to mutually agree upon an appraiser, then the fair value of the business will be determined by arbitration per the Commercial Rules of the American Arbitration Association and the location of the hearing shall be in Shelton, Connecticut. The cost of arbitration under this sub-paragraph shall be equally divided between the parties. The decision of the appraiser (or the American Arbitration Association) will be conclusive, and the appraisal shall not consider or include any value for goodwill or going concern value created by the name, trademarks, service marks, logos, commercial symbols and business system licensed to you. Raveis has the right at any time within thirty (30) days after receipt of the written decision of the appraiser (or American Arbitration Association), to purchase the business and the property at the valuation fixed by the appraisal and upon such terms and conditions that Raveis may determine, provided the same are commercially reasonable.

H. *Death or Disability.* In the event of your death or your total and permanent disability, or that of any partner, shareholder or member of an LLC owning fifty percent (50%) or more of the franchised business, such person or the legal representative of you, or the partner, shareholder or member of an LLC shall, within sixty (60) days of such death or disability either:

i. Make application to Raveis for permission to operate the franchised business for the remainder of the term of the franchise. Raveis shall apply the same standards to a transfer hereunder as it would to an assignment under Paragraph 12B above, except that you shall not

be required to pay a Transfer Fee. However, Raveis shall charge a training fee of Two Thousand Five Hundred (\$2,500.00) Dollars (as adjusted by any increase in the CPI) if the application is granted. The training fees are non-refundable, and are payable prior to the date of transfer; or

ii. Assign the franchise and Franchise Agreement in accordance with the assignment provisions in Paragraph 12 of this Agreement. In the event the application to continue the franchise is rejected by Raveis, the franchisee, partner, shareholder or member of an LLC owning fifty percent (50%) or more of the franchise and business shall have sixty (60) days from the date of such rejection to make such assignment.

iii. Raveis shall determine whether to accept or reject the application for permission to continue the franchise within thirty (30) days from the date of receipt of the same. Failure to act within the thirty (30) day period shall be deemed to be a rejection of the application.

I. **Controlling Laws.** If an individual franchisee dies, and if, under the controlling local laws, the decedent's franchise interest in the business premises, the franchise and Franchise Agreement are distributable to heirs or legatees who are members of his immediate family, and who otherwise would qualify as assignees, then such assignment by operation of law or by Will shall not be deemed a violation of the Franchise Agreement, so long as the heirs or legatees accept the conditions imposed on otherwise permitted Assignees.

13. MODIFICATIONS TO THE FRANCHISE SYSTEM

You understand and agree that, due to changes in competitive circumstances, the economy, presently unforeseen changes in the desires and needs of clients and/or presently unforeseen technological innovations, the Raveis System must not remain static, in order that it best serve the interests of Raveis, the Raveis System and you. Accordingly, you understand and agree that Raveis may from time to time, at no cost to Raveis, change or upgrade the components of the Raveis System, including, but not limited to, altering the programs, products, services, computer systems, (including software) methods, equipment, standards, forms, policies and procedures of that system; adding to, deleting from or modifying those programs, products, equipment standards and services which your Office is authorized to offer; and, upon at least sixty (60) days' advance notice to all franchisees, changing, improving, modifying or discontinuing any of the Proprietary Marks. Subject to the other provisions of this Agreement, you expressly agree to abide by any such changes. Raveis may, from time to time, become associated with, or adopt, additional or different Proprietary marks which may be used in the system.

14. WAIVER

No failure of Raveis to exercise any of the rights and options granted hereunder, or to insist upon strict compliance by you, and no custom, practice, or course of dealing or course of conduct of the parties at variance with the terms hereof shall constitute any waiver of Raveis' right to demand exact compliance with the terms hereof. A waiver by Raveis of any specific default shall not affect or impair the rights of Raveis with respect to any subsequent default of the same or different nature, nor shall any delay or omission to exercise any rights arising from a default affect or impair rights of Raveis to such default or any subsequent default.

15. COVENANT NOT TO COMPETE; CONFIDENTIALITY

A. *In-Term Covenant Not to Compete.* During the term of this Agreement, you, your principal if you are an entity, and all Guarantor(s) of this Agreement covenant not to engage in any real estate sales and/or brokerage business as an independent business or as a franchisee under a different franchise system (except that contemplated by the Franchise Agreement). The purpose of this provision is to encourage you and all Guarantor(s) to use your or their best efforts to promote the Raveis franchise.

B. *Post-Term Covenant Not to Compete.* If you are not in compliance with this Franchise Agreement upon termination of this Agreement, then upon the termination of this Agreement by Raveis or you, you and all Guarantors hereof covenant, for a period of six (6) months after such expiration or termination not to engage, as an owner, employee, shareholder, partner or member of an LLC or in any managerial capacity, or as a consultant, in the operation of any real estate brokerage business under a license agreement or franchise agreement at your Licensed Location or within a twenty (20) mile radius of your Licensed Location.

Notwithstanding the above, you agree that, for a period of six (6) months after such expiration or termination, you:

- i. will not divert or attempt to divert any customers (located within the Service Area) to any competitor, by direct or indirect inducement or otherwise;
- ii. will not seek to employ or seek to employ any person who is employed by Raveis or by any other Raveis franchisee, or otherwise directly or indirectly induce such person to leave his or her employment.

This Agreement does not prohibit ownership by you, for investment purposes only, of up to ten percent (10%) of the outstanding securities of any corporation whose securities are publicly held and traded.

You and all Guarantors further separately agree that, during the term of this Franchise Agreement and for a period of two (2) years following the termination or expiration of this Agreement, you will not divulge to or use for the benefit of any person, association or corporation outside of the Raveis System, any confidential information or knowledge concerning client lists, potential clients, the methods, business techniques, know-how, advertising techniques or any other systems or methods of operation of Raveis franchised business which you may have acquired by virtue of its operations under this Agreement, nor will you do any deliberate act prejudicial or injurious to the good will or name of Raveis. Information furnished to employees shall be reasonably limited to that which directly relates to such employee's duties and assists in the proper performance of such duties as same relate to the operation of a Raveis franchise.

This Agreement is entered between the parties with full knowledge of its nature and extent, hereby acknowledging that the qualifications for a Raveis franchise are special, unique, and extraordinary, and that the Franchise Agreement would not be entered into by Raveis except upon condition that the restrictive covenants contained in this Agreement be embodied therein and that, as such, they be enforceable by injunctive relief and/or any other available remedy.

C. Confidentiality. You acknowledge that if any aspect of the System or of the Operations Manual or any of Raveis policies are disclosed, it could substantially harm Raveis, you, other franchisees and agents of Raveis. You agree that, during or after the term of this Agreement, you will not disclose, or permit any of your employees or agents to disclose, any confidential information, data or techniques designated or treated by Raveis as confidential, including trade secrets, to any person, partnership, corporation, LLC, or other entity. All information, data, techniques, and know-how developed or assembled by you or your employees or agents relating to the System is deemed to be confidential information under this Agreement. If you violate this provision, then, because anticipated damages are uncertain in amount and difficult to prove, and because Raveis and you wish to liquidate said damages in advance, provided Raveis is not in default, you will pay Raveis, thirty (30) days after demand, the non-refundable sum of Fifty Thousand Dollars (\$50,000.00) as liquidated damages and not as a penalty.

16. INDEMNIFICATION

You agree at all times to defend at your own cost, and to indemnify and hold harmless to the fullest extent permitted by law, Raveis, the corporate subsidiaries, affiliates, successors, assigns and designees of Raveis and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (Raveis and all other hereinafter referred to collectively as "Indemnitees") from all losses and expenses (as hereinafter defined) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof, which arises out of or is based upon any of the following: your alleged violation or breach of any contract, federal, state or local law, regulation, ruling, standard or directive or of any industry standard; libel, slander or any other form of defamation by you; your alleged violation or breach of any warranty, representation, agreement or obligation in this Agreement; any acts, errors or omissions of you or any of your agents, servants, employees, contractors, partners, proprietors, affiliates or representatives; latent or other defects in the franchise, whether or not discoverable by Raveis or you; the inaccuracy, lack of authenticity or nondisclosure of any information by any client of the franchise; any service provided by you at, from or related to the operation of the franchise; any services or goods provided by any affiliated or nonaffiliated participating entity; any action by any client of the franchise; and, any damage to your property or that of Raveis, its agents or employees, or any third person, firm or corporation, whether or not such losses, claims, costs, expenses, damages, or liabilities were actually or allegedly caused wholly or in part through the active or passive negligence of Raveis or any of its agents or employees, or resulted from any strict liability imposed on Raveis or any of its agents or employees.

As used in this paragraph, the words "losses" and "expenses" includes all fines, taxes, suits, actions, proceedings, claims, damages, charges, costs, expenses, liabilities, losses, judgments, actual, compensatory, consequential, exemplary or punitive damages, lost profits, cost of investigation and proof of facts, reasonable attorneys', accountants' and expert witness fees (whether or not a suit has been filed), other litigation expenses, travel and living expenses, settlement amounts, compensation for damages to reputation or goodwill, costs resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and costs of refunds, compensation and public notices.

You agree to promptly give Raveis notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At your expense and risk, Raveis may elect to exclusively assume (but under no circumstance is obligated to undertake) the defense and/or settlement of any such action, suit,

proceeding, claim, demand, inquiry, or investigation, if Raveis will seek your advice and counsel, and shall keep you informed, with regard to any such proposed or contemplated settlement(s). Such an undertaking by Raveis shall in no manner or form diminish your obligation to indemnify Raveis and to hold it harmless. You agree to cooperate with Raveis in the defense of any claim and not to settle, compromise or otherwise resolve any claim or proceeding to which Raveis is a party or that may affect its interests without its written consent.

Under no circumstances shall Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses to maintain a claim against you. You agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by Indemnitees from you.

Notwithstanding anything to the contrary, you shall not be required to indemnify Raveis with respect to any matter provided for in this Paragraph unless it is attributable to your acts or fault.

Your indemnification obligations will survive the expiration or termination of the franchise for as long as any potential for liability under any applicable law, rule, statute, ordinance, or judicial decision remains. In this regard, to the maximum extent permitted by law, Raveis and you each waive the effect of any statute of limitation that would, by lapse of time, limit Raveis' or your indemnification obligations.

17. NOTICES

All notices hereunder shall be sent by registered or certified mail, to the parties at their respective addresses as shown on the first page of this agreement, but they may from time to time send to the other by such mail written notice of change of address.

18. SEVERABILITY OF AND AMENDMENTS TO AGREEMENT

A. *Invalidity*. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining portion, which remaining portion shall remain in full force and effect as if this agreement had been executed with the individual portion thereof eliminated, and it is hereby declared the intention of the parties hereto that they would have executed the remaining portions of this agreement without including therein any such part, parts or portions which may for any reason be hereafter declared invalid.

B. *Modification*. This Agreement shall not be modified or amended except in writing and signed by all parties to this Agreement.

C. *Course of Dealings*. No previous course of dealing, course of conduct, custom, practice or usage in trade not specifically set forth in this agreement shall be admissible to explain, modify or contradict this agreement.

19. RIGHTS OF SUCCESSORS AND ASSIGNS

All rights of Raveis under this Agreement shall inure to the benefit of its successors and assigns. This Agreement shall benefit and bind you, your heirs and assigns and, if the franchisee is a corporation, partnership or LLC, its successors and assigns.

20. ARBITRATION

A. *Arbitration of Disputes.* All reasonable efforts shall be made to settle amicably any dispute between the parties arising, during the effective period hereof, out of or because of this Agreement, its interpretation, or the construction or performance thereof. In the event a mutual settlement or resolution of any such dispute cannot be achieved within thirty (30) days after written notice by either party to the other requesting arbitration (the "Arbitration Notice"), the dispute (subject to certain exceptions set forth in Paragraph B) shall be submitted for arbitration in accordance with the Expedited Procedures of the Commercial Arbitration Rules of the American Arbitration Association. The arbitration and award shall be in accordance with the rules and regulations then obtaining of the American Arbitration Association.

B. *Arbitration Procedures.* Except as set forth in Paragraph 10, Sub-paragraph A and Paragraph 20, Sub-paragraph H hereof, the provisions relating to arbitration shall be applied to any alleged breach, interpretation, construction or performance of this Agreement and any other disputes, including, but not limited to torts, misrepresentations (arising prior to the execution of this Agreement or otherwise), federal and state claims, and other non-contractual claims, including unfair trade practices or similar claims, that may arise from time to time during the effective period hereof, but all other rights and privileges of the parties hereto under any other provisions of this Agreement shall not be affected by any such arbitration procedures. The arbitrators shall have no right to include or decide issues not directly involved in any dispute before them. The decision of the arbitrators shall be legally binding upon the parties thereto and judgment upon the award may be rendered in any court of competent jurisdiction. The location of any arbitration proceedings shall be in the county where Raveis has its principal place of business at the time arbitration proceedings are commenced (presently Fairfield County), unless state law requires that arbitration is to be in the state where your franchised business is located. The arbitrators may not award prejudgment interest or punitive damages to any party. The arbitrators shall follow the substantive body of federal and Connecticut law. Any arbitration will be conducted on an individual, not a class-wide, basis. Any disputes concerning the enforceability, jurisdiction or scope of the arbitration clause or any part of it shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. § 1 et seq. ("FAA") and the parties agree that the FAA preempts any state law restriction (including the site of the arbitration) or the enforcement of the arbitration clause in this Agreement.

C. *Arbitration Fees and Costs.* Each party shall pay his or its pro-rata share of arbitrator's fees. Each party shall pay his or its own American Arbitration Association filing and administration fees, the cost of stenographic records and all other expenses of arbitration.

D. *Statute of Limitations.* You and Raveis agree that no arbitration and no other form of proceeding permitted hereby will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this agreement or otherwise, unless brought before the expiration of the earlier of (i) one (1) year after the date of discovery of the facts resulting in such liability or obligation, or (ii) two (2) years after the date of the first act or omission giving rise to such alleged liability or obligation, except that where state or federal law mandates or makes possible, by notice or otherwise, a shorter period, such shorter period shall apply; provided that an action to enforce a judgment obtained in any arbitration or other proceeding permitted hereby may be brought as permitted by law.

E. *Confidentiality.* Except as, and to the extent expressly provided to the contrary by law, you and Raveis shall maintain all aspects of the arbitration proceeding in confidence and shall not

disclose any information about the proceeding to any third party, other than legal counsel, who shall be required to maintain the confidentiality thereof.

F. *Limitation of Liability.* You represent, warrant, and agree that the sole entity against which you may seek damages or any remedy at law or in equity for any claim arising out of or relating to this agreement is Raveis or its successors or assigns. You represent, warrant, and agree that the shareholders, directors, officers, employees and agents of Raveis and its affiliates shall not be liable or named as a party in any arbitration or legal action commenced by you. You acknowledge that Raveis has relied upon this representation in executing this agreement. You agree with Raveis, and Raveis agrees with you, that neither shall have the right to claim exemplary, punitive, consequential, or special damages from the other arising from or with respect to the performance or non-performance of this Agreement or any acts or omissions associated therewith or related thereto.

G. *Operation of Franchised Business During Arbitration.* If this Agreement shall be terminated by Raveis and you dispute the validity thereof and submit such dispute for arbitration as hereinabove set forth, whichever party (Raveis or you) continues to operate the franchise pending adjudication of the matter in dispute shall be considered the agent of the prevailing party and shall be required to make a full and complete accounting of the results of such operation to the prevailing party.

H. *Non-Applicability to Post-Termination Remedies.* Notwithstanding the provisions of this Paragraph 20, Raveis shall be entitled to pursue in any court having jurisdiction any post-termination remedies, including, but not limited to, injunctive relief to enforce the covenant not to compete, confidentiality provisions, post-termination provisions and trademark provisions provided by this Agreement or as permitted by law or in equity.

21. GENDER

In all cases where the context so requires, the masculine gender shall include the feminine and neuter genders, and the singular shall include the plural and the plural shall include the singular.

22. TAXES, LIENS, ETC.

A. *Pay Taxes.* You shall promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all obligations to third parties incurred by you in the conduct of the Office. You shall pay to Raveis an amount equal to any gross receipts tax, or similar tax imposed on Raveis by any governmental authority with respect to any payments to Raveis required under this Agreement, unless the tax is credited against income tax otherwise payable by Raveis.

B. *Comply with Laws.* You shall comply with all federal, state, and local, laws, rules, and regulations, and shall timely obtain all permits, certificates, or licenses necessary for the full and proper conduct of the Raveis Office, including, without limitation, a brokerage license to conduct business, fictitious name registration, sales tax permits, fire clearances and zoning approvals.

C. *Reimburse Taxes.* You shall reimburse Raveis all applicable municipal, state, county and/or federal sales taxes which now, or in the future, may be imposed on Raveis with respect to this franchise and the services performed and to be performed by Raveis for you, including royalty fees and advertising fees.

23. RELATIONSHIP BETWEEN PARTIES

This Agreement does not in any way create the relationship of joint venture, partnership, association or principal and agent between Raveis and you. You shall not act or attempt to act, or represent yourself, directly or by implication, as agent for Raveis or in any manner assume or create or attempt to assume or create any obligation on behalf of or in the name of Raveis, nor shall you act or represent yourself as an affiliate of any other franchise holder of Raveis.

24. INTEGRATION

This Agreement and all exhibits constitute the entire Agreement between the parties hereto relating to the subject matter hereof, and it supersedes all prior and contemporaneous agreements, understandings, conditions, warranties, and representations (except to the extent otherwise set forth in this Agreement and in the Franchise Disclosure Document which you have received in connection herewith).

25. CONSENT TO JURISDICTION AND FORUM SELECTION

The parties hereto agree that in the event of litigation it is in their best interest to resolve disputes between them in an orderly fashion and in a consistent manner. Therefore, the parties hereby agree as follows:

A. *Consent to Jurisdiction.* You consent and agree that the following courts shall have personal jurisdiction over you in all lawsuits relating to or arising out of this Agreement and you hereby waive any defense you may have of lack of personal jurisdiction in any such lawsuits filed in these courts: (i) all courts included within the state court system of the State of Connecticut; and (ii) all courts of the United States of America sitting within the State of Connecticut including, but not limited to, all the United States District Courts sitting within the State of Connecticut.

B. *Venue.* You consent and agree that venue shall be proper in any of the following courts in all lawsuits relating to or arising out of this Agreement and you hereby waive any defense you may have of improper venue in any such lawsuits filed in these courts: (i) the state court of the county where Raveis has its principal place of business (presently Fairfield County); and (ii) the United States District Court for the District of Connecticut, Bridgeport Division. In the event any of these courts are abolished, you agree that venue shall be proper in the state or federal court in Connecticut which most closely approximates the subject-matter jurisdiction of the abolished court as well as any of these courts which are not so abolished. Lawsuits filed by Raveis against you may be filed in any of the courts named in this Paragraph or in any court in which jurisdiction and venue are proper.

C. *Service of Process.*

i. In all lawsuits relating to or arising out of this Agreement, you consent and agree that you may be served with process outside the State of Connecticut in the same manner as service may be made within the State of Connecticut by any person authorized to make service by the laws of the state, territory, possession or country in which service is made or by any duly qualified attorney in such jurisdiction, and you hereby waive any defense you may have of insufficiency of service of process relating to such service. This method of service shall not be

the exclusive method of service available in such lawsuits and shall be available in addition to any other method of service allowed by law.

ii. CT Corporation System is Raveis' agent authorized to receive service of process. If the agent is changed, Raveis will notify you at your address noted at the beginning of this Agreement.

26. GOVERNING LAW; VALIDITY OF AGREEMENT

This Agreement shall become valid when executed and accepted by Raveis at its principal Office, and the rights and obligations of the parties shall be governed by and construed under and in accordance with the laws of the State of Connecticut, provided, however, that the restrictive covenants contained in Paragraph 15 (Covenant Not to Compete: Confidentiality) hereby shall be governed by, and construed under and in accordance with the laws of the state(s) where such restriction(s) is (are) to apply, and the laws of such state(s) shall determine the enforceability of such covenants to be performed in such state(s).

27. REMEDIES ARE CUMULATIVE

No right or remedy herein conferred upon or reserved to Raveis is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

28. DISCLAIMER

You acknowledge that you have conducted an independent investigation of the Raveis franchise program and recognize that the business venture contemplated by this Agreement involves business risks and will be dependent upon your ability and effort as an independent businessman. Raveis expressly disclaims the making of, and you acknowledge that you have not received, any warranty, guaranty, or representation, expressed or implied, as to the potential volume, profits, revenues, expenses, or success of the business venture contemplated by this Agreement. If you are relying upon any financial or earnings claims of existing Raveis franchisees, you acknowledge that all such information was received directly from such franchisees, or other unaffiliated third parties, and not from Raveis or any agent or affiliate of Raveis. You understand that Raveis does not in any way warrant or confirm the accuracy of any such information.

29. ACKNOWLEDGMENT

You acknowledge that you have received a complete copy of this Agreement and the Schedules referred to herein, in their final, completed form, with all blanks filled in, at least seven (7) days prior to executing this Agreement. You further acknowledge that you have received Raveis' currently effective Franchise Disclosure Document, including all Schedules referred to therein, at least fourteen (14) days prior to executing this Agreement, except for sales in New York and Rhode Island, which require receipt at least ten (10) business days prior to executing the Agreement.

30. CPI

Dollar amounts in this Agreement which are followed by the term "(as adjusted by any increase in the CPI)", shall be adjusted based upon the same percentage change as the percentage change in the Consumer Price Index (Consumer Price Index, 1982-84 = 100, United States City Average, All Urban Consumers, All Items) from December 31, 1989 which was 126.1. For example, when the Consumer Price Index is 145.0, the dollar amount would be increased by 15%.

Signature Page Follows

WITNESSETH: The parties have hereunto set their hands as of the day and year first above written.

FRANCHISOR:
WILLIAM RAVEIS AFFILIATES, INC.

By: _____

Its _____, duly authorized

FRANCHISEE:

By _____

Its _____, duly authorized

_____, individually

_____, individually

ANNEX TO WILLIAM RAVEIS AFFILIATES, INC. FRANCHISE AGREEMENT

ACKNOWLEDGMENTS

Franchise Owner hereby acknowledges the following:

A. FRANCHISE OWNER HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT AND UNDERSTANDS AND ACKNOWLEDGES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON THE BUSINESS ABILITIES AND PARTICIPATION OF FRANCHISE OWNER AND HIS, HER, THEIR OR ITS (HEREINAFTER REFERRED TO AS "IT") EFFORTS AS AN INDEPENDENT BUSINESS OPERATOR. FRANCHISE OWNER AGREES THAT NO CLAIMS OF SUCCESS OR FAILURE HAVE BEEN MADE TO IT PRIOR TO SIGNING THIS AGREEMENT; AND THAT IT UNDERTAKES ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT. THIS AGREEMENT CONTAINS ALL ORAL AND WRITTEN AGREEMENTS, REPRESENTATIONS AND ARRANGEMENTS BETWEEN THE PARTIES HERETO, AND ANY RIGHTS WHICH THE RESPECTIVE PARTIES HERETO MAY HAVE HAD UNDER ANY OTHER PREVIOUS CONTRACTS ARE HEREBY CANCELLED AND TERMINATED, AND NO REPRESENTATIONS OR WARRANTIES ARE MADE OR IMPLIED, EXCEPT AS SPECIFICALLY SET FORTH HEREIN. THIS AGREEMENT CANNOT BE CHANGED OR TERMINATED ORALLY WITHOUT LIMITING THE FOREGOING. FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISE OWNER ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED UPON ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT, OR AS TO THE SUITABILITY OF THE SITE FOR THE OFFICE AS A SUCCESSFUL LOCATION FOR THE OFFICE.

Initials

B. FRANCHISE OWNER HAS NO KNOWLEDGE OF ANY REPRESENTATIONS BY FRANCHISOR OR ITS OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES, AGENTS OR SERVANTS, ABOUT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE DOCUMENTS INCORPORATED HEREIN. FRANCHISE OWNER REPRESENTS, AS AN INDUCEMENT TO FRANCHISOR'S ENTRY INTO THIS AGREEMENT, THAT IT HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

Initials

C. FRANCHISE OWNER ACKNOWLEDGES THAT FRANCHISOR'S APPROVAL OR ACCEPTANCE OF FRANCHISE OWNER'S PREMISES DOES NOT CONSTITUTE RECOMMENDATION OR ENDORSEMENT OF THE LOCATION OF THE OFFICE, NOR ANY ASSURANCE BY FRANCHISOR THAT THE OPERATION OF AN OFFICE AT THE PREMISES WILL BE SUCCESSFUL OR PROFITABLE.

Initials

D. FRANCHISE OWNER ACKNOWLEDGES THAT FRANCHISOR OR ITS AGENT HAS PROVIDED FRANCHISE OWNER WITH A FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN DAYS BEFORE THE EXECUTION OF THIS AGREEMENT OR BEFORE ANY PAYMENT OF ANY CONSIDERATION. FRANCHISE OWNER FURTHER ACKNOWLEDGES THAT FRANCHISE OWNER HAS READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTANDS ITS CONTENTS. IF THE PURCHASE OF THE FRANCHISE OCCURS IN NEW YORK OR RHODE ISLAND, THE FDD MUST BE PROVIDED TO THE FRANCHISEE NOT LATER THAN THE EARLIER OF THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF THE FRANCHISE,

TEN BUSINESS DAYS BEFORE EXECUTION OF THE AGREEMENT OR PAYMENT OF ANY CONSIDERATION.

Initials

E. FRANCHISE OWNER ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED FRANCHISE OWNER WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS, FULLY COMPLETED, AT LEAST SEVEN BUSINESS DAYS PRIOR TO FRANCHISE OWNER'S EXECUTION HEREOF.

Initials

F. FRANCHISE OWNER ACKNOWLEDGES THAT IT HAS HAD AMPLE OPPORTUNITY TO CONSULT WITH ITS OWN ATTORNEYS, ACCOUNTANTS AND OTHER ADVISORS AND THAT THE ATTORNEYS FOR FRANCHISOR HAVE NOT ADVISED OR REPRESENTED FRANCHISE OWNER WITH RESPECT TO THIS AGREEMENT OR THE RELATIONSHIP THEREBY CREATED.

Initials

G. FRANCHISE OWNER, TOGETHER WITH ITS ADVISERS, HAS SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO THE FRANCHISE.

Initials

H. FRANCHISE OWNER IS AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISE OWNERS OF FRANCHISOR MAY OPERATE UNDER

DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT FRANCHISOR'S OBLIGATIONS AND RIGHTS WITH RESPECT TO ITS VARIOUS DEVELOPERS AND FRANCHISE OWNERS MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

Initials

I. FRANCHISE OWNER ACKNOWLEDGES THAT THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER.

Initials

FRANCHISE OWNER:

By _____
Its

**SCHEDULE SA
TO FRANCHISE AGREEMENT**

SERVICE AREA

SCHEDULE PG
PERSONAL GUARANTY

As an inducement to **WILLIAM RAVEIS AFFILIATES, INC.** ("Franchisor") to execute the Franchise Agreement dated _____, 20____ with _____ ("Franchisee"), a (corporation)(partnership)(limited liability company) organized and existing under the laws of the State of _____, the undersigned Guarantors hereby absolutely and unconditionally guarantee to Franchisor that all of the Franchisee's obligations under the Franchise Agreement ("Agreement") will be promptly and completely paid and performed.

Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment or performance by Franchisee. The Franchisor may, with or without notice, release and discharge any Guarantor without affecting the obligations of the remaining Guarantor(s).

The Guarantors waive any right to require the Franchisor to proceed against the Franchisee or any security held for any obligation of the Franchisee.

The Guarantors agree to pay reasonable attorneys' fees and costs of collection with respect to any actions taken to enforce this Guarantee.

Upon the death of an individual guarantor, the estate of such guarantor will be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors will continue in full force and effect.

This Guarantee and any instrument or agreement required hereunder shall be governed by, and construed in accordance with, the laws of the State of Connecticut.

Guarantors hereby irrevocably submit and consent to the non-exclusive jurisdiction of the courts of the State of Connecticut and of the United States District Court for the District of Connecticut in any action or proceeding brought against it or them under this Guarantee.

Guarantors hereby further agree that the obligation of each is absolute and unconditional and without any right or offset or deduction by reason of any defenses, counterclaims or offset with the Franchisee or any of the undersigned, or any other guarantor may have against the Franchisor.

This Guarantee is a continuing unconditional guaranty of payment, and may not be revoked or modified, and shall continue until all sums due to the Franchisor pursuant to the terms of the Agreement have been paid in full.

If more than one Guarantor signs this agreement, their obligation shall be joint and several.

This Agreement shall inure to the benefit of the Franchisor, its successors and assigns. It is not assignable by the Guarantors.

The Guarantors also agree to be bound by the Covenant Not to Compete contained in Paragraph 15 of the Franchise Agreement, and by the provisions relating to Proprietary Marks in subparagraph C of Paragraph 1 of the Franchise Agreement, and the arbitration provision in Paragraph 20, all which provisions are incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned have signed this Guarantee as of the ____ day of _____, 20____, and acknowledge receipt of a true copy of the Agreement.

GUARANTORS

_____	Signature
_____	Print Name
_____	Street Address
_____	City, State and Zip Code
_____	Telephone Number: _____
_____	Social Security Number: _____
_____	Signature
_____	Print Name
_____	Street Address
_____	City, State and Zip Code
_____	Telephone Number: _____
_____	Social Security Number: _____

SCHEDULE SM
TO FRANCHISE AGREEMENT
SERVICE MARK

Service Mark	Registration Number	Effective Date
"William Raveis" owned by William Raveis Real Estate, Incorporated	4,267,407	January 1, 2013

**SCHEDULE CF
TO FRANCHISE AGREEMENT**

FRANCHISEE SUPPLY PACKAGE

The package consists of the following goods and services:

1. Business Card Templates.
2. Luxury Properties Brochures
3. Listing Presentation Brochures
4. Marketing and Training Materials.

Raveis reserves the right, in its absolute discretion, to modify this list from time to time by making additions, deletions and restricting the number of items in the package.

SCHEDULE ET

EXCLUSIVE SERVICE AREA ADDENDUM

This EXCLUSIVE SERVICE AREA ADDENDUM is entered into on _____, 201__, by and between WILLIAM RAVEIS AFFILIATES, INC. ("Franchisor") and _____ ("Franchisee").

RECITALS

- A. Franchisor and Franchisee have entered into a franchise agreement ("Agreement") pursuant to which Franchisee has acquired the right to operate a William Raveis Affiliates real estate brokerage business.
- B. Franchisor and Franchisee wish to modify the Agreement to grant to the Franchisee an Exclusive Service Area.
- C. All capitalized terms not otherwise defined in this Addendum shall have the same meaning as in the Agreement.

The parties agree as follows:

- 1. Paragraph 3A. On the second line of subparagraph i, delete the word "non-exclusive" and substitute the word "exclusive".
- 2. Paragraph 3A. Delete the word "no" in the next to the last line of subparagraph i and insert in lieu thereof the word "the".
- 3. Paragraph 3A. Delete the first and second sentences of third subparagraph iii.
- 4. Paragraph 3A. The second to the last sentence of subparagraph iii is amended by inserting at the beginning of the sentence, "Unless you are allowed to open additional Branch Offices at approved locations in your Service Area or a new Service Area, you or" . . .
- 5. In Paragraph 3A, a new subparagraph iv is added as follows: Notwithstanding anything to the contrary stated herein, you will not be granted an exclusive Service Area if you are not in compliance

with this Agreement.

6. This Addendum is an integral part of this Agreement. Except as modified or supplemented by this Addendum, the terms of this Agreement are ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed and delivered this Addendum on the date and year first above written.

WILLIAM RAVEIS AFFILIATES, INC.

By: _____

Name

Title

FRANCHISEE

By: _____

Name

Title

By: _____

Name

Title

SCHEDULE BO

BRANCH OFFICES ADDENDUM

THIS BRANCH OFFICES ADDENDUM is entered into on the _____ of _____, 201__ by and between **WILLIAM RAVEIS AFFILIATES, INC.**, a Connecticut corporation with a principal office at 7 Trap Falls Road, Shelton, Connecticut 06484 (“Franchisor”) and _____ (hereinafter, whether one or more, referred to individually and collectively as “Franchisee”), with reference to the following facts:

- A. Franchisor and Franchisee have entered a William Raveis Affiliates, Inc. (“Raveis”) Franchise Agreement (“Franchise Agreement”) dated _____ herewith, pursuant to which the Franchisee is granted the right to operate one franchised real estate broker’s office in the existing Service Area or within a new Service Area (as hereinafter defined).
- B. The Franchisee desires to obtain the right to operate additional franchised branch offices (the “Additional Franchised Branches”) pursuant to the Franchise Agreement for each such additional franchised branch (“Additional Franchised Branch”), on the Franchisor’s then-current form of Franchise Agreement for such locations. The Franchisor is willing to grant such rights upon the terms and subject to the conditions hereinafter set forth.

WHEREFORE, it is agreed:

I. RELATIONSHIP TO FRANCHISE AGREEMENT

This Addendum is intended by the parties to be added to the end of the Franchise Agreement as an amendment to the Franchise Agreement, and it is hereby deemed to be a part of said Franchise Agreement, as if set forth in full therein.

II. GRANT

A. The Franchisee has requested in writing that the Franchisor grant to the Franchisee the right to acquire one or more Additional Franchised Branches. Subject to the terms and provisions hereof, the Franchisor hereby grants to the Franchisee, and the Franchisee hereby accepts, the right to enter into the then-current Franchise Agreements for the operation of _____ (_____) Additional Franchised Branches.

B. If the Franchisor and the Franchisee have signed Schedule ET, the Exclusive Service Area Addendum, then, while this Addendum shall remain in full force and effect, the Franchisor shall not franchise to others the right to establish Additional Franchised Branches within the existing or a new Service Area, nor shall the Franchisor, itself, own or operate Additional Franchised Branches within such Service Area(s).

C. Subject to the provisions of Paragraph 5B hereof, upon the Franchisee’s selection of a site (or sites) for an Additional Franchised Branch (or Branches), and the Franchisor’s approval of such site, (which approval shall be in the sole and absolute discretion of the Franchisor), the Franchisee shall forthwith execute and deliver to the Franchisor the then-current form of Franchise Agreement used by the Franchisor in granting franchises for the operation of each Additional Franchised Branch, with such modifications thereto as may be necessary, in the Franchisor’s judgment, in order to comply with applicable federal and state law.

D. The right granted hereby is a right only upon the terms and conditions

herein, to enter into the then-current Franchise Agreement (at time of new office opening) to operate Additional Franchised Branches and extend expiration dates for all existing offices to run co-terminus with the new office opening. Nothing herein shall give the Franchisee any right, title or interest in or to the Franchisor's trade names, trademarks, service marks, trade secrets, methods of operation or good will or any of the same except as expressly provided in the Franchise Agreements, upon the terms, covenants and conditions contained therein. Nothing herein shall be deemed to give the Franchisee any right to grant sub-franchises or sublicenses.

III. SERVICE AREA

The term "Service Area" as used in this Addendum shall mean that area or those areas set forth on Schedule SA attached to the then current Franchise Agreement and all existing Franchise Agreements and incorporated herein by reference.

IV. FEES

The Franchisee is required to pay ten thousand (\$10,000.00) dollars at the time each Franchise Agreement is executed by the Franchisee.

V. PERFORMANCE CRITERIA

A. Subject to the provisions of Paragraph 5B hereof, the Franchisee shall execute and deliver to the Franchisor Franchise Agreements to operate Additional Franchised Branches within the Service Area or within a new Service Area and shall pay the initial Franchise Fee of ten thousand (\$10,000.00) dollars per additional Franchised Branch, which Franchise Fee is subject to Paragraph 30 of the Franchise Agreement.

B. If you are in default of any Franchise Agreement between the Franchisor and the Franchisee, the Franchisor may, in its sole and absolute discretion, terminate all other Franchise Agreements between the Franchisor and the Franchisee.

C. Each Guarantor of the Franchise Agreement shall execute a Guaranty for each Additional Franchised Branch granted as a condition to the Franchisor entering into an additional Franchise Agreement with the Franchisee for such location.

D. Notwithstanding anything to the contrary contained herein, if, at any time the Franchisor shall be prohibited, under applicable federal or state law, from entering into such Franchise Agreement for any reason whatsoever, then, and in that event, failure or refusal by either party to enter into such Franchise Agreement shall not be deemed to be a breach of this Addendum or a default of the obligations of either party hereunder. In such event, the Franchisor shall, at its option, have a reasonable period, not to exceed sixty (60) days, in which to comply with all applicable governmental laws, rules and regulations. If the Franchisor is unable to comply with said laws, rules and regulations within said period, then, at the Franchisee's request, the Franchisor shall forthwith refund to the Franchisee the amount of the Development Fee paid by the Franchisee hereunder allocable to such Additional Franchised Branch.

VI. DISCLOSURE

The Franchisee is entitled to receive, pursuant to federal and state laws, rules and regulations, the then-current Disclosure Document for each Additional Franchised Branch that the Franchisee acquires.

VII. ASSIGNMENT

A. The Franchisor shall have the right to assign or otherwise transfer this Addendum and all the Franchisor's rights and obligations hereunder to any person or legal entity, provided that such person or legal entity agrees to be bound by all the terms and conditions set forth herein and is, at the time of such transfer or assignment, in the Franchisor's good faith judgment, financially able to assume the Franchisor's obligations hereunder.

B. During the term of this Addendum, the Franchisee shall not have the right to assign, transfer or sell his interest in this Addendum except with the prior written consent of the Franchisor. Further, no assignment or transfer of this Addendum may be made by the Franchisee without a concurrent assignment of the Franchise Agreement executed concurrently herewith and each Franchise Agreement subsequently entered pursuant hereto. The Franchisor shall not unreasonably withhold its consent to an assignment of this Addendum, if all the terms and conditions contained in said Franchise Agreements have been satisfied. The Franchisee shall not pledge, encumber, hypothecate, or otherwise give any third party a security interest in this Addendum in any manner whatsoever. Any transfer, assignment, sale, pledge, encumbrance, or hypothecation made in violation of this Paragraph 7B, or the Franchise Agreement executed concurrently herewith, or any additional Franchise Agreement subsequently entered pursuant hereto shall be null and void.

VIII. DEFAULT AND TERMINATION

The occurrence of any one or more of the following events shall constitute an event of default hereunder:

A. If any Franchise Agreement between the Franchisor and the Franchisee, whether such agreement now exists or is hereafter entered, is terminated due to the Franchisee's default thereunder;

B. Except as otherwise provided in Paragraph 5B hereof, if the Franchisee, for any reason, fails to execute and deliver to the Franchisor the then-current Franchise Agreement, or pay the initial Franchise Fee due in connection therewith, on or before the date set forth in Paragraph 5A hereof, unless such failure is cured within thirty (30) days after the Franchisor gives written notice of such default to the Franchisee; or

C. If the Franchisee fails to comply with any other material obligation, condition, covenant, term or provision contained herein, unless such failure is cured within thirty (30) days after the Franchisor gives written notice of such default to the Franchisee.

D. Upon the occurrence of any one or more of the events of default described in Paragraph VIII(A), VIII(B) and VIII(C), hereof, the Franchisor shall have the right to terminate this Addendum and the territorial exclusivity granted herein pursuant to Schedule ET, without giving the Franchisee any further notice or opportunity to cure. In the event of the termination of this Addendum, and the ET Addendum, the Franchisee shall have no further right to enter into Franchise Agreements with the Franchisor for the operation of Additional Franchised Branches, and any Franchise Agreements existing at the time of said termination shall be Unit Franchises only, with respect to which there shall not be any exclusive rights or obligations, except as expressly provided in said Franchise Agreement.

IX. TERM

A. If the Franchisee has, prior to the date of the Addendum, entered into other Franchise Agreements with the Franchisor in the existing Service Area or a new Service Area, the term of each such Franchise Agreement for such existing locations shall be extended to coincide with the expiration date of the most recent Additional Franchised Location Addendum.

B. If the Franchisee does not within five (5) years from the date of the first Franchise Agreement between the Franchisor and the Franchisee (or an entity consisting of at least 51% of the principals of the Franchisee) make a written request to the Franchisor to acquire at least one Additional Franchise Location, the Franchisee's right to request Additional Franchised Branches shall automatically expire.

X. INTEGRATION

10. This Addendum is an integral part of this Agreement. Except as modified or supplemented by this Addendum, the terms of this Agreement are ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum on the day and year first above written.

WILLIAM RAVEIS AFFILIATES, INC.

By_____

FRANCHISEE(S):

EXHIBIT FN

INITIAL FRANCHISEE FEE PROMISSORY NOTE

\$ _____
Shelton, CT
_____, 20__

For value received, the undersigned _____ (“Maker”) and _____ (“Co-Maker(s)”) promise to pay to the order of William Raveis Affiliates, Inc., a Connecticut corporation, or its successors or assigns (“Holder”), at 7 Trap Falls Road, Shelton, CT, 06484, or at such other place as Holder may from time to time designate, in writing, the principal sum of _____ (\$_____) (the “Principal”), which amount shall, except as set forth below, bear no interest.

The Principal shall be paid in _____ installments of \$_____, payable _____. The last installment shall be payable on _____. In the event the Maker or Co-Maker(s) fail to make any payment within ten (10) days of when due, including any payment due upon acceleration of this Note, or becomes in default under this Note or the Pledge securing this Note, the entire outstanding Principal shall thereafter bear simple interest at a rate equal to the lesser of eighteen (18%) percent per annum or the highest rate allowed by law from its due date until paid in full.

Notwithstanding the foregoing installment payments, Maker acknowledges and agrees that Holder, at its sole option and discretion, without notice, may set off any outstanding due and payable principal and accrued and unpaid interest amount evidenced by this Note (whether matured or unmatured), against all sums due to Maker under the Raveis Royalty Reduction program as provided in any franchise agreements as amended (“Franchise Agreement”) between Maker and Holder. Amounts of Raveis Royalty Reduction program set off against Principal shall correspondingly reduce amounts owed to Raveis by Maker hereunder.

All payments by Maker and Co-Maker(s) shall be made in lawful money of the United States of America without set-off, offset, recoupment, deduction, or counterclaim of any kind whatsoever. Payments, when made, shall 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 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.

In the case of any of the following events of default under this Note, the Holder, at its option, may accelerate the unpaid Principal and all interest accrued thereon 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) abandons its 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) defaults in payment of any Principal payment due hereunder, (C) defaults on any other agreement (including the Pledge Agreement) or note between Maker and Holder or any of Holder's related companies, including but not limited to, any Franchise Agreement, or (D) the termination or expiration of any agreement between Maker and Holder or any of Holder's related companies, including, but not limited to, any Franchise Agreement. For the purposes of this Note, a party shall be in default of any agreement if such party shall have been given notice of such default in accordance with the terms of any such agreement, and, as to those defaults for which such party is afforded an opportunity to cure pursuant to such agreement, such party shall have failed to make such cure within the applicable period provided. Maker's and Co-Maker(s)'s obligation to pay principal and interest thereon, if accelerated, shall be absolute and unconditional, and shall not be subject to any rights of set-off, offset or recoupment.

Maker and Co-Maker(s) agree to pay all expenditures made in any attempt to collect any amounts due pursuant to this Note. If any legal action is necessary to enforce or collect this Note, the Holder shall be entitled to reasonable attorney's fees (including in-house attorneys) and court costs and all costs of collection in addition to any other relief to which that party may be entitled.

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 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.

This Note is issued in connection with a Franchise Agreement between the Maker and Holder for the operation of a William Raveis Affiliates, Inc. franchise office. All terms not defined herein shall have the same meaning as in the Franchise Agreement.

This Note shall be construed and enforced in accordance with the laws of the State of Connecticut. The terms of the Note are confidential and will not be disclosed to any third party by Maker without prior written consent of Holder, unless otherwise required by law.

This Note shall be the joint and several obligations of Maker, Co-Maker(s), all guarantors and endorsers, if any, and shall be binding upon them, their heirs, executors, personal representatives, successors and assigns, and shall inure to the benefit of Holder and its successors and assigns. This Note shall not be assignable by Maker or any Co-Maker without the prior written consent of Holder.

The undersigned Maker and Co-Maker(s) have caused this Note to be executed as of the date set forth above.

MAKER (FRANCHISEE)

CO-MAKER

, individually

CO-MAKER

, individually

This Note is secured by a
Pledge Agreement between
the Maker and the Holder of
even date herewith.

EXHIBIT CN

CONVERSION/ACQUISITION/RECRUITMENT LOAN (CAR) PROMISSORY NOTE

\$_____

Shelton, Connecticut

_____, 20__

1. For value received, the undersigned _____ (“Maker”) and _____ (“Co-Maker(s)”) promise to pay to the order of William Raveis Affiliates, Inc., a Connecticut corporation, or its successors or assigns (“Holder”), the amount of _____ (\$_____) Dollars (the “Principal”), without interest, in annual principal installments of _____ (\$_____) Dollars beginning on _____, 20__, and on the same day of the same month annually thereafter until _____, 20__, when the entire unpaid principal balance is wholly due and payable if not sooner paid or discharged.

2. If (a) during the term hereof, Maker does not become in default with respect to its obligations under its then current Franchise Agreement(s) with William Raveis Affiliates, Inc., including payment of royalty fees and RAMF contributions thereunder, or this Note, or the Pledge securing this Note, and (b) during the term hereof, Maker does continue to maintain a Gross Commission Income (“GCI”) in the aggregate (as defined in the Franchise Agreement) threshold of _____ \$_____ (Dollars), on _____, 20__, then _____ (\$_____) Dollars of the Principal of this Note shall be forgiven on _____ and on the ____ day of each _____ thereafter through _____, 20__.

3. In the event Maker or Co-Maker(s) fail to make any payment when due, including any payment due upon acceleration of this Note, or shall be in default of this Note under Paragraph 4, the entire Principal shall thereafter bear simple interest at a rate equal to the lesser of eighteen (18%) percent per annum or the highest rate allowed by law from its due date until paid in full.

4. A. At its option, the Holder of this Note may determine that Maker is in default and may accelerate the unpaid Principal of this Note and accrued interest thereon, to become immediately due and payable, without presentment for payment or any notice, if:

Maker or any Co-Maker, endorser, surety, or guarantor of this Note:

- (i) Abandons its business; or
- (ii) Becomes insolvent or offers settlement to any creditors; or
- (iii) Files a petition in bankruptcy, either voluntary or involuntary; or
- (iv) Institutes any proceeding under any bankruptcy or insolvency laws relating to the relief of debtors; or
- (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 the Holder; or

(vii) Defaults on the Pledge Agreement securing this Note.

B. The Holder of this Note may, at its option, accelerate the unpaid Principal of this Note and accrued interest thereon, to become immediately due and payable if the Maker shall be in default of any material provision of any William Raveis Affiliates, Inc. Franchise Agreement executed by the Maker, whether now in existence or hereafter executed, or upon the termination of expiration of any such Franchise Agreement. For the purposes of this provision, Maker shall be in default of a William Raveis Affiliates, Inc. Franchise Agreement if Maker shall have been given notice of such default in accordance with the terms of any such Franchise Agreement, and, as to those defaults for which the Maker is afforded an opportunity to cure pursuant to such Agreement, Maker shall have failed to make such cure within the applicable period provided. In addition, the Holder may accelerate the maturity of all unpaid Principal and interest accrued thereon if either Maker defaults under the term of any other promissory note or debt instrument issued to Holder or any affiliate of Holder.

C. Maker's obligation to pay the Principal amount of this Note and accrued interest thereon, if accelerated, shall be absolute and unconditional, and shall not be subject to any rights of the Maker of set-off, offset or recoupment; provided, however, that amounts, if any, owing to Maker pursuant to any Franchise Agreement with Holder, and any amendments thereto, as of the date of acceleration by Holder shall remain outstanding.

5. Maker 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.

6. Payments, when made, shall first be applied to accrued and unpaid interest, if any, and then to Principal.

7. If this Note is collected by or through an attorney (including in-house attorney) or another third party, the Holder shall be entitled to collect reasonable attorney's fees and all costs of collection. This Note is issued in and shall be governed by and construed according to the laws of the State of Connecticut. Maker, and each Co-Maker, endorser, or guarantor liable for this Note waives presentment, demand, notice of demand protest, notice of non-payment, notice of protest, notice of dishonor, and diligence in collection.

8. Holder reserves the right to modify the terms of this instrument, grant extensions, renewals, releases, discharges, compositions, and compromises with any party liable on this Note, with or without notice to or the consent of, or discharging or effecting the obligations of, any other party liable under this instrument.

9. The terms "Holder", "Maker" and "Co-Maker" shall be deemed to include their respective heirs, successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law. All references to a "Maker" shall mean and include the named Maker, any Co-Maker, guarantors, sureties, and accommodation parties signing or endorsing this Note, each of whom shall be jointly and severally liable for the payment of this Note.

10. All payments of this Note shall be payable in lawful money of the United States of America to William Raveis Affiliates, Inc. at 7 Trap Falls Road, Shelton, Connecticut, 06484 or at such other place as Holder may direct by written notice to the Maker and Co-Makers.

11. Notwithstanding the foregoing payment obligation, Maker(s) acknowledge and agree that Holder, at its sole option and discretion, without notice, may set off any outstanding due and payable Principal and accrued and unpaid interest amount evidenced by this Note (whether matured or unmatured), against all sums due to Maker(s) from Holder under the Raveis Royalty Reduction program as provided in any franchise agreements as amended between Maker and Holder. Amounts of Raveis Royalty Reduction program set off against Principal shall correspondingly reduce amounts owed to Raveis by Maker(s) hereunder.

The undersigned Maker and Co-Maker(s) have caused this Note to be executed as of the date set forth above.

MAKER:

Name:

By:_____

Title:

Co-Maker

Name: , individually

Name: , individually

This note is secured by a
Pledge Agreement between
the Maker and the Holder of
even date herewith.

EXHIBIT PA

PLEDGE AGREEMENT

This Agreement is made and entered into on _____, 20____, by and between _____ (“Pledgor”), of _____ and William Raveis Affiliates, Inc. (“Pledgee”), of 7 Trap Falls Road, Shelton, Connecticut, 06484.

RECITALS

A. At the time of the execution of this Agreement, the Pledgee or its affiliates has loaned the Pledgor _____ (the “Loan”), evidenced by a Promissory Note(s) (the “Note”) of the Pledgor of even date herewith, in the amount of _____ (\$_____).

B. To induce the Pledgee to make the Loan, the Pledgor has agreed, as security for the repayment of the Loan, to pledge any rights to receive certain monies not yet earned pursuant to the terms of the Raveis Royalty Reduction program contained in the Raveis Affiliates, Inc. Franchise Agreements with the Pledgee. It is therefore agreed:

Pledge

1. In consideration of the Loan(s) made to the Pledgor by the Pledgee, receipt of which is acknowledged, the Pledgor hereby grants a security interest to the Pledgee in certain contractual rights described below (the “Pledged Property”) granted Pledgee pursuant to the following William Raveis Affiliates, Inc. Franchise Agreement(s):

Franchisee

Date of Franchise Agreement(s)

(a) (Entity Name)
(DBA)
(Approved Location)

(b)

The rights to payment referenced above are those set forth in Paragraph 5.A(iv), which describes the Royalty Reduction Plan of the Franchise Agreements, identified above and all Addenda thereto. Any such Royalty Reduction Plan payments due Pledgor pursuant to any or all the above-described Franchise Agreement(s) shall act as security for the repayment of the Loans described above.

2. The Pledgor warrants and represents that there are no restrictions or prior rights granted in or to the Pledged Property and agrees not to grant any rights in the Pledged Property to any other party during the term of this Agreement.

3. If, during the term of this Pledge, Pledgor shall become party to any William Raveis Affiliates, Inc. Franchise Agreement(s) in addition to the Agreement(s) described above and such new Agreement(s) contain terms granting to Pledgor rights substantially like those described in Section 1 of this Agreement, such rights shall also be pledged to Pledgee as additional security for the repayment

of this Loan.

4. If Pledgor defaults in the performance of any of the terms of this Agreement, in the performance of any of the terms of any of Pledgor's Franchise Agreements, or in the performance of any of the terms of the Note or any other Note issued to Pledgor, then Pledgor may be deemed by Pledgee to have defaulted on this Agreement, and Pledgee shall have the rights and remedies available to Pledgee pursuant to the terms of each of these respective Agreements. If the amount of the Pledged Property available to Pledgee in the event of such a default is insufficient to cover the principal and interest of the Loan, plus any expenses associated with the default thereon, then Pledgor shall remain liable to the Pledgee for any deficiency, in accordance with applicable state law.

5. Upon Pledgee's receipt of full payment of the principal and interest of the Loan from Pledgor in accordance with the requirements of the Note(s) executed in connection with the Loan, Pledgee's security interest in the "Pledged Property" shall be terminated.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut. If any provision of this Agreement contravenes or is held invalid under the laws of any jurisdiction, this Agreement shall be construed as though it did not contain that provision, and the rights and liabilities of the parties shall be construed and enforced accordingly.

Dated: _____

PLEDGOR

By: _____

PLEDGEE

By: _____

EXHIBIT LA

LICENSE AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 20__, by and between _____, a _____ duly organized with an office at _____ (hereinafter referred to as "Licensor") and **WILLIAM RAVEIS MORTGAGE, LLC**, a Connecticut limited liability company with an office at 7 Trap Falls Road, Shelton, Connecticut (hereinafter referred to as "Licensee").

WITNESSETH

WHEREAS, Licensor is the owner or Tenant of the premises situated at _____ (the "Location"), which premises are used for real estate brokerage services; and

WHEREAS, Licensee desires to use approximately thirty-six (36) square feet of wall space to display marketing materials located at the Location; and

WHEREAS, Licensor is willing to grant Licensee a temporary license to use said wall space for such purpose pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. **License:** Subject to the terms and conditions herein contained, Licensor grants to Licensee and Licensee accepts from Licensor the right to use such space ("License") which shall be in a location which is accessible to clients of the Licensee maintained by Licensor at the location for a period of one (1) year commencing on the first day of _____, 20__, which License is automatically renewable from year to year until the expiration or sooner termination of Licensor's franchise with William Raveis Affiliates, Inc. Notwithstanding the above, the Licensor or Licensee may terminate this License by ninety (90) days written notice to the other party provided that the Licensee shall pay a pro rata share of the licensing fee for the expired portion of the then-current billing period even if the 90 days ends as a day other than the last day of the then-current billing period.
2. **Occupancy Charge:** For Licensee's use as aforesaid, Licensee shall pay to the Licensor each year the greater of: (i) a dollar amount equal to two times the number of closed transactions in the prior calendar year, or (ii) the sum of \$500. Said fee shall be payable semi-annually on the first day of the month of January or July, as the case may be, on a calendar year basis. The first payment shall be pro-rated if the License Agreement commences on a day other than the beginning of a semi-annual period. Said charge shall constitute Licensee's payment for Licensee's use of Licensor's facility. If Licensee shall fail to make any of the above payments as required within ten (10) days of notice of default, this Agreement shall be terminated and shall be of no further force and effect, without further notice.
3. **Display/Maintenance:** Licensor shall promptly replace any outdated or obsolete materials and/or fixtures with current materials and/or new fixtures, supplied to Licensor by Licensee at no expense to Licensor. Failure to perform this covenant by Licensor shall be deemed to be a material breach of this License Agreement and Licensee may terminate this License.
4. **Use and Operation of Display:** Licensor shall maintain its display with reasonable care for the safety of persons and property at Licensor's premises, the facility and Licensor's employees and invitees. Licensor shall comply with all laws, ordinances and regulations of all duly constituted authorities, whether federal,

state or local, in its use of Licensee's display.

5. **Termination of Licensors' Occupancy:** The termination or expiration of Licensors' right to occupy the premises shall automatically terminate this License.
6. **Licensee's Equipment:** All of Licensee's equipment and materials shall be maintained by Licensee in good condition and repair.
7. **Damage to Licensors' Facility:** If the Licensors' facility or any part thereof shall be damaged or destroyed by fire or other casualty, or if, for any reason, Licensors shall be unable to provide display space to Licensee as contemplated herein, Licensors' sole responsibility and liability to Licensee shall be to return the latest month's use charges paid by Licensee. The return of such use charges by Licensors to Licensee shall discharge, in every respect, Licensors' responsibility to Licensee hereunder. In no event shall Licensors be liable to Licensee for consequential special or punitive damages or any other damages whatsoever as a result of its inability to provide Licensee the use of its display space.
8. **Assignment:** This Assignment may not be assigned by Licensee without the prior written consent of Licensors, which consent may be withheld within the sole and absolute discretion of the Licensors.
9. **Non-Waiver:** One or more waivers of any covenant, condition or agreement herein contained shall not be construed as a waiver of a further breach of the same covenant, condition or agreement, or of any other covenant, condition or agreement, and the consent or approval by the Licensors to or of any act by the Licensee requiring the Licensors' consent or approval shall not be deemed to waive or render unnecessary the Licensors' consent or approval to any subsequent similar act by the Licensee. The receipt by Licensors of any payments with knowledge of breach by Licensee of any covenant of this Agreement shall not be deemed a waiver of such breach.
10. **Notices:** All notices hereunder shall be in writing and shall be given by personal delivery, certified or registered mail or prepaid private mail carrier, to Licensors and Licensee at their respective address set forth above, or to such other address as the party to receive notice shall specify in writing to the other.
11. **Severability:** The invalidity or unenforceability of any provision of this Agreement shall in no way affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Agreement, and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the provisions held to be invalid and unenforceable.
12. **Captions:** The captions herein are inserted only as a matter of convenience and for reference and in no way define the scope of this Agreement or the intent of any provision hereof.
13. **Excuse:** Neither Licensors nor Licensee shall be required to perform any term, condition or covenant of this Agreement, so long as such performance is delayed or prevented by acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Licensors or Licensee and which, by the exercise of due diligence, Licensors or Licensee is unable, wholly or in part, to prevent or overcome.
14. **Relationship and Licensors' Right to Cancel:** This Agreement is a limited License and is not to be construed as a lease of any portion of Licensors' premises. This License is, by its terms, revocable and may be cancelled by Licensors for any reason whatsoever. In the event Licensors cancels this Agreement, its sole obligation to Licensee hereunder shall be to return to Licensee all sums paid for use charge as provided herein.

15. **Governing Law:** This Agreement shall be interpreted and construed in accordance with the laws of the State of Connecticut.
16. **Arbitration:** In the event of any breach of this Agreement or of any dispute regarding the performance or interpretation of this Agreement, the parties shall submit the dispute to arbitration in accordance with the Commercial Rules of the American Arbitration Association.
17. **American Arbitration Association.** Arbitration shall take place in Bridgeport, Connecticut. Each party shall bear its share of the arbitration fees and costs and each party shall pay its own legal fees.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

Signed, Sealed and Delivered
in the presence of:

LICENSOR:

By: _____

Its
Duly authorized

LICENSEE:
WILLIAM RAVEIS MORTGAGE, LLC

By: _____

Its
Duly authorized

EXHIBIT GR

FORM OF RELEASE

The following is our current general release form that we expect to include in a release that a franchisee, developer, and/or transferor is required to sign as part of an approved transfer. We may, in our sole discretion, periodically modify the release.

THIS RELEASE is given by _____ and their legal representatives, agents, successors, assigns, heirs, beneficiaries, executors and administrators (collectively, "we", "us" or "ours"), to WILLIAM RAVEIS AFFILIATES, INC. and all of its predecessors, affiliates, owners, officers, employees, legal representatives and agents, directors, successors and assigns, and their heirs, beneficiaries, executors and administrators (collectively, "you" or "your").

Effective on the date of this Release, we forever release and discharge you from any and all claims, demands, causes of action, suits, judgments, injuries, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature or kind, in law or in equity, those arising under common law or state or federal statutes, rules or regulations, which we now have or ever had against you, including without limitation, anything arising out of that certain Franchise Agreement dated _____ (the "Franchise Agreement"), the franchise relationship between the parties, and any other relationships between you and us; except your obligations under the _____ Agreement dated effective _____. This Release is effective for: (a) all claims and obligations, including those of which we are not now aware; and (b) all claims we have from anything which has happened up to now.

We are bound by this Release. We freely and voluntarily give this Release to you for good and valuable consideration, and we acknowledge its receipt and sufficiency.

We represent and warrant to you that we have not assigned or transferred to any other person any claim or right we had or now have relating to or against you.

In this Release, each pronoun includes the singular and plural as the context may require.

This Release is governed by Connecticut law.

This Release is effective _____, notwithstanding the actual date of signatures.

IN WITNESS WHEREOF, the undersigned execute this Release as a sealed instrument:

Date: _____

STATE OF _____ :
 : Town
COUNTY OF _____ :

The foregoing instrument was acknowledged before me this _____, 20____, by
_____, who is personally known to me or has produced _____ as
identification.

Signature of Notary
Printed Name of Notary
My Commission Expires:

EXHIBIT AD

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE NEW YORK STATE FRANCHISE ACT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A 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 OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is 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 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 Rev. March 17, 2021 2 injunctive or restrictive order relating to any other business activity as a result of an action brought by a

public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”: You may terminate the agreement on any grounds available by law.

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

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

EXHIBIT AD

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

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

ITEM 3: LITIGATION

No person previously identified in Item 2 of this Franchise Disclosure Document is subject to any currently effective order of the Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities advisor; or is subject to any currently effective injunctive or restrictive order as a result of an action brought by any public agency or department including, but not limited to, actions affecting a license as a real estate broker or salesman.

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.”

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

Public Act Law Nos. 2008-347 and 20080373 respectively provide in Sec. 6-50-3 that “the effect of this Chapter may not be varied by contract or agreement. Any contract or agreement purporting to do so is void and unenforceable to that extent only.”

EXHIBIT FS
FINANCIAL STATEMENTS

WILLIAM RAVEIS AFFILIATES, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021



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WILLIAM RAVEIS AFFILIATES, INC.
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YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

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INDEPENDENT AUDITORS' REPORT

Stockholders
William Raveis Affiliates, Inc.
Shelton, Connecticut

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of William Raveis Affiliates, Inc. (a Connecticut corporation), which comprise the balance sheets as of December 31, 2023, 2022 and 2021, and the related statements of income and retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of William Raveis Affiliates, Inc. as of December 31, 2023, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of William Raveis Affiliates, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about William Raveis Affiliates, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of William Raveis Affiliates, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about William Raveis Affiliates, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



CliftonLarsonAllen LLP

Shelton, Connecticut
April 25, 2024

WILLIAM RAVEIS AFFILIATES, INC.
BALANCE SHEETS
DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
ASSETS			
CURRENT ASSETS			
Accounts Receivable	\$ 56,984	\$ 70,430	\$ 76,314
Prepaid Expenses	1,220	3,087	8,107
Total Current Assets	58,204	73,517	84,421
PROPERTY AND EQUIPMENT			
Furniture and Fixtures	2,497	2,497	2,497
Equipment	3,297	3,297	3,297
Software	12,969	12,969	12,969
Subtotal	18,763	18,763	18,763
Less: Accumulated Depreciation and Amortization	18,763	18,763	18,763
Total Property and Equipment	-	-	-
OTHER ASSETS			
Due from Related Party	5,734,721	5,089,099	4,434,916
Total Assets	<u>\$ 5,792,925</u>	<u>\$ 5,162,616</u>	<u>\$ 4,519,337</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
LIABILITIES			
Customer Liabilities	\$ 65,858	\$ 115,216	\$ 143,112
Accrued Expenses	20,078	9,824	2,000
Total Liabilities	85,936	125,040	145,112
STOCKHOLDERS' EQUITY			
Common Stock:			
Nonvoting Common Stock, no Par Value; 19,800 Shares			
Authorized, 1,000 Shares Issued and Outstanding	990	990	990
Voting Common Stock, no Par Value; 200 Shares			
Authorized, -0- Shares Issued and Outstanding	10	10	10
Additional Paid-In Capital	24,000	24,000	24,000
Retained Earnings	5,681,989	5,012,576	4,349,225
Total Stockholders' Equity	5,706,989	5,037,576	4,374,225
Total Liabilities and Stockholders' Equity	<u>\$ 5,792,925</u>	<u>\$ 5,162,616</u>	<u>\$ 4,519,337</u>

See accompanying Notes to Financial Statements.

WILLIAM RAVEIS AFFILIATES, INC.
STATEMENTS OF INCOME AND RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	2023	2022	2021
REVENUE			
Franchise Royalty Fees	\$ 558,576	\$ 687,841	\$ 761,426
OPERATING EXPENSES			
Professional Fees	59,010	61,406	58,640
Payroll	50,000	50,000	50,192
Licenses, Dues, and Subscriptions	30,662	38,248	20,104
Taxes	15,551	23,900	13,531
Rent	6,010	6,000	6,000
Network Services	5,334	5,552	5,627
Employee Benefits	838	863	559
Utilities	805	854	590
Repairs and Maintenance	552	592	351
Vehicle Expense	250	-	49
Postage	240	22	30
Meetings	81	-	483
Telephone	48	144	1,116
Public Relations	-	7,016	210
Advertising	-	75	2,613
Recruiting	-	-	152
Total Operating Expenses	<u>169,381</u>	<u>194,672</u>	<u>160,247</u>
INCOME FROM OPERATIONS	389,195	493,169	601,179
OTHER INCOME			
Interest Income	<u>280,218</u>	<u>170,182</u>	<u>87,834</u>
Total Other Income	<u>280,218</u>	<u>170,182</u>	<u>87,834</u>
NET INCOME	669,413	663,351	689,013
Retained Earnings - Beginning of Year	<u>5,012,576</u>	<u>4,349,225</u>	<u>3,660,212</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 5,681,989</u>	<u>\$ 5,012,576</u>	<u>\$ 4,349,225</u>

See accompanying Notes to Financial Statements.

WILLIAM RAVEIS AFFILIATES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023, 2022, AND 2021

	<u>2023</u>	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income	\$ 669,413	\$ 663,351	\$ 689,013
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
(Increase) Decrease in Operating Assets:			
Accounts Receivable	13,446	5,884	42,384
Prepaid Expenses	1,867	5,020	(6,459)
Increase (Decrease) in Operating Liabilities:			
Customer Liabilities	(49,358)	(10,247)	9,494
Accrued Expenses	10,254	(9,825)	2,000
Net Cash Provided by Operating Activities	<u>645,622</u>	<u>654,183</u>	<u>736,432</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances to Affiliate, Net	<u>(645,622)</u>	<u>(654,183)</u>	<u>(736,432)</u>
Net Cash Used by Investing Activities	<u>(645,622)</u>	<u>(654,183)</u>	<u>(736,432)</u>
NET CHANGE IN CASH AND FINANCING	-	-	-
Cash and Cash Equivalents - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

(5)

**WILLIAM RAVEIS AFFILIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022, AND 2021**

NOTE 1 NATURE OF OPERATIONS

Business Activity

William Raveis Affiliates, Inc. (the Company) franchises real estate brokerage offices under the service mark William Raveis®. As Franchisor, the Company grants to its Franchisees the right to use the Company's logotypes, trade names, commercial symbols, trademarks, service marks and copyrights (the Marks). The Franchisees are also granted the right to use certain proprietary management and agent training and support services, marketing tools, products, services and advertising. Affiliates were granted the right to license the Marks to Franchisees by William Raveis Real Estate, Inc. (WRRE), the owner of such Marks.

The Company enters into agreements with Franchisees to use the Marks and the Franchisor's system in exchange for an initial franchise fee. In addition to the initial franchise fee, each Franchisee is also required to pay the Company franchise royalty fees based on their monthly gross commissions, as defined. If called for in the agreement, once a Franchisee reaches certain benchmarks for the year the Franchisee is eligible for a rebate on its royalties.

During 2021, one Franchisee agreement expired and was mutually not renewed. During 2022, the Company entered into a new Franchisee agreement.

As of December 31, 2023, 2022, and 2021, the Company has eight, eight and seven Franchisees, respectively, from whom it derives all franchise royalty fees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of New Accounting Standard

The Company has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Company's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The Company also updated its accounting policies for determining the recoverability of trade receivables, loans, and other financial assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WILLIAM RAVEIS AFFILIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022, AND 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

While the Company does not provide direct or indirect financing to its Franchisees, it does extend credit. The Company does not charge finance charges on past due accounts. Receivables are recorded net of any necessary allowance for expected losses. The allowance is estimated from historical collection experience and a review of the current status of receivables. Based on these criteria, the Company determined that no allowance for expected losses was necessary as of December 31, 2023, 2022, and 2021. Receivables from contracts with customers are shown as accounts receivable on the balance sheets. Receivables from contracts with customers totaled \$118,698 at December 31, 2020.

Property and Equipment

Property and equipment are carried at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

There was no depreciation or amortization expense incurred for the years ended December 31, 2023, 2022, and 2021.

Revenue Recognition

The Company recognizes revenue at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring goods or services to its customers using the following five-step process:

1. Identify the contract(s) with the customer
2. Identify the performance obligation(s) in the contract
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognize revenue when (or as) the Company satisfies a performance obligation

See Note 5 for details on how the above five-step process is applied to the Company's contracts with customers.

Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company is not liable for federal corporate income taxes. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income. Accordingly, the financial statements reflect no provision or liability for federal income taxes. The Company is liable for income and state other taxes which are included in operating expenses in the accompanying statement of income and retained earnings.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred.

WILLIAM RAVEIS AFFILIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022, AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2022 and 2021 financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or financial position.

Subsequent Events

In preparing these financial statements, management has evaluated subsequent events through April 25, 2024, which represents the date the financial statements were available to be issued.

NOTE 3 RELATED PARTY TRANSACTIONS

A related party by means of common ownership provides ancillary and administrative services and office space to the Company. Included in professional fees are \$40,084, \$38,909, and \$42,310 for the ancillary services for the years ended December 31, 2023, 2022, and 2021, respectively. Payroll expenses allocated to the Company for administrative services performed were \$50,000, \$50,000, and \$50,192 for the years ended December 31, 2023, 2022, and 2021, respectively. Rent expense for each of the years ended December 31, 2023, 2022, and 2021 was \$6,010, \$6,000, and \$6,000, respectively.

The Company makes advances to a related party by means of common ownership that manages a group cash management system. The Company charged interest at applicable federal rates of interest during 2023, 2022, and 2021. Interest income charged to the related party totaled \$280,218, \$170,182, and \$87,834 for the years ended December 31, 2023, 2022, and 2021, respectively.

NOTE 4 CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of receivables.

Concentrations of credit risks with respect to receivables are due to a small number of customers and their lack of geographic dispersion. The receivables are typically short term and all probable bad debt losses have been appropriately considered in establishing the need for an allowance for doubtful accounts. In general, the Company does not require collateral in relation to these receivables.

WILLIAM RAVEIS AFFILIATES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022, AND 2021

NOTE 5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Franchise Royalty Fees

Revenue from franchise royalty fees is recognized by the Company over the term of the franchise agreement as gross commissions are earned from Franchisees. Performance obligations are considered satisfied as the Franchisees maintain the right to use the Marks and the Franchisor's system, as defined in the franchise agreement. The transaction price for the franchise royalty fees are defined in the franchise agreement. The franchise royalty fees earned are adjusted annually based on the total gross commissions of the Franchisees during the year, and rebates are provided to Franchisees when applicable. The annual adjustment results in a true-up of the franchise royalty fees provided by the customer. This adjustment and customer rebates give rise to customer liabilities, which are usually paid to the customer within 90 days of the end of the year. There are no financing components associated with these contracts and standard payment is due based on contract terms. The Company does not accept returns of franchise agreements or provide warranties.

Franchise Fees

Revenue from franchise fees is recognized by the Company at the point in time when the performance obligations are satisfied. Performance obligations are considered satisfied when the Franchisees are provided certain pre-opening assistance from the Company, as defined in the franchise agreement. The transaction price for the franchise fees are defined in the franchise agreement. As a practical expedient under FASB ASC 952-606, these pre-opening services are treated as a single performance obligation. There are no financing components associated with these contracts and standard payment is due based on contract terms. The Company does not accept returns of franchise agreements or provide warranties.

Disaggregation of Revenue

The majority of the Company's revenue is from contracts with customers. Taxes assessed by governmental authorities that are directly imposed on revenue transactions are excluded from revenue. Revenue in the statements of income and retained earnings is disaggregated by major revenue types. The Company has determined that these categories depict how the nature, amount, timing, and uncertainty of the revenue and cash flows are affected by economic factors. Revenue from franchise royalty fees is recognized over time and revenue from franchise fees is recognized by the Company at the point in time. All revenue for the years ended December 31, 2023, 2022, and 2021 was comprised of franchise royalty fees.

Contract Balances

The opening balances of the Company's accounts receivable and contract liabilities as of January 1, 2021 were \$118,698 and \$133,618, respectively.

EXHIBIT AS

AGENTS FOR SERVICE OF PROCESS

William Raveis Affiliates, Inc. authorizes the following Agents for Service of Process in the following States:

Connecticut: The Banking Commissioner The Department of Banking Securities and Banking Investment Division 260 Constitution Plaza Hartford, CT 06103 Massachusetts: CT Corporation System 101 Federal Street – Ste 700 Boston, MA 02110 Maine: CT Corporation System One Portland Square Portland, ME 04101 Rhode Island: CT Corporation System 10 Weybosset Street Providence, RI 02903 and: Division of Securities 1511 Pontiac Avenue Cranston, RI 02920	New York: CT Corporation System 111 8th Avenue – 13th Floor New York, NY 10011 or Secretary of State 99 Albany Street Albany, NY 12231 New Hampshire: CT Corporation 9 Capitol Street Concord, NH 03301 Vermont: CT Corporation System 17 G W Tatro Drive Jeffersonville, VT 05464-9919 Florida: CT Corporation System 1200 S Pine Island Rd #250 Plantation, FL 33324
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EXHIBIT ST

LIST OF STATE ADMINISTRATORS

FRANCHISE REGISTRATION STATES:

California

Department of Corporations
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Department of Corporations
1515 K Street
Sacramento, CA 95814-4052
(916) 445-7205

Hawaii

Department of Commerce and
Consumer Affairs
Business Registration Division
Commissioner of Securities
P.O. Box 40
Honolulu, HI 96810
(808) 586-2744

Illinois

Franchise Bureau
Office of Attorney General
100 West Randolph Street
Chicago, IL 60601
(312) 814-3892

Indiana

Franchise Section
Indiana Securities Division
Secretary of State
302 W. Washington Street, Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Maryland Division of Securities
200 St. Paul Place
Baltimore, MD 21202
(410) 576-7042

<u>Michigan</u>	Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 6th Floor Lansing, MI 48933 (517) 373-7117
<u>Minnesota</u>	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 500 St. Paul, MN 55101-2198 (651) 296-6328
<u>New York</u>	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222
<u>North Dakota</u>	Office of Securities Commissioner 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712
<u>Oregon</u>	Department of Consumer and Business Services Division of Finance & Corporate Securities Labor and Industries Building 350 Winter Street NE Salem, OR 97310 (503) 378-4140
<u>Rhode Island</u>	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920 (401) 462-9527
<u>South Dakota</u>	Franchise Administration Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823
<u>Virginia</u>	State Corporation Commission 1300 E. Main St., 9th Floor Richmond, VA 23219 (804) 371-9051

Washington

Department of Financial Institutions
Securities Division
P.O. Box 903341200
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Division of Securities
Department of Financial Institutions
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
(608) 266-2801

EXHIBIT OM

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EXHIBIT WR
LIST OF WILLIAM RAVEIS REAL ESTATE, INCORPORATED OFFICES
As of December 31, 2022

CONNECTICUT

Avon	200 West Main Street / 06001	860-677-4661
Branford	1080 Main Street / 06405	203-433-4387
Cheshire	465 South Main Street / 06410	203-272-0001
Colchester	100 Linwood Avenue / 06415	860-537-3425
Danbury	48 Mill Plain Road / 06811	203-794-9494
Danielson	142 Main Street/ 06239	860-412-9156
Darien	22 Old Kings Highway So./ 06820	203-655-1423
Darien	975 Boston Post Road / 06820	203-655-5358
Fairfield	1275 Post Road/ 06824	203-368-8100
Fairfield	54 Miller Street / 06824	203-259-7653
Farmington	850 Farmington Avenue / 06032	860-677-9381
Glastonbury	218 New London Tpke / 06033	860-633-0111
Glastonbury	212 New London Tpke Unit B3 / 06033	860-430-1699
Greenwich	45 Field Point Road / 06830	203-869-9263
Guilford	21 Whitfield Street / 06437	203-453-0391
Guilford	350 Goose Lane, Suite 2C / 06437	860-850-0500
Madison	709 Boston Post Road / 06443	203-318-3570
Middlefield	111 Powder Hill Road/ 06455	860-614-0666
Middletown	48 Main Street / 06457	860-344-1658
Milford	179 North Broad Street / 06460	203-876-7507
Mystic	39 E. Main Street / 06355	860-536-2600
New Canaan	4 Elm Street / 06840	203-966-3555
New Haven	978 State Street	890-941-2755
New Milford	69 Bank Street / 06776	860-354-3906
Newtown	14 Church Hill Road / 06470	203-426-3429
Niantic	157 West Main Street / 06357	860-739-4455
Nichols	1676 Huntington Tpke / 06611	203-377-1588
Norwalk	3 Park Street / 06851	203-847-6633
Norwich	86 Town Street / 06360	860-886-1386
Old Saybrook	33 Main Street / 06475	860-388-3936
Rowayton	159 Rowayton Avenue / 06853	203-854-5116
Shelton HQ	7 Trap Falls Road / 06484	203-926-1090
Southbury	141 Main St. North / 06488	203-264-8180
Southport	2525 Post Road / 06890	203-255-6841
Southport	75 Station Street / 06890	203-256-3264
Stamford	1022 Long Ridge Road / 06903	203-322-0200
Stamford	817 Long Ridge Road / 06902	203-322-0200
Trumbull	945 White Plains Road / 06611	203-261-0028
West Hartford	125 LaSalle Road / 06107	860-521-4311
West Hartford	43 North Main Street Apt A	860-313-1300
Westport	47 Riverside Avenue / 06880	203-227-4343
Wethersfield	990 Silas Deane Highway / 06109	860-258-6202
Wilton	44 Old Ridgefield Road / 06897	203-762-8300

MASSACHUSETTS

Amherst	200 Triangle Street / 01002	413-549-3700
Andover	12 Bartlet Street / 01810	978-475-5100
Boston/Back Bay	18 Arlington Street / 02116	617-266-5200
Boston/South End	16 Clarendon Street / 02116	617-426-8333

Brookline	191 Grove Street, Chestnut Hill, MA / 02467	617-731-7737
Brookline - Coolidge Corner	1394 Beacon Street / 02446	617-734-8200
Canton	572 Washington Street / 02021	781-828-6550
Cohasset	48 South Main Street / 02025	781-383-0759
Concord	85 Main Street / 01742	978-610-6369
Duxbury	53 Railroad Avenue / 02332	781-934-2104
East Longmeadow	36 Center Square / 01028	413-565-2111
East Longmeadow	264 North Main Street, Unit 12/ 01028	413-579-8326
Hingham	40 North Street / 02043	781-749-3007
Hopkinton	11 Grove Street / 01748	508-435-8000
Lexington	1713 Massachusetts Avenue / 02420	781-861-9600
Lynnfield	1 Post Office Square / 01940	781-842-8113
Manchester by the Sea	11 Central Street / 01944	978-704-9406
Marblehead	11 Atlantic Avenue / 01945	781-631-1199
Marshfield	2016 Ocean Street / 02050	781-837-5600
Milton	95 Eliot Street / 02186	617-322-3933
Natick	15 West Central Street / 01760	508-655-4141
Natick	56 Eliot Street / 01760	508-653-1256
Needham	168 Garden Street / 02492	781-400-2398
Newton	1229 Centre St. / 02459	617-964-1850
North Attleboro	465 South Washington St./ 02760	
North Reading	143 Main Street / 01864	978-475-5100
Northampton	351 Pleasant Street / Ste A 01060	
Norwell	515 Washington Street / 02061	781-659-6650
Plymouth	86 Sandwich Street / 02360	508-747-7755
Quincy	15 Franklin Street / 02169	617-322-3933
Reading	643 Main Street, Suite B/ 01867	617-510-7063
Scituate	161 Front Street / 02066	781-545-1533
Sudbury	361 Boston Post Road / 01776	978-443-0334
Wellesley	75 Central Street / 02482	781-235-5000
Weymouth	636 Middle Street / 02189	781-331-3900
Chatham	37 Cross Street / 02633	508-945-7777
Eastham	Box 1244, 4760 State Highway / 02651	508-255-4949
Falmouth	222 Main St, Suite 101/ 02540	508-563-5100
Harwich Port (use PO for mail)	PO Box 628 (551 Route 28) / 02646	508-432-2618
Nantucket	17 Main Street / 02554	508-228-9117
Orleans	PO Box 1537, 207 Main Street / 02643	508-255-5555
Orleans Rentals	PO Box 566, 213 Main Street / 02643	508-240-2222
Osterville	812 Main Street/PO Box 200 / 02655	508-428-3320
Provincetown	154 Commercial Street / 02657	508-487-4005
Wellfleet	313 Main Street, Unit #3 / 02667	778-383-2600
Yarmouth Port	923 Route 6A, Unit BB CC/ 02675	774-994-8082

NEW HAMPSHIRE

Windham	25 Indian Rock Road/ 02087	978-475-5100
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NEW YORK

Armonk	387 Main Street / 10504	914-273-3074
Chappaqua	65 King Street / 10514	914-238-0505
Katonah	95 Katonah Avenue / 10536	914-401-9111
Rye	78 Purchase Street / 10580	914-967-1333
Scarsdale	1 Palmer Avenue / 10583	914-723-1331
Somers	339 Route 202 / 10589	914-276-0900
Yorktown Heights	1820 Commerce Street / 10598	914-245-0460
New York City	126 East 56th Street Suite 1510 / 10022	646-684-4599

Hamptons	PO Box 5012 / Quoque, NY 11959	203-883-0319
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FLORIDA

Boca Raton	193 E. Palmetto Park Road/ 33432	561-576-7085
Bonita Beach	5700 Bonita Beach Road, Suite 3103/ 34134	239-947-0167
Hobe Sound	9095 SE Bridge Road/ 33455	772-546-4466
Jupiter Island	2 South Beach Road/ 33455	772-546-2381
Lakewood Ranch	8916 77 th Terrace E, #104/ 34202	941-894-1255
Marco Island	950 N. Collier Blvd./ 34145	239-231-3380
Naples - 5th Ave.	720 5th Avenue South, Suite 201/ 34102	239-231-3380
Naples II - 850	850 5 th Avenue South, Unit C / 34102	239-231-3380
Naples	1400 3 rd Street South / 34102	239-449-0254
Naples – Grey Oaks	2394 Grey Oaks Drive North/ 34105	239-276-7103
Naples – Gulf Shore	9060 Gulf Shore Drive / 34108	239-594-2226
Old Naples	792 Broad Avenue South / 34102	239-213-0800
North Naples	800 Seagate Drive, Suite 101 / 34103	239-529-5451
North Palm Beach	1201 US Highway 1, Suite 18/ 33408	561-308-9441
Palm Beach	125 Worth Avenue, Suite 310 / 33480	561-655-6570
Palm Beach Gardens	11300 Mirasol Way / 33418	561-622-7070
Sarasota	1516 Main Street/ 34242	941-867-3901
Siesta Key	6021 Midnight Pass Road/ 34242	941-894-1255

EXHIBIT NR

LIST OF FRANCHISEES. The following are the names, addresses and telephone numbers of all existing franchised outlets as of December 31, 2022:

WR BCK Real Estate	86 N. Main St., Ste. 2, Barre, VT 05641	802-479-3366
WR BCK Real Estate	1 Elm Street, Woodstock, VT 05091	802-457-2727
WR BCK Real Estate (Winhall)	P.O Box 740, 53 Rte. 30, Bondville, VT 05340	802-297-1550
WR BCK Real Estate	249 Whittier Highway, Center Harbor, NH 03226	603-617-4900
WR BCK Real Estate	1 Oak Street, Boothbay Harbor, ME 04538	207-633-2223
WR BCK Real Estate	1837 Atlantic Highway, Waldoboro, ME 04572	207-832-1139
WR Inspire	268 Bellevue Avenue, Newport, RI 02840	401-846-3800
WR Inspire	557 Hope Street, Bristol, RI 02809	401-396-9849
WR Inspire	911 Main Road, Westport, MA 02790	508-636-3100
WR Inspire	201 Wayland Ave., Providence, RI 02906	401-751-8100
WR Delta Realtors	503 Main Street, Medfield, MA 02052	508-359-7351
WR Newburyport	12 Federal St., Newburyport, MA 01950	978-462-0500
WR Lifestyles Realty	4 Green Hill Road, Washington Depot, CT 06794	860-868-0511
WR First Town Real Estate	156 Broad Street, Windsor, CT 06095	860-688-1868
WR Prime Real Estate	17 West St., Walpole, MA 02081	508-668-0488
WR Prime Real Estate	1256 W. Central St., Ste. 1, Franklin, MA 02038	508-528-1680
WR Vermont Properties	29 Locust Hill Road, Ludlow, VT 05149 (Okemo)	802-225-8877

EXHIBIT TF

TERMINATED, CANCELLED, NON-RENEWED, AND NON-COMMUNICATING FRANCHISEES

Franchisee	Address/Phone	Reason for Termination
Jordan William Raveis Real Estate	Nantucket, MA Tel: 508-228-4449	Mutual
WR Curry Realtors	Alton Bay, NH Tel: 603-875-6600	Non-Renewal
WR Legends Realty Group	38 Main St, Tarrytown, NY 10591 914-332-6300	Mutual
WR Baer McIntosh	97 S. Broadway, Nyack, NY 10960 845-358-9440	Non-Renewal

EXHIBIT CD-Reg

ACKNOWLEDGEMENT OF CRITICAL FRANCHISE DATES

A. THE FOLLOWING DATES ARE TRUE AND CORRECT:

1. _____, 20____
Month/Day The date on which I received the Franchise Disclosure Document about the William Raveis Affiliates, Inc. franchise.
2. _____, 20____
Month/Day The date of my first face-to-face meeting with a William Raveis Affiliates, Inc. representative to discuss the possible purchase of a franchise.
3. _____, 20____
Month/Day The day when I received a completed copy (other than signatures) of the Franchise Agreement I later signed.
4. _____, 20____
Month/Day The date on which I signed the Franchise Agreement.
5. _____, 20____
Month/Day The earliest date on which I delivered cash, check or other consideration to a William Raveis Affiliates, Inc. representative.

B. REPRESENTATIONS

1. No oral, written, or visual claim or representation, which contradicted the Disclosure Statement was made to me except: (If none, the prospective Franchisee shall write "none".)
2. No oral, written or visual claim or representation, which stated or suggested any sales, income or profit levels (actual or projected), was made to me except: (If none, the prospective Franchisee shall write "none".)

The above is true and correct to the best of my knowledge.

Date: _____, 20__

FRANCHISEE:

GUARANTORS:

APPROVED BY WILLIAM RAVEIS AFFILIATES, INC.

By _____

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.

The 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:

California:	N/A
Hawaii:	N/A
Illinois:	N/A
Indiana:	N/A
Maryland:	N/A
Michigan:	N/A
Minnesota:	N/A
New York:	N/A
North Dakota:	N/A
Rhode Island:	N/A
South Dakota:	N/A
Virginia:	N/A
Washington:	N/A
Wisconsin:	N/A

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

ITEM 23
RECEIPT
WILLIAM RAVEIS AFFILIATES, INC. DISCLOSURE DOCUMENT

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 William Raveis Affiliates, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or 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 William Raveis Affiliates, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit D.

The franchisor is William Raveis Affiliates, Inc. at 7 Trap Falls Road, Shelton, Connecticut 06484.

The franchise seller(s) for this offering is/are: Thomas Milazzo, 7 Trap Falls Road, Shelton, Connecticut 06484, 1 (203) 673-6995.

William Raveis Affiliates, Inc. authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I have received a disclosure document dated **April 29, 2024** that included the following Exhibits:

FA	Franchise Agreement	AD	State Addenda
NF	List of Current	PG	Guarantee of Performance
TF	Former Franchisees as of 12/31/2021	CD	Statement of Prospective Franchisee
ST	State Regulatory Authorities		
AS	Agents for Service of Process		
FS	Financial Statements		
OM	Operations Manual Table of Contents		

PRINTED NAME

TITLE

SIGNATURE

DATE

(1) _____

(2) _____

COMPANY OR PARTNERSHIP NAME: _____

Please sign the Receipt, date it the date you receive the disclosure document and return it to William Raveis Affiliates, Inc., 7 Trap Falls Road, Shelton, CT 06484. Please retain a copy of this Receipt for your records.

RECEIPT
WILLIAM RAVEIS AFFILIATES, INC. DISCLOSURE DOCUMENT

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 William Raveis Affiliates, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or 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 William Raveis Affiliates, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed on Exhibit D.

The franchisor is William Raveis Affiliates, Inc. at 7 Trap Falls Road, Shelton, Connecticut 06484.

The franchise seller(s) for this offering is/are: Thomas Milazzo, 7 Trap Falls Road, Shelton, Connecticut 06484, 1 (203) 673-6995.

William Raveis Affiliates, Inc. authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I have received a disclosure document dated **April 29, 2024**, that included the following Exhibits:

FA	Franchise Agreement	AD	State Addenda
NF	List of Current	PG	Guarantee of Performance
TF	Former Franchisees as of 12/31/2021	CD	Statement of Prospective Franchisee
ST	State Regulatory Authorities		
AS	Agents for Service of Process		
FS	Financial Statements		
OM	Operations Manual Table of Contents		

PRINTED NAME

TITLE

SIGNATURE

DATE

(1) _____

(2) _____

COMPANY OR PARTNERSHIP NAME: _____

Please sign the Receipt, date it the date you receive the disclosure document and return it to William Raveis Affiliates, Inc., 7 Trap Falls Road, Shelton, CT 06484. Please retain a copy of this Receipt for your records.