RE/MAX® REAL ESTATE SERVICES

OFFICE

FRANCHISE AGREEMENT

FOR

[*INSERT NAME OF COUNTRY*]

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RE/MAX® REAL ESTATE SERVICES

OFFICE FRANCHISE AGREEMENT

**FOR**

[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]

This Franchise Agreement (this “***Agreement”***) is effective as of \_\_\_\_\_\_\_\_\_\_\_\_, 20 \_\_ (the “***Agreement Date***”). The parties to this Agreement are \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ d/b/a RE/MAX® [\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_], a \_\_\_\_\_\_\_\_\_\_\_\_ organized under the laws of \_\_\_\_\_\_\_\_\_\_\_\_ (“***Master Franchisee***”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“***Franchisee***”). This Agreement is for a RE/MAX real estate services office to be located at: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “***Premises***”) and operated under the trade name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“***Office Name***”).

1. INTRODUCTION.

RE/MAX, LLC, a company based in the United States of America (“***RE/MAX, LLC***”) has developed and owns a valuable system (the “***System***”) for the establishment and operation of offices (“***RE/MAX office(s)***”) offering high quality real estate services under the name “RE/MAX” and certain other Marks. These high quality real estate services are provided through a network of RE/MAX franchisees and their affiliated real estate agents (the ***“RE/MAX Network”***). Master Franchisee has obtained from RE/MAX, LLC the rights to license the System and Marks in the Territory (“***Master Franchisee’s Rights***”).

Franchisee acknowledges the importance of RE/MAX, LLC’s high standards of quality and service and the necessity of operating the Office in conformity with such standards and specifications. Franchisee represents and warrants to Master Franchisee, as an inducement to it entering into this Agreement, that there are no misrepresentations or material omissions, in Franchisee’s application for the rights granted by this Agreement.

All initially capitalized terms not otherwise defined herein shall have the meanings given them in Appendix.

1. GRANT OF RIGHTS.
   1. Location of Office/Scope of Services.

Master Franchisee grants to Franchisee the right, and Franchisee undertakes the obligation, to establish and own a single RE/MAX real estate services office using the System and Marks at the Premises under the Office Name in accordance with the provisions of this Agreement. Franchisee further agrees to operate the Office actively and continuously throughout the Term. The Office may be operated only at the Premises, and may not be relocated without Master Franchisee’s consent. Franchisee will not operate, or permit Sales Associates to operate, any branch office, kiosk, or other extension of the Office from any other location without Master Franchisee’s consent.

If the location of the Premises has not been selected and approved as of the Agreement Date, and the parties cannot agree on a mutually acceptable location within \_\_\_\_\_\_ days of the Agreement Date, Master Franchisee has the right to terminate this Agreement effective on notice. Franchisee may only operate the Office for the purpose of providing Authorized Real Estate Services. The Office may not be used to conduct another business or to generate revenue from any other activities, except with Master Franchisee’s prior written consent.

* 1. No Territorial Rights or Restrictions.

No territorial rights or protections are afforded to Franchisee under this Agreement. Master Franchisee and RE/MAX, LLC may operate, and grant franchises and licenses to operate, RE/MAX real estate services offices or other real estate services offices using any other trademark or service mark at any locations whatsoever, even if such RE/MAX office or other office is in close proximity to the Office or has an adverse impact on Franchisee’s business. Nothing contained in this Agreement shall be deemed to restrict in any way the right of Master Franchisee or RE/MAX, LLC or any of their respective Affiliates, now or in the future, from engaging in any business activities whatsoever or from using the Marks or other proprietary rights in any other business activities.

Subject to Applicable Law, Franchisee is not restricted from listing, selling, renting or otherwise dealing with property or representing customers anywhere in the Territory. However, Franchisee is expected to meet high standards of real estate service and professionalism. These expectations can only be met by limiting Franchisee’s real estate services to market areas where Franchisee can serve customers and clients directly and personally and where Franchisee has sufficient knowledge of local conditions, community history and the housing market to meet those high standards. Accordingly, Franchisee agrees to provide Authorized Real Estate Services only in geographical areas in the Territory where Franchisee is able to meet those high standards and agrees to refer all requests for real estate services in areas in which Franchisee is unable to do so, or elects not to do so, to the RE/MAX office for that area, or if there is no RE/MAX office in that area, then to the RE/MAX Referral System.

* 1. Term and Renewal of Franchise.

The term of this Agreement begins on the Agreement Date and continues for a period of five years (the “***Term***”), unless the Agreement is terminated earlier pursuant to the provisions hereof.

Franchisee may, at its option, renew this franchise relationship if Franchisee meets the following conditions:

Franchisee has complied with all of the terms and conditions of this Agreement throughout the Term;

Franchisee and Owners execute a form authorizing Master Franchisee to conduct a credit and background check;

Franchisee and Owners meet Master Franchisee’s then current subjective and objective standards for new franchisees, including those relating to relevant experience, education and licensing, background and past record of compliance with laws, financial capacity, skills, integrity and other qualities of character;

Franchisee pays Master Franchisee a renewal fee equal to \_\_\_\_\_\_\_\_\_\_\_;

Franchisee has given written notice of its election to renew not less than 6 months nor more than 12 months prior to the end of the Term;

If required by Master Franchisee, Franchisee or the Owner responsible for the Office shall complete, at Franchisee’s expense such training as Master Franchisee may deem necessary;

At least \_\_\_\_\_\_ days prior to the expiration of the Term, Franchisee executes the form of franchise agreement (including any renewal addendum and additional supplemental agreements then being used by Master Franchisee) Master Franchisee is then customarily using in the grant of franchises for RE/MAX offices, which agreement and renewal addendum shall take effect on the day after the end of the Term, will supersede this Agreement and may have materially different terms than this Agreement; and

Renewal of this Agreement is conditioned on Franchisee and Owners’ continued compliance with this Agreement up to the last day of the Term.

1. OPENING OF OFFICE.
2. Franchisee agrees to Open (defined below) the Office for business in accordance with this Agreement no later than 180 days after the Agreement Date. “**Open**” means having an office with a minimum of \_\_\_\_\_ square meters, staffed by a full-time person, and equipped with furniture, a computer system, a phone system, a printer and other office equipment necessary to operate a RE/MAX office in conformity with this Agreement and the high standards of quality and service associated with the Marks. Franchisee must also have one or more exterior office signs depicting the Office Name and compliant with the Trademark Manual.

Franchisee, at its own cost, is solely responsible for assuring that the Office is constructed, furnished and equipped in compliance with this Agreement and Applicable Laws. Franchisee agrees to implement, at its own cost, all systems, programs and procedures that Master Franchisee establishes from time to time, including communication systems, accounting programs, data management systems and other systems designed to facilitate the flow of information contemplated by this Agreement. Franchisee must maintain a computer system that is compatible with all of Master Franchisee and RE/MAX, LLC’s communications and data reporting requirements. Franchisee must also upgrade and update such systems and related hardware and software as Master Franchisee may periodically specify.

RE/MAX, LLC has developed RE/MAX University to deliver educational programming to the RE/MAX Network some of which may be available only for a fee. Franchisee must subscribe, and shall encourage each Sales Associate to subscribe, to MAX/Center. Master Franchisee may require that certain goods, services, supplies, fixtures, equipment, and computer hardware and software relating to the Office’s establishment or operation be purchased directly and/or exclusively from Master Franchisee or from other suppliers as Master Franchisee may periodically designate.

1. LICENSE TO USE MARKS.
   1. Ownership of Marks and License Use.

Subject to the terms and conditions set forth herein, Franchisee is granted a limited, non-exclusive license during the Term to use the Marks in connection with the operation of the Office and the Authorized Real Estate Services. Franchisee may not sublicense or otherwise allow any third party to use the Marks or Office Name for any purpose whatsoever.

* + 1. “RE/MAX” Required in d/b/a but Prohibited in Entity Name.

Franchisee is required to use the term “RE/MAX” as the first word in the trade identification of the Office, and must obtain any trade, fictitious or assumed name registrations as may be required under Applicable Law. Franchisee agrees not to use the term “RE/MAX” or any of the other Marks (or any variations or renditions similar to any of the Marks) in, or as part of, its formal corporate or legal name.

* + 1. Ownership of Marks and Goodwill.

Franchisee acknowledges and agrees that: i) RE/MAX, LLC is the exclusive owner of the Marks; ii) Franchisee’s license to use the Marks is derived solely from this Agreement and is limited to the use of the Marks in compliance with this Agreement and the Trademark Manual; iii) all use of the Marks, and any goodwill established by such use, including the use of the Office Name, will inure exclusively to the benefit of RE/MAX, LLC. Franchisee shall not acquire any right, ownership or other interests in or to the Marks, the Office Name or the goodwill associated therewith.

* + 1. High Standards of Service and Professionalism.

Franchisee agrees that the Authorized Real Estate Services provided by Franchisee, and by all Sales Associates affiliated with the Office, shall adhere to the highest standards of quality real estate services and agent professionalism as may be prescribed from time to time as part of the System. Franchisee agrees to use the Marks strictly in accordance with all proscribed standards, operating procedures, policies and guidelines, including those set forth in the Trademark Manual.

* + 1. Sales Associates Not Licensed to Use Marks.

No Sales Associate or any other person employed by or affiliated with the Office in any capacity has any independent right or license to use the Marks, but rather their use is on behalf of Franchisee under the terms of this Agreement.

* 1. Limitations on Use of Marks.

In addition to the limitations set forth in the Trademark Manual, Franchisee’s use of the Marks must conform to the following.

* + 1. Identity of Office and use of “Independently Owned and Operated”.

All uses of the Marks by Franchisee and its Sales Associates in all advertising of Franchisee’s services in any medium whatsoever will be accompanied by the Office Name, Office address and phone number and prominently indicate that “Each RE/MAX Office is Independently Owned and Operated.”

* + 1. Style of Use.

Franchisee agrees not to use any RE/MAX Mark with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any other modified form. All usage of the Marks shall be in accordance with this Agreement and the style and graphic standards set forth in the Trademark Manual.

* + 1. No Use of Marks by Third Parties.

Franchisee is not permitted to allow any vendor, service provider or other third party to engage in any uses of the Office Name in any manner that may suggest they are sponsored or endorsed by, or affiliated with, the RE/MAX Network.

* + 1. Creation, Ownership and Responsibility for RE/MAX Formative Domain Names.

Franchisee may register and use one or more Internet domain names that include the term “remax” (*“RE/MAX Formative Domain Names”*) for so long as the Trademark Manual allows such registrations and provided that each such domain name complies strictly with those rules and any other guidelines RE/MAX, LLC issues on RE/MAX Formative Domain Names. Sales Associates are not authorized to register RE/MAX Formative Domain Names.

* + - 1. Franchisee Cooperates and Bears Costs to Recover RE/MAX Formative Domain Names.

Upon request from Master Franchisee or RE/MAX, LLC, Franchisee agrees to deactivate, redirect, assign, transfer, terminate and/or disconnect any non-compliant or abandoned RE/MAX Formative Domain Name that was registered by Franchisee, the Office, any of the Sales Associates or anyone else currently or formerly employed by or affiliated with the Office, or any entity commissioned to register such domain name by Franchisee, the Office, the Sales Associates or anyone else currently or formerly employed by or affiliated with the Office.

* + - 1. Other Formats for Internet Addresses.

Franchisee agrees to adhere to any template or formatting that Master Franchisee or RE/MAX, LLC may require for various other types of marketing or advertising on the Internet involving the Marks or the Office Name.

* + - 1. Further Actions to Transfer Domains or Internet Addresses

Franchisee will, at its own expense, promptly execute and deliver all necessary documents and take any action reasonably requested by Master Franchisee to effect the assignment and transfer of domain names or Internet addresses required to be deactivated, redirected, assigned, transferred, terminated and/or disconnected pursuant to this Subsection. Franchisee agrees that all Internet service providers, domain name registrars and domain name listing agencies and other third parties may accept this Agreement as conclusive of the rights of RE/MAX, LLC to ownership, control and benefit of all RE/MAX Formative Domain Names. Franchisee and Owners further hereby appoint Master Franchisee and RE/MAX, LLC as Franchisee’s agent and attorney-in-fact to act for and on Franchisee’s behalf to execute, register, and file such documents, complete such processes, and to perform all other lawfully permitted acts as the registrar, or any applicable law, requires to effectuate a transfer of such domain names or Internet addresses with the same legal force and effect as if executed by Franchisee or Owners. Franchisee agrees to pay directly, or reimburse Master Franchisee and RE/MAX, LLC for any and all costs and attorney fees they incur in the process of obtaining and/or deactivating, any such domain name or Internet Address.

* + 1. Electronic Links to Master Franchisee or RE/MAX, LLC Websites May Be Required.

If required by Master Franchisee or RE/MAX, LLC, Franchisee shall establish Franchisee’s website as part of Master Franchisee or RE/MAX, LLC’s website, and/or establish electronic links to Master Franchisee or RE/MAX, LLC’s website.

* + 1. Ownership and Use of Hot Air Balloons.

Franchisee acknowledges and agrees that RE/MAX hot air balloons must always remain under the control and ownership of Master Franchisee or RE/MAX, LLC Therefore, neither Franchisee nor anyone affiliated with the Office will purchase or own, for any purpose, a RE/MAX hot air balloon or any hot air balloon depicting a red-over-white-over-blue trade dress, or that otherwise depicts, or is confusingly similar to, any of the Marks.

* + 1. Franchisee Supervision Required to Assure Compliance.

Franchisee agrees to be responsible for, and to supervise, the Sales Associates in order to ensure the proper use of the Marks and their full compliance with the provisions of this Agreement and the Trademark Manual. If anyone employed by or affiliated with the Office makes any improper or unauthorized use of the Marks, it will constitute an infringement of RE/MAX, LLC’s exclusive rights in and to the Marks and a default of this Agreement.

* + 1. RE/MAX, LLC is “Third Party Beneficiary” under Marks Provisions.

Franchisee acknowledges and agrees that RE/MAX, LLC is a third-party beneficiary of this Section 4 and Subsection 14.B. of this Agreement, and of every other Section or Subsection of this Agreement that deals with use of the Marks and/or the System.

* 1. Notification of Infringements and Claims.

Franchisee agrees to immediately notify Master Franchisee in writing of any apparent infringement of or challenge to any of RE/MAX, LLC’s copyrights or any of the Marks, or of any claim by any person of any rights in such copyrights, Marks or similar trade names, trade­marks or service marks of which Franchisee becomes aware. Franchisee agrees not to communicate with anyone except Master Franchisee, RE/MAX, LLC and their respective counsel in connection with any such infringement, challenge or claim and agrees that RE/MAX, LLC will have the sole right to determine whether an infringement, challenge or claim exists, and if so, to exclusively control any litigation, or administrative proceeding arising out of any such infringement, challenge or claim. Franchisee agrees to cooperate with and assist RE/MAX, LLC with any investigation of the alleged infringement of or challenge to RE/MAX, LLC’s copyrights or Marks. Franchisee agrees to sign any documents or render any assistance that RE/MAX, LLC, in its sole discretion, believes are advisable in order to protect or maintain RE/MAX, LLC’s interests in any litigation or administrative proceeding related to such copyrights or Marks or to otherwise protect, maintain or perfect its interests in such copyrights or the Marks. Franchisee acknowledges that RE/MAX, LLC will have no obligation to defend the Marks from valid claims of prior use or of lawful concurrent use by others.

* 1. Discontinuance of Use of Marks.

If it becomes advisable at any time in RE/MAX, LLC’s sole judgment to modify or discontinue the use of any RE/MAX Mark or to use one or more additional or substitute trademarks or service marks, including the RE/MAX Mark used as part of the Office Name or in a Domain Name, Franchisee agrees, at its expense, to comply with Master Franchisee’s directions to modify or otherwise discon­tinue the use of the RE/MAX Mark, or use one or more additional or substitute trademarks or service marks, within a reasonable time after Master Franchisee’s notice to Franchisee.

1. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.
   1. Independent Contractor; No Fiduciary Relationship; Independently Owned and Operated.

Franchisee acknowledges and agrees that this Agreement does not create a fiduciary relationship, that Franchisee is an independent contractor, and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose whatsoever. All of Franchisee’s employees or agents hired or engaged by or working for Franchisee shall be Franchisee’s employees or agents only and shall not for any purpose be deemed employees or agents of Master Franchisee or RE/MAX, LLC nor subject to Master Franchisee or RE/MAX, LLC’s control. However, Master Franchisee and RE/MAX, LLC have the right, and Franchisee must permit them, to communicate directly with the Sales Associates concerning any matter that they deem necessary or appropriate relating to the System or the Office, without incurring any liability to Franchisee. Franchisee agrees to conspicuously identify itself in all Franchisee’s dealings with all third parties including clients, customers, suppliers, public officials and others as the owner of the Office pursuant to a Franchise Agreement with Master Franchisee. Franchisee shall place, and Franchisee shall ensure that everyone affiliated with the Office places, a statement on all forms, business cards, stationery, advertising, and other materials that “Each RE/MAX Office is Independently Owned and Operated,” or such other statement as Master Franchisee may require from time to time. Such a statement must also be displayed in a prominent place near the main entrance to the Office and in the reception area.

* 1. Conduct of Business of the Office.
     1. Franchisee Controls the Conduct of Franchisee’s Business and the Office.

Neither Master Franchisee nor RE/MAX, LLC shall have any authority to exercise control over the day-to-day conduct of Franchisee’s business or the Office, including but not limited to the time and manner in which Franchisee obtains listings and sells or rents properties, the commission rates charged by the Office, the commission splits negotiated between Franchisee and the Sales Associates, the details of the work performed by Franchisee’s employees and agents, the hiring or termination of Franchisee’s employees and agents, the compensation, working hours or conditions or the day-to-day activities of such persons, except to the extent necessary to protect the Marks and the System.

* + 1. Essential Trademark Undertakings for Sales Associates.

Franchisee must require each of its Sales Associates to execute a Trademark Acknowledgement, the current form of which is attached hereto as **Exhibit B**. If Franchisee enters into a written agreement with the Sales Associates for the retention of their services, Franchisee may in the alternative fully incorporate the terms of the Trademark Acknowledgement into such agreement. Franchisee will be notified of future changes, additions or modifications to the Trademark Acknowledgement and Franchisee will have 60 days to amend Franchisee’s agreements with the Sales Associates or require each Sales Associate to sign the new Trademark Acknowledgement.

* 1. No Liability, No Warranties.

Franchisee agrees not to employ any of the Marks in a manner that may result in demands for payment or assertions of liability directed to Master Franchisee for any of Franchisee’s indebtedness or obligations. Except as expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other or represent that the relationship between Master Franchisee and Franchisee is other than that of franchisor and franchisee. Franchisee does not have the authority to bind or obligate Master Franchisee or RE/MAX, LLC in any way by any promise or representation or any other action or inaction.

* 1. Indemnification.

Franchisee shall be solely and exclusively responsible for any fines, taxes, costs, expenses, damages, loss or liability, of any kind or nature, arising out of any suits, actions, proceedings or claims (collectively “***Claims***”) relating to Franchisee’s business or the operation of the Office even if such Claims are brought or filed after transfer, termination or expiration of this Agreement. Franchisee agrees to indemnify, defend and hold Master Franchisee and RE/MAX, LLC, and each of their affiliated entities, shareholders, partners, directors, officers, managers, employees, lawyers, agents, affiliates and assignees, harmless from and against, and to reimburse Master Franchisee and RE/MAX, LLC for, all such fines, taxes, costs, expenses, damages, loss or liability for which Master Franchisee or RE/MAX, LLC are held liable or which Master Franchisee or RE/MAX, LLC reasonably incur in connection with any Claims, including, without limitation, actual and consequential damages, rea­sonable attorneys’, accountants’, and expert fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Master Franchisee and RE/MAX, LLC have the right to defend any Claims and, in connection therewith, to retain legal counsel of their choice. Franchisee agrees to cooperate with Master Franchisee and RE/MAX, LLC in the defense of, and not to settle or compromise, without Master Franchisee’s prior written consent, any Claims to which Master Franchisee or RE/MAX, LLC are a party or which may affect Master Franchisee’s interests or the interests of RE/MAX, LLC. Franchisee’s indemnification obligations will continue in full force and effect after, and notwithstanding, the transfer, expiration or termina­tion of this Agreement.

* 1. Confidential Information.

Franchisee acknowledges that it has been given access to and will be informed regarding confidential matters, trade secrets, recruiting techniques, accounting procedures, quality control procedures and other methods developed by RE/MAX, LLC as part of the System which, for purposes of this Agreement, are owned by RE/MAX, LLC and which are necessary and essential to the operation of the business contemplated by this Agreement, without which Franchisee could not efficiently, effectively, and profitably operate the same (collectively the “***Confidential Information***”). Franchisee further acknowledges that the Confidential Information was unknown to Franchisee prior to negotiation for and execution of this Agreement, and that the unique and novel combination of “know how” and methods developed by RE/MAX, LLC and licensed to Franchisee by Master Franchisee for the operation of the Office are unique to the real estate business conducted by RE/MAX offices. Franchisee agrees to take all steps necessary, at Franchisee’s own expense, to protect the Confidential Information, and shall not divulge any of the Confidential Information to any other person either during the Term or subsequent to the termination or expiration of this Agreement without Master Franchisee’s prior written consent.

* 1. Exclusive Relationship/Non-Competition Agreement.

Franchisee acknowledges and agrees that Master Franchisee would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among RE/MAX offices if Franchisee or Owners were permitted to engage in other businesses competitive with RE/MAX offices or with Master Franchisee or RE/MAX, LLC Accordingly, Franchisee agrees that without Master Franchisee’s consent, neither Franchisee, nor the Owners or the Sales Associates), nor their spouses or domestic partners will, during the Term, directly or indirectly, as an officer, director, shareholder, member, partner, manager, employee, agent or otherwise, operate, manage, own, have an interest in or become affiliated with in any other way (1) any non-RE/MAX real estate service business; or (2) any other business or enterprise offering products or services that competes with the products and services offered by Master Franchisee, RE/MAX, LLC, or any of their respective affiliates.

* 1. Damages.

For breach of the covenants in Subsections 5.E. or 5.F., and due to the difficulty of establishing the precise amount of damages for breach of such covenants, in addition to the other remedies provided for herein and under applicable law, Franchisee and Owners jointly and severally agree to pay to Master Franchisee (on behalf of Master Franchisee and those franchised offices within the Territory affected by the breach of such covenants) (the “***Affected Offices***”), the sum of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. The parties agree that the foregoing amounts are a reasonable estimation of the damages that would be incurred by Master Franchisee and the Affected Offices for breach of such covenants. Master Franchisee shall be entitled to pursue any other right or remedy provided or permitted by law or this Agreement and that, in any event, payment to Master Franchisee of the foregoing amount shall not constitute an excuse to the performance of Franchisee and Owners’ obligations under this Agreement.

1. FEES.
   1. Initial Franchise Fee.

Franchisee agrees to pay Master Franchisee an initial franchise fee (the “***Initial Franchise Fee***”) in the amount of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ upon execution of this Agreement. The Initial Franchise Fee is non-refundable, and fully earned upon payment.

* 1. Monthly Ongoing Fees.

Franchisee agrees to pay Master Franchisee the following monthly ongoing fees (together “***Monthly Ongoing Fees***”) by the 5th day of the month after the month the Office opens and by the 5th day of each subsequent month throughout the Term.

* + 1. Office Flat Fee.

$\_\_\_\_\_\_\_ per month. This fee is subject to increase once in any calendar year provided such increase will not exceed 10% of the amount in effect at the time of any such increase.

* + 1. Sales Associate Flat Fee.

$\_\_\_\_\_\_\_ per month for each Sales Associate, in Franchisee’s Office during the previous calendar month. This fee is subject to increase once in any calendar year provided such increase will not exceed 10% of the amount in effect at the time of any such increase.

* + 1. Percentage Fee.

An amount equal to \_\_\_\_% of “Office Commissions” (as defined below); provided, however that if the total amount paid to Master Franchisee under this Subsection 6.B.2 for any given 12 month period following the Agreement Date (“***Agreement Year***”) is less than the specified amount set forth below, Franchisee must pay Master Franchisee an additional amount equal to the difference between the actual amount paid for the Agreement Year in question and the amount designated below for that period:

|  |  |
| --- | --- |
| Agreement Year | Percentage Fee |
| Year 1 | $\_\_\_\_\_\_\_\_\_\_\_ |
| Year 2 | $\_\_\_\_\_\_\_\_\_\_\_ |
| Year 3 | $\_\_\_\_\_\_\_\_\_\_\_ |
| Year 4 | $\_\_\_\_\_\_\_\_\_\_\_ |
| Year 5 | $\_\_\_\_\_\_\_\_\_\_\_ |

***“Office Commissions”*** shall mean the total amount of commission-based revenue earned, derived and/or received by or otherwise generated through the efforts of each Sales Associate from real estate transactions handled during the immediately preceding month.

* + 1. Technology Fee*.*

A Technology Fee of $\_\_\_\_\_\_\_ per month and $\_\_\_\_\_\_ for each Sales Associate in the Office during the previous calendar month to be used for development of technology related products and services. The Technology Fee may be increased once in any calendar year, provided such increase will not exceed 10% of the amount in effect at the time of any such increase.

Franchisee’s failure to establish or collect such fees does not relieve Franchisee of its obligation to pay its fees under this Agreement in a timely manner.

* 1. Membership Dues.

Franchisee agrees to pay Master Franchisee membership dues (***“Membership Dues”***) in the amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ per year for each Sales Associate, payable as follows: (a) the first Membership Dues shall be paid within 5 days of the date such Sales Associate becomes appointed or contracted with the Office (***“Membership Date”***); and (b) all subsequent payments shall be due on or before each anniversary of the Membership Date.

Upon receipt of written approval from Master Franchisee, the Membership Dues may be paid on a monthly basis. If Franchisee elects to pay monthly, the Membership Dues will be $ USD per month (or such increased amount as provided below) for each Sales Associate. The first Membership Dues shall be paid within 5 days of the Membership Date, with subsequent monthly payments due and payable each month thereafter during the Term. The first payment shall be accompanied by the Membership Profile Form.

The amount of Membership Dues shall increase by 5% every two years, with the first such increase to occur two years from the Effective Date.

* 1. Regional and International Advertising Funds.
     1. Regional Group Advertising Fund.

Franchisee agrees to pay Master Franchisee a Regional Group Advertising Fund (“***RGAF***”) fee of \_\_\_\_\_\_\_\_\_\_ per monthwhich will be used for the reimbursement of certain expenses incurred through the RGAF account or through the International Advertising Development Fund (“***IADF***”) account. This fee is payable by the 5th day of the month after the month the Office opens and by the 5th day of each month thereafter during the Term. The monthly RGAF fee due with respect to each Office may be increased by Master Franchisee once in any calendar year, provided such will not exceed 10% of the amount in effect at the time of any such increase.

* + 1. International Advertising Development Fund.

A portion of the RGAF fee, currently \_\_\_\_, may be allocated to a separate IADF account to be used for the creation and development of advertising and media materials, and for public relations purposes.

* 1. Payment/Late Charges/Interest.
     1. Failure to Timely Make Payment.

If Franchisee fails to make any payments to Master Franchisee by the due date, Franchisee agrees to pay Master Franchisee: (a) a late charge equal to 20% of the amount owed, or if such rate exceeds the highest rate permitted by applicable law, then at the highest rate permitted by applicable law, to compensate Master Franchisee for the additional administrative costs and expenses incurred in handling overdue payments; and (b)  interest on all amounts owed but unpaid at the rate of 1% per month compounded, or if such rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted.

* + 1. Failure to Timely Submit Reports.

If Franchisee fails to submit any reports by their due date, Franchisee agrees to pay Master Franchisee a late charge of $\_\_ per day until the reports are submitted in compensation for the additional administrative costs and expenses Master Franchisee incurs as a result of the late submission.

* + 1. Withholding of Payments.

Franchisee agrees to pay all amounts due under this Agreement without deduction, set-off or abatement. Franchisee further agrees that Franchisee will not, on alleged grounds of non-performance by Master Franchisee of any of Master Franchisee’s obligations under this Agreement, withhold payment of any fees or other amounts due to Master Franchisee, RE/MAX, LLC or any of Master Franchisee’s Affiliates.

* 1. Application of Payments.

When Master Franchisee receives a payment or a partial payment required under this Agreement, Master Franchisee has the unfettered right to apply it to any past due indebtedness of Franchisee, including late charges or interest due, all without regard to how Franchisee designates or directs that a particular payment be applied.

* 1. Suspension of Services.

If Franchisee fails to make any payments as required under this Agreement then, in addition to the assessment of late charges and interest as set forth above, Master Franchisee and RE/MAX, LLC shall have the right to suspend, during such period of delinquency, any or all benefits and services afforded Franchisee or the Sales Associates affiliated with the Office. Suspension of these or any other benefits and services shall not be an exclusive remedy and shall not in any way affect Master Franchisee’s rights to receive or collect all outstanding fees, dues and other amounts owed by Franchisee or to terminate this Agreement because of Franchisee’s failure to make payments required under this Agreement.

* 1. Costs/Deductions.

Franchisee must pay all bank wire transfer charges, exchange commissions, taxes, tariffs and currency exchange costs or similar amounts. All payments must be made without set-off or deductions for any taxes, tariffs or other amounts payable on such remittance, except as provided below. Franchisee shall be required to pay to Master Franchisee the total amount due under the formulas set forth herein, without regard for any taxes or tariffs due.

* 1. Means of Payment.

All payments must be made to Master Franchisee by bank wire transfer or other means approved in advance by Master Franchisee to an account designated by Master Franchisee or by Franchisee’s check made payable to Master Franchisee. Franchisee agrees to comply with any requirement of Master Franchisee regarding payment of fees, dues and charges specified in this Agreement and make such payment in accordance with such procedure as Master Franchisee may periodically specify.

* 1. Taxes.

All taxes required by the Applicable Laws to be withheld from any payment hereunder shall be deducted from such payment and paid to the appropriate tax authority. Within \_\_\_\_\_\_ days of payment, Franchisee will furnish Master Franchisee all official tax receipts or other evidence sufficient to enable Master Franchisee to establish payment of any taxes withheld. Franchisee and Master Franchisee will cooperate in minimizing any taxes payable to any taxing authority in the Territory.

* 1. Surviving Financial Obligations.

In the event of any early termination of this Agreement pursuant to Section 13 (“***Early Termination***”), Franchisee shall immediately become obligated to pay Master Franchisee for lost future revenue (“***Lost Future Revenue***”). Lost Future Revenue shall consist of all amounts which Franchisee would have been obligated to pay as Monthly Ongoing Fees, Membership Dues, and RGAF and IADF fees, from the date of Early Termination through what would have been the end of the Term. Master Franchisee and Franchisee acknowledge that it would be impracticable or extremely difficult to calculate the actual amount of Lost Future Revenue payable by Franchisee, and that the following method of calculation represents a fair and reasonable estimate of foreseeable Lost Future Revenue: Lost Future Revenue shall be equal to the combined monthly average of Monthly Ongoing Fees, Membership Dues, and all advertising fund fees payable under this Agreement from the Agreement Date through the date of Early Termination, multiplied by the number of months (or partial months) remaining in the Term of this Agreement. The present value of the total of these amounts calculated at a discount rate of 8%, assuming payment is made within 30 days of Early Termination, shall constitute Master Franchisee’s Lost Future Revenue.

* 1. Outside Sales Agent Payments.

Outside Sales Agents are ***not*** authorized under this Agreement. Accordingly, Franchisee shall not permit Outside Sales Agents. If Franchisee at any time has any Outside Sales Agents, Franchisee shall cause them to be converted to Sales Associates or, in the alternative, cause the links or ties that render them to be Outside Sales Agents to be eliminated or discontinued.

So long as any person functions as an Outside Sales Agent, Franchisee must pay for each Outside Sales Agent, the Monthly Ongoing Fees, the Membership Dues and the Regional Group Advertising Fund fee. Master Franchisee’s acceptance of such payments shall not constitute a waiver of Franchisee’s breach or an election of remedies.

1. MINIMUM AGENT COUNT

Franchisee agrees to have the following minimum number of Sales Associates in the Office by the end of each month of the applicable Agreement Year as set forth below (“***Minimum Agent Count***”):

|  |  |
| --- | --- |
| **Agreement Year** | **Minimum Agent Count** |
| Year 1 |  |
| Year 2 |  |
| Year 3 |  |
| Year 4 |  |
| Year 5 |  |

1. BUSINESS IMAGE AND OPERATING STANDARDS.
   1. Appearance of Office.

Franchisee agrees to maintain the appearance of the Office consistent with the image of a RE/MAX office as a modern, clean, attractive and effi­ciently operated facility.

* 1. System Standards and Operations Materials.

RE/MAX, LLC will issue to Franchisee during the Term printed or electronic copies of the Operations Materials. The entire contents of the Operations Materials will remain confidential and the property of RE/MAX, LLC and must be returned to Master Franchisee upon transfer, expiration or termination of this Agreement. Master Franchisee and RE/MAX, LLC will have the right to periodically add to and otherwise modify the Operations Materials by amendment or supplement to the Operations Materials or by bulletins, notices or other written or electronic materials. No such addition or modification, however, shall alter Franchisee’s fundamental status and rights under this Agreement.

Franchisee acknowledges and agrees that the development and operation of the Office in accordance with the System and the Operations Materials is essential to preserve the reputation and high standards of quality and service of RE/MAX offices and the goodwill associated with the RE/MAX Marks. Franchisee further acknowledges and agrees that the contents of the Operations Materials have been established for the purpose of preserving such reputation, standards and goodwill, but do not, and are not intended to, govern or control the day-to-day affairs, activities or business of the Office or the means and manner by which Franchisee conducts the operations of the Office, which shall always be Franchisee’s responsibility and subject to Franchisee’s discretion and control.

* 1. Compliance with Laws and Good Business Practices.

Franchisee agrees to secure and maintain in force all required licenses, permits and certificates relating to the operation of the Office and to operate the Office in full compliance with all Applicable Laws, including those relating to real estate service businesses, employment practices and payment of taxes. All advertising and promotion, must be completely factual and conform to the highest standards of ethical advertising.

Franchisee must adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all of Franchisee’s dealings with clients, customers, suppliers, Master Franchisee, RE/MAX, LLC and the public. Franchisee agrees to promptly respond to all complaints received from Franchisee’s customers, clients or other individuals in an attempt to resolve any disputes in a reasonable business manner. Franchisee agrees to refrain, and to ensure that the Sales Associates and any other persons affiliated with the Office refrain, from any business or advertising practice which may be injurious to Master Franchisee or RE/MAX, LLC’s business and the goodwill associated with the Marks and other RE/MAX offices. Franchisee agrees to notify Master Franchisee in writing within 5 days of the receipt of any notice of violation of any law, ordinance, or regulation relating to the Office, or the commencement of any action, suit or proceeding, or of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect Franchisee or Franchisee’s financial condition or the operation of the Office.

* 1. Insurance.

Franchisee shall at all times maintain in force, at Franchisee’s sole expense, the following insurance coverage, if commercially available:

Comprehensive general liability insurance insuring against claims for bodily and personal injury, and death and property damage, caused by or occurring in conjunction with the operation of the Office or otherwise in conjunction with the conduct of business by Franchisee pursuant to the Agreement, in the face amount of not less than $500,000 per occurrence and annual aggregate;

Real estate professional liability insurance in the face amount of not less than $500,000 per claim and annual aggregate;

Motor vehicle liability insurance covering each vehicle titled or leased in the name of the Franchise or any of its Owners and used at any time for the business contemplated by this Agreement. Each such motor vehicle liability insurance policy must provide coverage for owned and non-owned motor vehicles and have a combined single limit of liability for bodily injury and property damage of at least $500,000; and

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

All insurance policies must commence the day the Office begins business operations, and must name Master Franchisee and RE/MAX, LLC (and their respective officers, managers, directors, and employees) as additional insureds.

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

With respect to the comprehensive general liability and real estate professional liability insurance noted above, if such coverage is commercially available, Franchisee must secure endorsements covering each of the Sales Associates under such policies or, in the alternative, Franchisee must ensure that each Sales Associate secures such insurance on his or her own behalf. Franchisee must also ensure that each Sales Associate in the Office obtains motor vehicle liability insurance covering each vehicle used at any time by the Sales Associate for business purposes and use Franchisee’s best efforts to ensure that such policy names Master Franchisee and RE/MAX, LLC as additional insureds

Franchisee must furnish to Master Franchisee a copy of the insurance certificate of or other evidence of the procurement, renewal or extension of each above referenced insurance policy at least 30 days prior to the effective date of such procurement, renewal or extension.

Franchisee’s obligation to obtain and maintain the insurance described above shall not be limited in any way by reason of any insurance maintained by Master Franchisee or RE/MAX, LLC, nor will Franchisee’s performance of such obligations relieve Franchisee of any obligations under Section 5 of this Agreement.

* 1. Organization of Franchise Owner.

If Franchisee is a Business Entity, Franchisee represents and warrants to Master Franchisee that Franchisee is duly organized and validly existing in good standing under the laws of the jurisdiction of Franchisee’s organization, that Franchisee has the authority to execute, deliver and carry out all of the terms of this Agreement, and that during the Term of this Agreement the only business Franchisee will conduct will be the development, ownership and operation of the Office. Franchisee and each Owner represent, warrant and agree that all “interests” (defined in Subsection 12.B. below) in Franchisee are owned in the manner described in ***Exhibit A***, that all information set forth on ***Exhibit A*** is true and accurate and that the shareholders, partners, members, and other individuals who have legal or equitable ownership in—or the legal right to control—the Business Entity are fully described therein. Franchisee further represents, warrants and agrees to amend ***Exhibit A*** to keep it accurate and current at all times, and to promptly provide Master Franchisee with all amendments of ***Exhibit A***. Franchisee shall provide Master Franchisee with copies of Franchisee’s certificate of incorporation, registration or articles of organization, as the case may be, as well as copies of Franchisee’s by-laws, partnership or operating agreements, buy-sell agreements and any other relevant documents Master Franchisee requests.

* 1. Management Of The Office.

Franchisee agrees to ensure that all of the Sales Associates are supervised. Franchisee will be charged with responsibility for continuing personal guidance, oversight, day-to-day management, orientation, instruction and supervision of the Sales Associates, and for receipt and timely, appropriate processing of requests, reports or complaints respecting the conduct and professional performance of the Sales Associates. Franchisee may delegate the day to day responsibilities and obligations under this subsection to a validly licensed real estate broker under whose license the Office will be conducted (“***Manager***”). In the event Franchisee delegates such responsibilities, Franchisee will remain responsible for the actions of the Manager and the responsibilities identified herein. Franchisee, and if applicable, its Manager shall scrupulously adhere to the Territory's regulations affecting real estate brokers and salesmen. Franchisee, one of its Owners or its Manager shall at all times hold a valid real estate broker license if required under applicable law.

* 1. Training.

Following execution of this Agreement, Franchisee or one of Franchisee’s Owners shall attend in its entirety and successfully complete, the next scheduled RE/MAX management training course conducted for new RE/MAX office franchisees by Master Franchisee at such location as Master Franchisee shall designate. Franchisee may send one or more people from the Office free of charge to the training program, although Franchisee will be responsible for all travel, meal, lodging, and entertainment expenses Franchisee or anyone else from the Office incurs while attending the training program.

* 1. Professional Memberships.

Franchisee agrees that Franchisee and each Sales Associate will join and remain a member in good standing of any recognized real estate boards or associations within the Territory. Franchisee also agrees that Franchisee and the Sales Associates will comply with the code of ethics, by-laws and rules and regulations of any such boards or associations and any other guidelines for professional conduct as prescribed by Master Franchisee

* 1. RE/MAX Referral System.

Franchisee acknowledges the importance of the RE/MAX Referral System as an integral part of the System and to the success of RE/MAX offices. Accordingly, Franchisee will refer requests for real estate services in another market to a RE/MAX office for that market. RE/MAX, LLC or Master Franchisee will establish procedures and make appropriate systems available to facilitate referrals between Franchisee and other RE/MAX offices and affiliates.

Franchisee agrees not to offer, or allow any of its Sales Associates to offer to members of the RE/MAX organization, or to engage or to allow any of its Sales Associates to engage in the business of offering to consumers or other industry practitioners, any office or agent locator or referral service which uses the RE/MAX web roster (or any other RE/MAX referral roster) or which competes with the services made generally available by RE/MAX, LLC to the RE/MAX Network as a benefit of affiliation. This provision shall not be construed to prohibit or discourage (i) any RE/MAX Affiliate from referring a local real estate brokerage customer or client to any other RE/MAX Affiliate anywhere in the world; (ii) the creation of RE/MAX agent to RE/MAX agent reciprocal referral relationships between two markets; (iii) any RE/MAX Affiliate from advertising or promoting himself/herself as a provider of real estate brokerage services in his/her local real estate market; or (iv) any RE/MAX Affiliate from inviting or soliciting referrals to himself/herself for real estate brokerage services in his/her local market area.

* 1. Supplies and Promotional Materials.

RE/MAX, LLC prescribes standards respecting the nature and quality of the supplies and promotional materials that bear the Marks that Franchisee uses in the operation and promotion of the Office. If Franchisee or the Sales Associates obtain supplies or promotional materials from sources other than a source approved by Master Franchisee or RE/MAX, LLC, Franchisee agrees to ensure that they are of at least the same quality as are available from sources approved by Master Franchisee or RE/MAX, LLC Franchisee shall ensure that all such materials and supplies, including without limitation, all advertising, promotional and marketing materials and all stationery and signage that Franchisee used or that are used by the Sales Associates comply with the standards and guidelines established by Master Franchisee or RE/MAX, LLC for proper use of the Marks including, without limitation, the standards and guidelines set forth in the Trademark Manual. Franchisee understands and agrees that neither Master Franchisee nor RE/MAX, LLC assume any liability for the acts or omissions, or guarantees the performance, of any supplier, whether approved or not.

* 1. Modifications and Improvements to System.

RE/MAX, LLC may change the System or any part of the System at any time, and such changes shall become part of the System referred to in this Agreement. Any improvements in the System that may be developed by Franchisee shall be dedicated, conveyed to and become the sole and exclusive property of RE/MAX, LLC, which will have the right to adopt and perfect such improvements without compensation to Franchisee.

* 1. Regional Website and global.remax.com.

Unless instructed otherwise by the client, Franchisee will give any authority, consent or instructions required by Master Franchisee to ensure that all of the Office real estate listings, including those of the Sales Associates, are made uploaded to the regional website and global.remax.com. Neither Franchisee nor the Sales Associates will decline, or opt out of, any opportunity to have each such listing entered on or forwarded to the regional website. With respect to pictures or other media that Franchisee supplies to Master Franchisee (including those intended for use in listings on the regional website), to the extent the copyright of any such picture or other media is owned by Franchisee, Franchisee grants Master Franchisee a fully paid up and royalty-free perpetual and irrevocable license and right to use and sublicense such pictures and other media for any purpose Master Franchisee deem appropriate in any media now in existence or hereafter created. To the extent that Franchisee does not own the copyright in such pictures or other media, Franchisee represents and warrants that it has permission to use such pictures and other media and to authorize the uses contemplated by this Subsection, and agrees to indemnify and hold Master Franchisee harmless against any claims by any third party that Master Franchisee’s use infringes upon such third party’s rights.

* 1. Maintaining Independence, Avoiding Confusion and Advertising Commissions.

Franchisee should maintain the independence of the Office in determining the commission rates charged. Franchisee and the Sales Associates shall refrain from any comment, advertising, or other conduct that could lead consumers to believe that the commission rates or fees of RE/MAX offices or agents are uniform, set at any specific level, or are not negotiable. In order to avoid consumer confusion about commission rates and fees and in marketing services to be rendered, the advertising of commission rates and fees is discouraged. However, in the event that Franchisee elects to advertise commission rates or fees, or allow Sales Associates in the Office to advertise commission rates or fees, and the advertisement includes the RE/MAX name and/or Marks, the advertisement shall also include the following notice to the public in a typeface at least one-half the size of the largest typeface used in the advertisement to specify the commission rates or fees being offered: “Different commission rates, fees and listing and marketing services may be offered by other RE/MAX Franchisees and sales associates serving this market area.” In addition, it shall be the responsibility of the party advertising commission rates or fees to ensure that potential clients fully understand the listing and marketing services that will be provided by that party in the market area.

* 1. Covenant Concerning Anti-Terrorism and Anti-Corruption.

Franchisee and Owners agree to comply with and/or to assist Master Franchisee and RE/MAX, LLC to the fullest extent possible in Master Franchisee’s efforts to comply with Anti-Terrorism Laws. In connection with such compliance, Franchisee certifies, represents, and warrants that neither Franchisee nor Owner’s property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws, and that neither Franchisee nor Owners are otherwise in violation of any of the Anti-Terrorism Laws. Franchisee and Owners further agree, represent, warrant and acknowledge as follows:

In carrying out Franchisee’s responsibilities under this Agreement, neither Franchisee nor any of the Owners, officers, directors, employees, or agents will:

Pay, offer, or promise to pay, or authorize the payment, directly or indirectly, of any money, gift, or anything of value to any government or party official, candidate or employee, at any level, including employees of state-owned or controlled enterprises, for the purpose of influencing any act or decision of such person or party in order to obtain or retain business, or to direct business to any person.

Offer, promise, or give a financial benefit or other advantage to any other person with the intent to induce that person to or reward that person for improperly performing any function in connection with that person’s employment or engagement.

Request, agree to receive, or accept a financial benefit or other advantage as a reward for improperly performing any function in connection with performance of Franchisee’s responsibilities under the Agreement.

Falsify any business record.

No Owner, officer, director, or employee of Franchisee (a) is now a Government Official, or (b) will in the future become a Government Official during the term of this Agreement without prior written notification to Master Franchisee. “***Government Official***” includes employees of any governmental authority, employees of state-owned or state controlled enterprises, political party officials or candidates for political office, and family members of any Government Official.

Franchisee represents and warrants that this Agreement is not in any respect a violation of the laws, rules, or regulations of the Territory, and that Franchisee will refrain from taking any action that would cause Master Franchisee or RE/MAX, LLC to be in violation of any laws of the Territory.

Master Franchisee and RE/MAX, LLC shall have the right to satisfy themselves that Franchisee is in compliance with this Subsection 8.N. Master Franchisee may, from time to time, require Franchisee to affirm its continuing compliance with the obligations under this Subsection 8.N. In addition, Master Franchisee and RE/MAX, LLC may, at their option audit Franchisee in order to satisfy themselves that no breach has occurred or is likely to occur, or select an independent third party to conduct the audit. Franchisee shall cooperate fully in any audit conducted by or on Master Franchisee’s behalf.

In no event shall Master Franchisee or RE/MAX, LLC be obligated under this Agreement to take any action or omit to take any action that they believe in good faith would cause Master Franchisee to be in violation of any laws of the Territory, any U.S. laws, or any applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010.

Master Franchisee may terminate this Agreement immediately upon written notice in the event Franchisee fails to meet any obligations under this Subsection 8.N. Franchisee shall further indemnify and hold Master Franchisee and RE/MAX, LLC harmless against any and all claims, losses, or damages arising from or related to such breach or cancellation of the Agreement, or both.

Franchisee shall notify Master Franchisee and RE/MAX, LLC in writing immediately of the occurrence of any event that renders the foregoing certifications, representations and warranties of this Subsection 8.N. incorrect.

1. GUIDANCE AND ASSISTANCE.
   1. Training.

Franchisee will be provided with a mandatory training program at such location as Master Franchisee may designate. Franchisee and Franchisee’s Owner attending the training program will be entitled to use the materials and forms distributed on a loan basis only. These materials must be returned to Master Franchisee upon termination or expiration of this Agreement.

* 1. Opening Assistance.

Prior to the opening of the Office, Master Franchisee will make available to Franchisee standards, operating procedures, policies and guidelines to familiarize Franchisee with the System and to assist Franchisee in the opening of the Office. In addition, if requested, Master Franchisee will assist Franchisee with Franchisee’s open house, conversion of sales staff, meeting with any recognized real estate boards or associations, meeting with the real estate commission or other real estate regulatory authority, and with Franchisee’s initial publicity and advertising campaign.

* 1. Advertising and Promotion.

Master Franchisee will collect monies paid to, control and administer the RGAF. Master Franchisee will have the unfettered right to allocate these funds towards maintenance and administration of the fund, the preparation and placement of local or regional advertising materials, programs and public relations activities, and technology related services (which include, without limitation, professional services such as web hosting, licensing, and consulting fees). Such advertising will be disseminated through television, radio, billboard, magazine, newspaper, Internet and other media campaigns.

Master Franchisee will also collect monies for allocation to the IADF. RE/MAX, LLC will control and administer the IADF, and the actual use of the funds in the IADF shall be determined by RE/MAX, LLC in its sole discretion.

Franchisee understands that the RGAF administered by Master Franchisee and the IADF administered by RE/MAX, LLC (together, referred to as the “***Funds***”) are intended to maximize general public recognition of the Marks and the System and services offered by RE/MAX offices. All amounts within the IADF, and any interest, dividends, capital gains or other income earned on such, may be spent on items related to the creation, distribution and placement of advertising and public relations programs and related materials, as well as on technology related services. The remaining amounts in the RGAF will be accounted for separately from Master Franchisee’s other funds and will be used for institutional advertising and promotion for the benefit of those RE/MAX offices operating within the Territory. A portion of the Funds will be used to pay salaries of employees and other administrative expenses reasonably related to the direction and implementation of the respective Funds’ advertising purposes. All Funds are the non-refundable property of the respective accounts.

Neither Master Franchisee nor RE/MAX, LLC undertake any obligation to ensure that expenditures by the Funds are proportionate or equivalent to the contribution to these Funds by RE/MAX offices or that any RE/MAX office will benefit directly or in proportion to its contribution to these Funds from the development of advertising and marketing materials or the placement of advertising by these Funds. Neither Master Franchisee nor RE/MAX, LLC has any fiduciary obligations to Franchisee or any other RE/MAX office in connection with the establishment of these Funds or the collection, control or administration of monies paid into them and Master Franchisee and RE/MAX, LLC expressly disavow the existence of any such fiduciary relationship.

* 1. Consultation and Educational Courses.

Master Franchisee will make available to Franchisee at the Office, on a reasonable basis, consultation and guidance relating to the management and operation of the Office. Master Franchisee will have the right to charge Franchisee, and Franchisee agrees to pay Master Franchisee’s per diem rate and all travel, lodging, meal and related expenses incurred by Master Franchisee for any consulting services provided to Franchisee beyond the services ordinarily provided by Master Franchisee to RE/MAX offices.

* 1. Broker/Owner Conferences and Meetings.

Master Franchisee may periodically schedule franchise conferences and meetings. Franchisee is strongly encouraged to actively participate in and attend all such conferences and meetings. Franchisee is also encouraged to attend RE/MAX, LLC’s annual conventions, as well as occasional educational seminars it holds, designed to enhance the image of the System, assist franchisees in recruiting potential Sales Associates, and provide a forum for the exchange of ideas and information on the operation of RE/MAX offices. If Franchisee decides to attend any of these conferences or meetings, Franchisee will be responsible for payment of all travel, meal, lodging, and entertainment expenses, including all expenses incurred by those attending on behalf of the Office, as well as all registration fees. Nominal fees or charges may also be assessed for a variety of other social functions, as well as for educational and certification classes for obtaining professional credits.

* 1. Publications and Materials.

Franchisee is entitled to receive from time to time an electronic version of any publications and materials produced and distributed by RE/MAX, LLC to recognize the achievements of RE/MAX sales associates and to highlight recent and future events that are of interest to RE/MAX affiliates. Additionally, RE/MAX, LLC currently makes available to all RE/MAX affiliates, a roster of approved suppliers as well as the RE/MAX web roster (an online referral roster). All information in the RE/MAX web roster and roster of approved suppliers is owned by RE/MAX, LLC and is considered confidential and proprietary**.**

* 1. Translation of Publications and Materials.

Training, consultations, educational courses, conventions, seminars, catalogs and publications provided to Franchisee by RE/MAX, LLC will be in the English language. All materials translated into another language by Franchisee or its agent shall be the sole property of RE/MAX, LLC, which shall own all proprietary rights therein and shall have the right to use all such translations for all such purposes as RE/MAX, LLC shall deem appropriate.

1. RECORDS AND REPORTS.
   1. Accounting and Records.

During the Term, Franchisee­ agrees to establish and maintain record keeping and accounting systems conform­ing to the requirements periodically prescribed by Master Franchisee. All books and records of the Office shall be maintained at the Premises.

* 1. Reports.

Franchisee agrees to furnish Master Franchisee in the form Master Franchisee periodically prescribes:

* + 1. Sales Associates*.*
       1. Reporting New Sales Associates

Immediately upon the appointment or contracting of a new Sales Associate, Franchisee must furnish Master Franchisee with a membership profile form (or other such form as Master Franchisee may designate) for such new Sales Associate. If Franchisee fails to timely report such new Sales Associate, Franchisee will be billed for, and required to pay, Monthly Ongoing Fees, Membership Dues and RGAF and IADF fees from the date of appointment or contracting of the Sales Associate to the date the Sales Associate is reported or discovered, plus all late fees and penalties in accordance with Section 6.E. of this Agreement. Master Franchisee’s acceptance of such payments shall not constitute a waiver of Franchisee’s breach or an election of remedies.

* + - 1. Reporting Terminated Sales Associates.

Immediately upon a Sales Associate’s termination, Franchisee must furnish Master Franchisee with a status change form (or such other form as Master Franchisee may designate) reflecting the termination. If Franchisee fails to timely report the termination of a Sales Associate, Franchisee will be billed for, and required to pay, Monthly Ongoing Fees, Membership Dues and RGAF and IADF fees for the entire period the Sales Associate was not in the Office until the date Franchisee reports the Sales Associate terminated.

* + 1. Financial Statements.

Within 60 days after the close of Franchisee’s fiscal year for income tax purposes, a financial statement containing a balance sheet and results of operations, including gross sales and revenues for such year; and

* + 1. Other Reports.

Such other reports as Master Franchisee may periodically prescribe. All reports, financial state­ments and information shall be on forms prescribed or approved by Master Franchisee and shall be verified and signed by Franchisee.

* 1. Other Information.

Master Franchisee and RE/MAX, LLC shall have the right to use information derived from that supplied by Franchisee (including, but not limited to, information supplied to referral systems, listing websites, listing aggregators, back office data management systems and such other suppliers and similar business service providers) for Master Franchisee and/or RE/MAX LLC’s own business purposes, to disclose such information as may be required by law and governmental authority, and to aggregate such information with other franchise information and disclose such aggregated information as Master Franchisee or RE/MAX, LLC deem appropriate. Franchisee will provide Master Franchisee or RE/MAX, LLC and/or cooperate with Master Franchisee or RE/MAX, LLC in collecting other information as Master Franchisee or RE/MAX, LLC may reasonably request, including information for research and development of services, products and programs, identification or demographic information, industry reports, and preparation of franchise disclosure documents.

1. INSPECTIONS AND AUDITS.
   1. Access to Records.

To determine whether Franchisee is complying with this Agreement, Master Franchisee will have the right at any time during business hours, and upon notice as provided below, to inspect, audit and copy, or cause to be inspected, audited and copied, at the Premises or such other place where Franchisee’s records may be located, the business and accounting records of the Office. As part of any such inspection and audit, Master Franchisee also has the right to interview Office personnel and staff and conduct such tests, reviews and inspec­tions deemed appropriate by Master Franchisee. Franchisee will cooperate, and must ensure that everyone affiliated with the Office cooperates, with Master Franchisee or its representatives hired to conduct such inspection and audit and Franchisee will permit Master Franchisee or its representatives to take photographs, videos, or other electronic recordings of the Office.

Master Franchisee will provide Franchisee with not less than 48 hours advance notice of any inspection and audit, except if a circumstance arises where Master Franchisee believes that criminal, unethical or other activity that adversely affects or is likely to adversely affect the reputation of the RE/MAX name and/or Marks is occurring in the Office. In such event, Master Franchisee shall have the right at any time during business hours, without notice to Franchisee, to conduct an inspection and/or audit of the business and accounting records of the Office.

* 1. Authorization for Release of Records; Authorization to Conduct Credit Report and Background Check.

Franchisee authorizes any government agency regulating or supervising real estate brokerage practices to release to Master Franchisee all records and information it maintains for the Office including the names of Sales Associates licensed with the Office, complaints filed against Franchisee or anyone affiliated with the Office or information pertaining to any disciplinary actions taken against Franchisee or anyone affiliated with the Office. Franchisee also authorizes Master Franchisee to conduct credit reports, criminal background checks, and asset verifications, on Franchisee, the Owners, or anyone affiliated with the Office, at any time (including up to 1 year after the termination or expiration of this Agreement), and for any reason. Franchisee agrees to fully cooperate with Master Franchisee in accessing information maintained by the regulatory authorities and conducting a credit report or criminal background check.

* 1. Understatement of Amounts Owed/Cost of Inspection or Audit.

In the event any such inspection or audit reveals an understatement of any fees, payments or amounts owed to Master Franchisee or RE/MAX, LLC, Franchisee must pay, within 10 days after receipt of the inspection or audit report, all such fees, payments or amounts plus interest at the rate provided in this Agreement from the date originally due until the date of pay­ment. Further, in the event an inspection or audit is made necessary by Franchisee’s failure to timely furnish reports, supporting records, or other information, as required by this Agreement, or if an understatement of any amounts owed to Master Franchisee or RE/MAX, LLC for any 3 month period is determined by the audit or inspection to be greater than 5%, or if the inspection reveals other conduct that is in any way unlawful or in breach of this Agreement, Franchisee must reimburse Master Franchisee for the cost of the audit or inspec­tion, including, the charges of any of Master Franchisee’s representatives (including independent accountants) and the travel expenses, room and board, and compensation of Master Franchisee’s employees. The foregoing remedies are in addition to all other remedies and rights Master Franchisee may have under this Agreement or under applicable law.

1. TRANSFER AND ASSIGNMENT PROVISIONS.
   1. Transfer by Master Franchisee.

This Agreement is fully transferable by Master Franchisee and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to Master Franchisee’s interest in this Agreement, including any person or entity that acquires the rights to license the System and Marks in the country or territory in which your franchise is located. Following the effective date of transfer or assignment, Franchisee shall look solely to the transferee or assignee, and not to Master Franchisee, for the performance of all obligations contained in this Agreement. Master Franchisee will not be required to obtain Franchisee’s consent in connection with any such transfer or assignment. Franchisee agrees to execute any documents and take such other action required or deemed necessary by Master Franchisee or its transferee or assignee to effect such transfer or assignment.

* 1. No Transfer or Assignment by Franchisee or the Owners without Approval.

Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee, or if Franchisee is a Business Entity, the Owners, and that Master Franchisee has entered into this Agreement in reliance upon the individual or collective character, skill, aptitude, business ability, and financial capacity of Franchisee or, if appropriate, the Owners. Accordingly, neither this Agreement, all or a substantial portion of the assets of the Franchisee or Office, nor any interest (as defined below) belonging to Franchisee or the Owners may be voluntarily, involuntarily, directly or indirectly, sold, leased, conveyed, given away, subfranchised, sublicensed, pledged, mortgaged, assigned, transferred, encumbered or otherwise disposed of by Franchisee or the Owners (including, without limitation, by will, inheritance, declaration of or transfer in trust or by operation of law) without Master Franchisee’s prior written approval. Any such assignment, transfer or encumbrance without such approval shall have no effect and shall constitute a breach of this Agreement. A transfer of ownership of the Franchisee or Office (or its assets) may only be made in conjunction with a transfer of this Agreement. For purposes of this Section and any other Section of this Agreement, an “***interest***” shall mean shares of Franchisee’s stock or securities convertible into shares of Franchisee’s stock (if Franchisee is a corporation); proprietorship, partnership, membership or other interest (if Franchisee is a proprietorship, partnership, limited liability company or other type of business entity); or any other equitable or legal right in or to any shares of such stock or in any such proprietorship, partnership, membership or other interest.

* 1. Conditions for Transfer or Assignment of Agreement or Controlling Interest in Franchise Owner.

If Franchisee, or if Franchisee is a Business Entity, the Owners, propose to transfer or assign this Agreement, the assets of the Franchisee or Office or a Controlling Interest (as defined below), Master Franchisee will not unreasonably withhold its consent provided Franchisee or the Owners, as appropriate, submit to Master Franchisee in connection with the request for Master Franchisee’s consent such financial and other information Master Franchisee prescribes demonstrating that the transferee(s) or assignee(s) have sufficient business experience, aptitude, qualifications and financial resources in Master Franchisee’s judgment to operate the Office and that they otherwise meet Master Franchisee’s criteria for ownership of a RE/MAX franchise. Franchisee acknowledges and agrees that it shall not be deemed unreasonable for Master Franchisee, and Master Franchisee expressly reserves the unfettered right to withhold Master Franchisee’s consent to transfers or assignments to individuals or entities offering products or services that directly or indirectly compete with the products or services offered by RE/MAX offices, Master Franchisee or RE/MAX, LLC, or that are designed to bolster other business activities as opposed to focusing primarily on the RE/MAX real estate brokerage business, including without limitation, real estate, mortgage, title, insurance, relocation or franchising services.

“***Controlling Interest***” shall be defined to be any interest greater than 50% ownership interest in a proprietorship, partnership or limited liability company or other type of business entity or, if a corporation, any interest greater than 50% of the equity and voting power of all issued and outstanding capital stock.

In addition, all of the following conditions must be met before or at the time of such assignment or transfer or as Master Franchisee may designate:

Franchisee and the Owners must be in compliance with the terms and conditions of this Agreement and any other franchise or other agreements Franchisee or the Owners may have with Master Franchisee;

Franchisee must pay any amounts owed to Master Franchisee or RE/MAX, LLC which are unpaid, including the entire unpaid balance of any promissory note with Master Franchisee or RE/MAX, LLC and any interest due on such note;

Franchisee must submit to Master Franchisee, for Master Franchisee’s review and prior approval, all proposed transfer or assignment documents;

Franchisee must submit to Master Franchisee current, accurate financial statements and other documents of the proposed transferee(s) or assignee(s) sufficient to enable Master Franchisee to determine and to either approve or disapprove, in Master Franchisee’s sole discretion, the character, creditworthiness, business experience, professional credentials and ethical background of the proposed transferee(s) or assignee(s);

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

the transferee(s) or assignee(s), if appropriate as determined by Master Franchisee, must agree to attend and complete the RE/MAX management training course then being offered by Master Franchisee;

if Franchisee’s lease or sublease for the Premises requires it, the landlord of the Premises must have consented to the assignment of the lease or sublease of the Premises to the transferee(s) or assignee(s);

Franchisee must pay Master Franchisee a transfer fee equal to $\_\_\_\_\_\_\_\_\_;

Franchisee and the Owners must execute a transfer or assignment agreement and a full general release (in a form satisfactory to Master Franchisee) of any and all claims against Master Franchisee, RE/MAX, LLC, and any affiliates thereof, and their respective officers, managers, directors, employees, affiliates and agents;

the transferee(s) or assignee(s) must execute a new franchise agreement with Master Franchisee in the form Master Franchisee is then customarily using in the grant of franchises for RE/MAX offices, which agreement shall supersede this Agreement and may have different terms than this Agreement, including, without limitation, higher fees, advertising contributions and Minimum Agent Counts; and

the transferee(s) or assignee(s) must execute and deliver to Master Franchisee a transfer agreement, Personal Guaranty and Assumption of Obligation and such other documents as Master Franchisee may require or deem important or desirable to the preservation and protection of Master Franchisee’s rights.

Franchisee agrees that it shall not be unreasonable for Master Franchisee to refuse to consent to an assignment or transfer on the basis that one or more of the above conditions have not been met.

* 1. Transfer to a Business Entity or Transfer of a Non-Controlling Interest

If Franchisee is in full compliance with this Agreement, Master Franchisee will not unreasonably withhold its approval of a proposed assignment or transfer of this Agree­ment to a Business Entity provided Franchisee, or if Franchisee is comprised of more than one individual, all such individuals together, maintain and own a controlling interest (as defined above) in the Business Entity and executes a Guaranty and Assumption of Obligations, in the form prescribed by Master Franchisee. In addition, Master Franchisee reserves the right to impose reasonable conditions as a prerequisite for receiving its approval to any proposed assignment or transfer to a Business Entity. In the case of assignment or transfer of this Agreement to a Business Entity, the Business Entity shall conduct no business other than the business of the Office and must be managed by one of the principal owners of the Business Entity or a Manager as defined in Subsection 8.F. The articles of incorporation, by-laws, articles of partnership, partnership agreement and other organizational docu­ments of the Business Entity shall recite that the issuance and transfer of any interest therein is restricted by the terms of this Section 12 and all issued and outstanding stock certificates of any corporation shall bear a legend reflecting or referring to the restrictions of this Section 12. Transfers of shares or of partnership, membership or other interests will be subject to the provisions of this Section 12.

If Franchisee, or if Franchisee is a Business Entity, the Owners, propose to transfer or assign any interest or interests totaling, in the aggregate, less than a Controlling Interest, Master Franchisee will not unreasonably withhold its Franchisee’s consent to such transfer or assignment to persons who meet Master Franchisee’s qualifications for owners of RE/MAX offices.

In addition, Master Franchisee reserves the right to impose reasonable conditions as a prerequisite for receiving its approval to any proposed assignment or transfer under this Subsection 12.D. Conditions for transfer under this Subsection 12.D may include some or all of the conditions set forth in Subsection 12.C. above, as Master Franchisee deem appropriate under the circumstances, except that Master Franchisee will not charge a transfer fee for any permitted assignment or transfer under this Subsection 12.D.

* 1. Death, Incompetency or Permanent Disability.

Upon the death, incompetency or permanent disability (as defined below) of Franchisee, or if Franchisee is a Business Entity, any of its Owners, the executor, administrator, conservator or other personal representative (hereinafter “***Personal Representative***”) of such person may sell or transfer his/her interest in this Agreement and the Franchise within a reasonable time, not to exceed 6 months from the date of death or determination of incompetency or permanent disability, to a person Master Franchisee has approved. Such sale or transfer will be subject to all the terms and conditions for assignments and transfers contained in this Agreement. Alternatively, the Personal Representative may choose to close the Office and terminate the Agreement within that 6 month period provided all other Owners agree with that decision, and provided the Personal Representative and all other Owners give Master Franchisee at least 30 days written notice of their election to terminate, any and all outstanding fees have been paid in full, and they sign a termination and mutual release agreement. During that six month period, the Office must be under the primary supervision of a manager who has a valid real estate broker license and otherwise meets Master Franchisee’s management qualifications. Failure to appoint such a manager or to dispose of such interest within that 6 month period of time will constitute grounds for immediate termination of this Agreement.

***“Incompetency****”* or “***permanent disability***” shall mean the inability to perform the usual and customary tasks necessary to operate the Office in compliance with the terms and conditions of this Agreement through the remainder of the Term. Franchisee or Franchisee’s Personal Representative (or, if Franchisee is a Business Entity, it’s Owner or Personal Representative) shall, if requested by Master Franchisee, provide Master Franchisee with a written opinion from a medical doctor stating that Franchisee or Owner, as applicable, is incompetent or has a permanent disability.

* 1. Effect of Approval of Transfer or Assignment.

Master Franchisee’s consent to a transfer or assignment of any interest subject to the restrictions of this Section 12 shall not constitute a waiver of any claims Master Franchisee may have against the transferor or assignor under this Agreement, nor shall it be deemed a waiver of Master Franchisee’s right to demand exact com­pliance with any of the terms or conditions of the new franchise agreement by the assignee(s) or transferee(s).

1. TERMINATION OF THE FRANCHISE.
   1. Termination by Master Franchisee With Cause.

Franchisee will be deemed to be in material default of an essential condition of this Agreement in the event of the occurrence of any of the specific defaults listed in Subsections 13.B., 13.C., and 13.D. below. Franchisee acknowledges and agrees that the occurrence of any such material default will constitute just and good cause for termination of Franchisee’s rights under this Agreement, or any other franchise agreement between Franchisee or the Owners and Master Franchisee, and that Master Franchisee’s right to terminate this Agreement based on any such material default is reasonable.

* 1. Immediate Termination.

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

Franchisee and Master Franchisee, acting reasonably and in good faith, have not agreed on a location for the Office within 90 days of the Agreement Date;

Franchisee fails to open the Office and begin business operations in compliance with the terms and provisions of this Agreement within 180 days of the Agreement Date;

Franchisee or the Owner responsible for the Office fails to attend the first RE/MAX management training course conducted for new franchisees by RE/MAX, LLC or Master Franchisee after the Agreement Date;

Franchisee voluntarily abandons, surrenders, transfers control of or loses the right to occupy the Premises—or fails to actively operate the Office—for a period in excess of 5 consecutive business days, unless Franchisee’s failure to do so is caused by fire, flood, earthquake or other similar cause beyond Franchisee’s reasonable control, as more fully set forth in Subsection 15.W.;

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

a voluntary or involuntary petition in bankruptcy is filed by or against Franchisee or any of the Owners, unless such petition is set aside, withdrawn or ceases to be in effect within 20 days of the date of any such filing;

Franchisee or one of the Owners is declared or judicially determined to be insolvent or all or a substantial part of Franchisee’s or the Owner’s assets are assigned to or for the benefit of any creditor, or Franchisee admits its inability to pay its debts as they become due, or a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, sheriff, or any other officer with similar powers is appointed temporarily or permanently, either privately or by a court of competent authority for or over Franchisee or one of the Owners;

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

Franchisee or an Owner’s real estate or business license is suspended or revoked by the governing real estate commission or regulatory authority; or Franchisee or any Owners or Franchisee or the Owners’ spouses or domestic partners, Sales Associates or other persons affiliated with or represented as being affiliated with the Office materially violate laws applicable to real estate brokerage and related activities or are convicted of or plead no contest to any crime or offense or engage in other conduct or activity that Master Franchisee reasonably believes adversely affects or is likely to adversely affect the reputation or image of the Office, other RE/MAX offices or RE/MAX affiliates, Master Franchisee or RE/MAX, LLC or the goodwill associated with the Marks or the System; or Franchisee or any Owner engages in any other conduct or activity that is unprofessional, unethical, dishonest or disruptive to the effective operation of the Office;

Franchisee fails to comply with any federal, territorial or local law applicable to the operation of the Franchise within 10 days after notification of noncompliance from Master Franchisee or any applicable agency;

Franchisee or any Owner, or anyone affiliated with the Office, is determined to be in violation of an Anti-Terrorism Law as defined in Subsections 8.N. or otherwise violates any provision of Subsection 8.N.;

Franchisee or any Owner makes any misrepresentation to Master Franchisee, or omits any material information—including, but not limited to information bearing on Franchisee’s or its Owners’ integrity or other qualities of character—in Franchisee’s application for the rights granted by this Agreement or in the financial information provided by Franchisee and the Owners;

there is a failure to appoint a manager or dispose of an ownership interest upon the death, incompetency or permanent disability of Franchisee or an Owner as provided in Subsection 12.E.;

Franchisee or any Owner fails on 3 or more separate occasions within any 12 consecutive month period to comply with this Agreement or any standard, procedure, policy or guideline prescribed by Master Franchisee or RE/MAX, LLC, whether or not such failures to comply are cor­rected after notice is given to Franchisee; or

Franchisee or any Owner fails to comply with any requirement, obligation, term or condition of any other franchise or other agreement between Franchisee or its Owners and Master Franchisee or any of Master Franchisee’s affiliates, and do not cure such default in accordance with the terms of such other agreement.

* 1. 10 Days’ Notice.

Master Franchisee has the right to terminate this Agreement effective 10 days after providing written notice to Franchisee if:

Franchisee or the Owners do not pay when due any monies owed to Master Franchisee or RE/MAX, LLC;

Franchisee or the Owners default under the terms of any promissory note executed in favor of Master Franchisee or RE/MAX, LLC; or

Franchisee or the Owners fail to report to Master Franchisee all Sales Associates affiliated with the Office or any satellite office for any month or permit Outside Sales Associates as more fully described in Section 6.L.

Franchisee or the Owners fail to comply with any of the records and reporting requirements set forth in Section 10 of this Agreement.

This notice will advise Franchisee, and Franchisee hereby understands and agrees that if the default is not cured within 10 days, this Agreement automatically terminates at the end of such 10 days without further notice from Master Franchisee.

* 1. 30 Days’ Notice.

Master Franchisee has the right to terminate this Agreement effective 30 days after providing written notice to Franchisee if:

Franchisee or the Owners fail to meet and maintain Franchisee’s Minimum Agent Count as provided in Section 7 of this Agreement;

Franchisee or the Owners fail to obtain the insurance coverage identified in Subsection 8.D. of this Agreement; or

Franchisee or the Owners fail to comply with any other provision of this Agreement or any standard, procedure, policy or guideline prescribed by Master Franchisee or RE/MAX, LLC

This notice will advise Franchisee, and Franchisee hereby understands and agrees that if the default is not cured within 30 days, this Agreement automatically terminates at the end of such 30 days without further notice from Master Franchisee.

1. TERMINATION OR EXPIRATION OF THE FRANCHISE AGREEMENT OR THE REGIONAL FRANCHISE AGREEMENT BETWEEN MASTER FRANCHISEE AND RE/MAX, LLC
   1. Payment of Amounts Owed to Master Franchisee and RE/MAX, LLC.

Franchisee agrees to pay Master Franchisee and RE/MAX, LLC within 5 days after the date of termination or expiration of this Agreement, or at any later date that the amounts due to Master Franchisee are determined, such continuing franchise fees, advertising contributions, Lost Future Revenue, and all other amounts owed to Master Franchisee and RE/MAX, LLC which are then unpaid.

* 1. De-Identification.

Franchisee and the Owners agree that after the termination or expiration of this Agreement, Franchisee and the Owners will:

immediately and clearly distinguish Franchisee’s operations from RE/MAX and the System, so as to avoid any possibility of confusion to the public, and not directly or indirectly at any time identify any business with which Franchisee is associated as being a current or former RE/MAX office or franchisee or otherwise use the System or hold Franchisee out to the public in any way as being or as having been affiliated with Master Franchisee, RE/MAX, LLC or other RE/MAX affiliates;

immediately erase or obliterate from Franchisee’s letterhead, stationery, printed matter, advertising, websites and web pages (including without limitation, in visual content, hyperlinks, source code, meta tags, or third-party directory listings), or other materials, the Marks and all words and designations indicating affiliation or association with Master Franchisee, RE/MAX, LLC or other RE/MAX affiliates;

immediately take any action that may be required to cancel all trade, fictitious or assumed names or equivalent registrations which contain any reference to any RE/MAX Mark;

immediately notify any recognized real estate boards or associations within the Territory and Franchisee’s clients that the Office is no longer in existence and, unless Franchisee has affiliated with another RE/MAX office, that Franchisee is no longer affiliated with the RE/MAX Network;

promptly assign all of the telephone numbers listed for the Office to Master Franchisee, or its designee, with no forwarding message or other information that would steer callers from Master Franchisee or its designee, and immediately instruct the telephone company in writing to redirect all calls to such numbers to Master Franchisee or in accordance with Master Franchisee’s directions. Franchisee hereby directs each such telephone company or directory listing agency to accept Franchisee’s signature on this Agreement as Franchisee’s signed authorization and direction to them to assign numbers and redirect calls as described above, and to discontinue as soon as practicable any and all on-line or printed phone directory advertising or listings that refer to the Office, or, as directed by Master Franchisee or RE/MAX, LLC, to modify same to include other phone numbers. Franchisee acknowledges and agrees that by executing this Agreement, Franchisee grants Master Franchisee a power of attorney that enables Master Franchisee to take, on Franchisee’s behalf, any and all actions required to effectuate the provisions of this Subsection;

immediately assign and transfer all of the RE/MAX Formative Domain Names or other domain names that include the Marks (or any variation thereof) that Franchisee registers, and all those that the Sales Associates have registered, to Master Franchisee or its designee or, if Master Franchisee directs, to deactivate and delete from the domain name registrar’s records some or all of such domain names or take such actions regarding such domain name(s) as Master Franchisee or RE/MAX, LLC may direct.

immediately take any action that Master Franchisee may require to cancel or transfer to Master Franchisee or Master Franchisee’s designee, all pseudonyms, logins, or identifiers (including but not limited to vanity license plates, user names, instant messaging or social networking screen names or user names, or email addresses) that contain any reference to any Marks;

refrain from adopting or using in any manner, or for any purpose, the Marks, including without limitation: i) the RE/MAX red-over-white-over-blue trade dress or any other trade dress deemed by RE/MAX, LLC to be confusingly similar to the RE/MAX trade dress; or ii) the terms “RE/MAX,” “REMAX” or “MAX” or any other term that begins with the prefix “RE” or ends in the suffix “MAX” or any other term deemed by RE/MAX, LLC to create a possibility of confusion or question regarding Franchisee or the Owners’ affiliation with or sponsorship or endorsement by the RE/MAX organization. Franchisee further agrees to refrain from the use of any “for sale” sign, trade dress or identity scheme comprised of lateral elements in red and blue separated by a white element and from the use of a design comprised of a three horizontal bar design, from the use of a hot air balloon or a hot air balloon symbol, and from use of the term “Above the Crowd” or any other phrase beginning with “Above” or ending with “Crowd”;

refrain from referring, in any form of advertising or promotion, to designations, certifications, awards or recognition that Master Franchisee, RE/MAX, LLC or any of Master Franchisee’s related or affiliated companies may have granted to Franchisee or the Owners at any time during Franchisee’s affiliation with the RE/MAX Network;

completely remove or modify, at Franchisee’s sole expense, any signage bearing the Marks and any part of the interior and exterior decor that Master Franchisee deems necessary to disassociate the Premises from the appearance of a RE/MAX office. If Franchisee fails to comply with this Subsection within 10 days after notice from Master Franchisee, Master Franchisee has the right to enter the Premises and make the required changes at Franchisee’s expense; and

* 1. Confidential Information.

Franchisee agrees that on termination or expiration of this Agreement, Franchisee and the Owners will immediately cease to use, but maintain the confidentiality over, any of the Confidential Information, Operations Materials, procedures, techniques, all other manuals, forms, rosters or other materials, regardless of format, acquired from Master Franchisee or RE/MAX, LLC and agree not to use, sell, convey, display or share, in whole or in part, any of such items for any purpose. Franchisee further agrees to return, and shall ensure that the Owners return, all such items to Master Franchisee or destroy them in a secure manner.

* 1. Continuing Obligations.

All obligations of this Agreement which expressly or by their nature are intended to survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expira­tion or termination until such obligations are satisfied in full or by their nature expire.

* 1. Monetary Obligations Not Released.

Termination or expiration of this Agreement shall not terminate any monetary obligation that Franchisee may owe to Master Franchisee or RE/MAX, LLC or to any other person or entity as may be required by this Agreement, and shall not entitle Franchisee to any refund of any monies previously paid pursuant to the terms of this Agreement.

* 1. Termination Not Exclusive Remedy.

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

* 1. Right to Meet with Sales Associates.

In order to facilitate an orderly and efficient transition and to preserve the goodwill associated with the RE/MAX name and Marks, in the event of termination or expiration of this Agreement, Franchisee agrees that Master Franchisee and RE/MAX, LLC shall have the right to contact and communicate personally with any or all of the Sales Associates to solicit and/or to discuss their continued affiliation with other RE/MAX offices and/or opportunities to purchase a RE/MAX franchise:

* + - * 1. 180 days prior to expiration of this Agreement, if Franchisee elects not to renew (either by notifying Master Franchisee of Franchisee’s intent not to renew or by failing to timely provide Master Franchisee with notice of Franchisee’s intentions regarding renewal);
        2. 90 days prior to expiration of this Agreement if Franchisee timely elects to renew, but fails to timely sign the new form of franchise agreement; or
        3. in the case of termination, immediately after notice of default has been delivered to Franchisee, including during any period of time Franchisee may have to cure defaults.
  1. Damages.

In addition to any other remedies provided for herein or under applicable law, Franchisee agrees that after passage of a 10 day period following the termination or expiration of this Agreement, the sum of $500 shall be paid to Master Franchisee for each day Franchisee fails to perform Franchisee’s obligations under any of the following Subsections 14.B.(1), (2), (3), (4), (5), (6), (7), (10) and 14.C., which monetary amount shall be regarded as liquidated damages and not as a penalty. This section does not limit or affect in any way Franchisee or the Owners’ liability for trademark infringement, unfair competition or breach of contract nor affect or limit the right of Master Franchisee or RE/MAX, LLC to seek or obtain injunctive relief, specific performance or other extraordinary relief.

* 1. Future Business and Residence Addresses.

For 1 year following the termination or expiration of this Agreement, Franchisee agrees to keep Master Franchisee advised of the current business and residential address(es) and telephone numbers of Franchisee and the Owners, as well as the business address and telephone number of all such person’s employers, if any.

* 1. Post Termination Non-Competition Agreement.

Franchisee agrees that if this Agreement is terminated by Master Franchisee for cause prior to expiration of the Term, neither Franchisee nor the Owners, officers or guarantors, nor any of their spouses or domestic partners will—for a period of 1 year from the effective date of termination—become an officer, director, shareholder, member, licensee, partner or manager of, or otherwise directly or indirectly operate, manage, own or have any ownership interest in any business that is a licensee or franchisee of any franchising organization or network that competes with Master Franchisee or RE/MAX, LLC Nothing in this Subsection shall be deemed to restrict affiliation as a real estate agent with a franchisee of any franchising organization or network.

* 1. Termination of Regional Franchise Agreement Between Master Franchisee And RE/MAX, LLC.

Franchisee understands and acknowledges that Master Franchisee and RE/MAX, LLC are parties to a regional master franchise agreement (***“Regional MFA”***), which authorizes Master Franchisee to sell franchises for RE/MAX offices. RE/MAX, LLC may terminate the Regional MFA if Master Franchisee materially violates its terms. Franchisee acknowledges that in the event of termination or expiration of the Regional MFA, RE/MAX, LLC shall have the option, to be exercised in its sole discretion, to elect to assume Master Franchisee’s rights and obligations under this Agreement (or to designate another party to assume such rights and obligations) or to immediately terminate this Agreement upon notice to Franchisee. If RE/MAX, LLC elects to assume (or to designate another party to assume) such rights and obligations, Franchisee consents to the assumption and the assignment of all related rights under this Agreement, and agrees to execute any documents and take such other actions required or deemed necessary by RE/MAX, LLC to effect such assumption and assignment. In the event of such an assumption and assignment, Franchisee shall hold RE/MAX, LLC harmless from any obligation for performance or liability for default or non-performance by Master Franchisee under this Agreement which arises before the effective date of the assumption and assignment. Franchisee acknowledges and agrees that this provision is for the benefit of RE/MAX, LLC and may be enforced by RE/MAX, LLC in its own name.

1. CONSTRUCTION OF AGREEMENT AND ENFORCEMENT.
   1. Invalid Provisions; Substitution of Valid Provisions.

If any law or court order re­quires a greater advance notice of the termination or non‑renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, the notice and/or other action required by law or such order shall apply. If any portion or provision of this Agreement or any specification, standard, operating procedure, policy or guideline Master Franchisee prescribe is inconsistent with, or rendered invalid or unenforceable by, any law or court order, the inconsistent, invalid or unenforceable portion or provision shall be modified so as to be valid and enforceable. If such portion or provision of this Agreement cannot be saved, it shall be stricken and its deletion shall not affect the validity or enforceability of the other portions or provisions of this Agreement or such specification, standard, operating procedure, policy or guideline. The provisions of this Agreement are deemed to be severable. In other words, the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

* 1. Unilateral Waiver of Obligations.

Master Franchisee may, by written notice, unilaterally waive or reduce any obligation or restriction of Franchisee under this Agreement. The waiver or reduction may be revoked at any time for any reason on 10 days’ written notice.

* 1. Consents.

Whenever this Agreement requires Master Franchisee’s advance approval or consent, Franchisee agrees to make a timely written request for it. Master Franchisee’s approval or consent will not be valid unless it is in writing. Except where this Agreement expressly obligates Master Franchisee to reasonably approve or not unreasonably withhold Master Franchisee’s approval of any of Franchisee’s actions or requests, Master Franchisee has the absolute right to refuse any request or to withhold Master Franchisee’s approval of any action or omission.

Whenever Master Franchisee or RE/MAX, LLC have reserved in this Agreement a right to take or withhold an action, or to grant or decline to grant Franchisee a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, Master Franchisee and RE/MAX, LLC may make decisions or exercise rights on the basis of the information readily available to Master Franchisee, and Master Franchisee’s judgment of what is in their respective best interests and/or in the best interests of the RE/MAX Network, at the time the decision is made, shall be deemed to be reasonable and enforceable, without regard to whether other reasonable or even arguably preferable alternative decisions could have been made and without regard to whether the decision or the action taken promotes Master Franchisee and/or RE/MAX, LLC’s financial or other individual interest.

* 1. No Guarantees or Waivers.

If in connection with this Agreement, Master Franchisee provides to Franchisee any waiver, approval, consent, or suggestion, or if Master Franchisee neglects or delays Master Franchisee’s response or denies any request for any of those, Master Franchisee will not be deemed to have made any warranties or guarantees which Franchisee may rely on, and will not assume any liability or obligation to Franchisee.

If Master Franchisee does not exercise a right or power available to it under this Agreement or does not insist on Franchisee’s strict compli­ance with the terms of the Agreement, or if there develops a custom or practice which is at variance with the terms of this Agreement, Master Franchisee will not be deemed to have waived Master Franchisee’s right to demand exact compliance with any of the terms of this Agreement at a later time. Similarly, Master Franchisee’s waiver of any particular breach or series of breaches under this Agreement or under any other agreement between Master Franchisee and any franchisee will not affect Master Franchisee’s rights with respect to any later breach. It will also not be deemed to be a waiver of any breach of this Agreement for Master Franchisee to accept payments which are due to Master Franchisee under this Agreement.

* 1. Cumulative Remedies.

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

* 1. Specific Performance; Injunctive Relief.

Master Franchisee may, without being required to post a bond or other security, and even if this Agreement has been terminated or has expired, obtain temporary and permanent injunctions and orders of specific performance (1) to enforce the provisions of this Agreement relating to Franchisee’s use of the Marks and Franchisee’s non‑disclosure and non‑competition obliga­tions under this Agreement, (2) to prohibit any act or omission by Franchisee or Franchisee’s agents or employees that constitutes a violation of any appli­cable law, ordinance or regulation, constitutes a danger to the public, or may impair the goodwill associated with the Marks, the System, Master Franchisee, other RE/MAX franchisees or RE/MAX, LLC, or (3) to prevent any other irreparable harm to Master Franchisee’s interests.

* 1. Costs and Legal Fees.

If Master Franchisee engages legal counsel in connection with any failure by Franchisee or the Owners to comply with this Agreement, Franchisee shall reimburse Master Franchisee and/or RE/MAX, LLC, upon demand, for the costs and expenses incurred by Master Franchisee and/or RE/MAX, LLC as a result of such failure, including, without limitation, reasonable accountants’, attorneys’, attorneys’ assistants’, expert fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or in connection with the filing of any judicial proceeding to enforce this Agreement. This provision shall survive termination of this Agreement.

* 1. Waiver of Punitive Damages and Jury Trial.

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

* 1. Waiver of Class Action.

TO THE EXTENT PERMITTED BY LAW, FRANCHISEE AGREES THAT ANY JUDICIAL PROCEEDING WILL BE CONSIDERED AS TO ITS FACTS AND WILL NOT BE COMMENCED OR PROCEEDED WITH AS A CLASS ACTION. TO THE EXTENT PERMITTED BY LAW, FRANCHISEE AND EACH OWNER WAIVES ANY RIGHT TO PROCEED AGAINST MASTER FRANCHISEE AND/OR RE/MAX, LLC BY WAY OF CLASS ACTION.

* 1. Governing Law/Consent To Jurisdiction.

ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT SHALL BE DETERMINED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE INSTITUTED IN \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_COURT AND FRANCHISEE IRREVOCABLY SUBMITS TO THE JURISDICTION OF SUCH COURT AND WAIVES ANY OBJECTION FRANCHISEE MAY HAVE TO EITHER THE EXCLUSIVE JURISDICTION OR VENUE OF SUCH COURT; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION RELATING TO THE MARKS, OR ANY ACTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, MASTER FRANCHISEE AND/OR RE/MAX, LLC MAY BRING SUCH ACTION IN ANY COURT THAT HAS JURISDICTION.

* 1. Binding Effect.

This Agreement is binding on and will inure to the benefit of Master Franchisee’s successors and assigns and will be binding on and inure to the benefit of Franchisee’s successors and assigns, and if Franchisee is an individual, on and to Franchisee’s heirs, executors and administrators.

* 1. Modification of Franchise Agreement.

This Agreement may not be modified, amended or altered except by an instrument signed by all of the parties to this Agreement. Notwithstanding the preceding sentence, Master Franchisee or RE/MAX, LLC may periodically issue new or modify existing standards, operating procedures, policies and guidelines pertaining to the System. In addition, Franchisee agrees to execute any amendments or modifications to this Agreement as may be required periodically as a result of changes in governing law.

* 1. No Liability To Others; No Other Beneficiaries.

Master Franchisee will not, because of this Agreement or by virtue of any approvals, advice or services provided to Franchisee, be liable to any person or legal entity who is not a party to this Agreement. Franchisee understands that Franchisee is not a third-party beneficiary of any other franchise agreement between Master Franchisee and other RE/MAX franchisees and has no independent right to enforce the terms of, or require performance under, any other franchise agreement.

* 1. Construction; English Language Controls.

All headings of the various Sections and Subsections of this Agreement are for convenience only and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable.

The English language version of this Agreement is the only authentic version hereof and shall control the parties’ contractual relationship, notwithstanding any other versions that may be prepared for the convenience of the parties or other purposes.

* 1. Joint and Several Liability.

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

* 1. Multiple Originals.

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

* 1. Timing is Important.

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

* 1. Release of Prior Claims.

By executing this Agreement, Franchisee individually and on behalf of Franchisee’s heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting such assignment, release and discharge Master Franchisee and RE/MAX, LLC and their respective affiliated corporations, partnerships or other entities, and each of their respective present and former officers, managers, directors, employees, agents, servants, and subsidiaries, from any and all claims existing as of the date of this Agreement, and which relate to or arise out of any franchise agreement or any other agreement between the parties executed prior to the date of this Agreement, or the franchise relationship previously existing between the parties, including but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the laws of any nation including the United States of America.

* 1. Actions Barred.

Except for certain claims and actions as set forth below, any and all claims and actions arising out of or relating to this Agreement, the relationship between Master Franchisee and Franchisee or Franchisee’s operation of the Franchise, brought by any party to this Agreement against the other shall be commenced within one year from the occurrence of the acts or omissions giving rise to such claim or action, or such claim or action shall be barred. The foregoing one year limitation period will not apply to claims or actions by RE/MAX, LLC or Master Franchisee for monies due under this Agreement, claims or actions relating to the Marks, or the trade names, copyrights, trade secrets or Confidential Information belonging to Master Franchisee or RE/MAX, LLC or claims or actions relating to the post-termination obligations of this Agreement.

* 1. Authorization to Communicate Electronically/ Prompt Response Required.

By executing this Agreement, Franchisee authorizes Master Franchisee and RE/MAX, LLC, as well as any of their affiliates and approved suppliers, to communicate with Franchisee electronically, including via electronic mail and facsimile and, unless a written communication is required, to communicate with Franchisee via telephone, notwithstanding whether any or all Office telephone numbers appear on a Do-Not-Call registry. Franchisee understands and acknowledges that it is critical to the efficient and successful administration of the franchise relationship that Franchisee promptly responds to all communications from Master Franchisee. Accordingly, Franchisee agrees to respond within five business days to each communication from Master Franchisee.

* 1. Notices and Payments.

All written notices and reports permitted or required to be delivered by the pro­visions of this Agreement shall be deemed delivered at the time delivered by hand to the recipient party; one business day after transmission by electronic mail or other reasonably reliable electronic communication system; one business day after being placed in the hands of a commercial courier service for overnight delivery, or three business days after placement in Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing. All payments and reports required by this Agreement shall be sent to Master Franchisee or RE/MAX, LLC at the address to which Franchisee is periodically notified, or to such other persons and places as Master Franchisee may periodically direct.

* 1. Cancellation of Prior Understandings/Entire Agreement.

This Agreement expresses fully the understanding by and between the parties, and all prior and contemporaneous understandings, agreements, commitments, conditions, warranties and representations of any kind, oral or written, as to the Franchise (except as to information and representations submitted by Franchisee to Master Franchisee in application to purchase the Franchise), are canceled and null, void and of no effect. Any previous matter, presently covered within this Agreement, is hereby superseded and canceled with no further liabilities or obligations of the parties with respect to such matter, except as to any monies due and unpaid between the parties to this Agreement at the time of execution of this Agreement.

* 1. Force Majeure.

“Force Majeure” means an event that prevents our or your performance that is not the fault of or within the reasonable control of the party claiming Force Majeure. Force Majeure includes acts of god, fires, strikes, war, terrorism, riot, governmental laws or regulations, or any other similar event or cause rendering performance of the contract impossible.  Except with respect to payment obligations, neither party shall be deemed to be in breach of this Agreement if a party’s failure to perform its obligations results from Force Majeure and any delay resulting from Force Majeure will extend performance accordingly or excuse performance in whole or in part as may be reasonable.  Force Majeure does not include the Franchisee’s financial inability to perform, inability to obtain financing, inability to obtain permits or licenses or any other similar events unique to the Franchisee or to general economic downturn or conditions. If Franchisee is affected by an event of Force Majeure, it shall provide a prompt written request for relief to Master Franchisee, describing and setting forth the nature of the Force Majeure, an estimate as to its duration, and a plan for resuming full compliance with this Agreement. Master Franchisee will have full discretion whether to grant or deny any request for relief.  If Franchisee fails to provide the required notice it shall be liable for failure to give such timely notice only to the extent of damage actually caused.

1. DELEGATION OF MASTER FRANCHISEE’S OBLIGATIONS.

Notwithstanding any understanding to the contrary, it is acknowledged and agreed that (i) Master Franchisee may delegate to RE/MAX, LLC, or any other affiliate or third party, any or all of its rights and obligations arising under this Agreement, and (ii) any party to which such rights and obligations of Master Franchisee have been delegated will be entitled to directly and/or indirectly receive such benefits which would otherwise inure to the benefit of Master Franchisee under the terms of this Agreement.

1. REGISTRATION.

Franchisee and Master Franchisee agree that if it is required by applicable law, this Agreement and the transactions contemplated hereby shall be registered with the appropriate governmental authorities as soon as possible. Master Franchisee shall have primary responsibility for obtaining and maintaining the registration of this Agreement. Franchisee and Master Franchisee agree to share equally all fees and expenses relating to the registration of this Agreement, and to cooperate with each other in connection with any dealings with all governmental authorities relating to the registration of this Agreement. The terms of this paragraph shall equally apply with respect to any governmental recordation, filings or approvals related to this Agreement.

1. ACKNOWLEDGEMENTS.

Franchisee expressly acknowledges and accepts the following:

FRANCHISEE’S SUCCESS IN OWNING AND OPERATING A RE/MAX REAL ESTATE SERVICES BUSINESS IS SPECULATIVE AND WILL DEPEND ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, FRANCHISEE’S INDEPENDENT BUSINESS ABILITY AND PERSONAL EFFORTS. FRANCHISEE FURTHER AGREES THAT FRANCHISEE, ONE OF THE OWNERS, OR SUCH VALIDLY LICENSED REAL ESTATE BROKER AS FRANCHISEE SELECTS TO MANAGE THE OFFICE, WILL BE RESPONSIBLE FOR, AND INTENDS TO DEVOTE BEST EFFORTS AND FULL TIME TO, THE MANAGEMENT AND DEVELOPMENT OF THE OFFICE;

NEITHER MASTER FRANCHISEE NOR RE/MAX, LLC HAVE GUARANTEED ANY RESULTS TO FRANCHISEE AND CANNOT, EXCEPT UNDER AND TO THE EXTENT OF THE TERMS OF THIS AGREEMENT, EXERCISE CONTROL OVER FRANCHISEE’S BUSINESS;

FRANCHISEE DID NOT RECEIVE ORAL OR WRITTEN INFORMATION CONTRARY TO THE INFORMATION CONTAINED IN THIS AGREEMENT;

FRANCHISEE DID NOT RECEIVE ORAL OR WRITTEN EARNINGS CLAIMS INFORMATION AND HAS NOT RELIED ON ANY WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED, AS TO THE POTENTIAL SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT;

MASTER FRANCHISEE HAS ENCOURAGED FRANCHISEE TO SEEK LEGAL AND/OR OTHER PROFESSIONAL GUIDANCE AND ADVICE PRIOR TO SIGNING THIS AGREEMENT AND HAS ENCOURAGED FRANCHISEE TO CONTACT EXISTING RE/MAX FRANCHISEES TO GAIN A BETTER UNDERSTANDING OF THE REQUIREMENTS AND BENEFITS OF OWNING A RE/MAX OFFICE FRANCHISE;

FRANCHISEE HAS HAD A FULL OPPORTUNITY TO REVIEW THIS AGREEMENT AND UNDERSTANDS THE TERMS, CONDITIONS AND OBLIGATIONS OF THIS AGREEMENT;

NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE BY MASTER FRANCHISEE OR RE/MAX, LLC TO INDUCE FRANCHISEE TO ENTER INTO THIS AGREEMENT EXCEPT AS SPECIFICALLY INCLUDED IN THIS AGREEMENT.

1. SUBMISSION OF THE AGREEMENT.

THE SUBMISSION OF THIS AGREEMENT TO FRANCHISEE DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL NOT BE BINDING ON MASTER FRANCHISEE UNLESS AND UNTIL IT IS ACCEPTED BY MASTER FRANCHISEE; THAT IS, SIGNED BY MASTER FRANCHISEE’S AUTHORIZED OFFICER AND RETURNED TO FRANCHISEE.

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

|  |  |
| --- | --- |
| **RE/MAX**  By:  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: |

|  |  |
| --- | --- |
| **FRANCHISEE** (If a corporation, partnership, limited liability company, or other legal entity recognized under applicable law)  Entity Name  By:   Title:  By:   Title: | Date:  Date: |
| **FRANCHISEE** (If an individual)    [*Print Your Name*]    Individually  [*Print Your Name*]    Individually | Date:  Date: |

**APPENDIX – DEFINITIONS**

1. “**Affiliate**” shall mean any entity that directly or indirectly, in whole or in part, is controlled by or under common control with Master Franchisee, RE/MAX, LLC or any of Master Franchisee’s or RE/MAX, LLC’s officers, managers, directors or shareholders.
2. “**Anti-Terrorism Laws**” means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future U.S. federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war.
3. **“Applicable Laws”** shall mean all applicable laws, regulations, by-laws, rules, administrative orders, decrees, judicial judgments and policies of any national, provincial or municipal authorities or of any political subdivision or governmental agency within the Territory.
4. “**Authorized Real Estate Services**” means any and all services customarily provided by real estate brokerage offices in the Territory, including (i) listing, offering, selling, leasing, renting, exchanging and managing real property; (ii) providing of marketing or consulting services or other activities with respect to auctioning, leasing or renting of real property and time shares; (iii) representing sellers, purchasers, lessors, lessees or renters of real property; and (iv) and/or providing any other service permitted or required of real estate brokers or real estate sales persons under Applicable Law. Authorized Real Estate Services expressly exclude all non-real estate related activity, as well as ancillary services, such as title insurance or searches, mortgage brokerage and mortgage origination, insurance or insurance related services or products, escrow or appraisal services and home inspection services.
5. **“Business Entity”** means” a partnership, a corporation, a limited liability company, a joint venture, a governmental authority, a trust, an unincorporated organization or any other legal entity of any kind.
6. **“Franchisee”** means the individual and, if more than one individual, each of such individuals identified as Franchisee on the first page of this Agreement. If Franchisee is a Business Entity, Franchisee means the Business Entity identified as Franchisee on the first page of this Agreement.
7. **“Marks”** means the service marks, trademarks, trade dress and other commercial symbols, including the RE/MAX Balloon and Design, the red-over-white-over-blue horizontal bar design and such other service marks, trademarks, trade dress and symbols as RE/MAX, LLC may develop, acquire, or license for RE/MAX affiliates’ use from time to time.
8. **“Office”** means the RE/MAX real estate services office authorized by this Agreement to use the System and Marks at the Premises.
9. **“Operation Materials”** means all of the training and other materials issued by Master Franchisee and RE/MAX, LLC to Franchisee that contain the standards, recommendations, procedures, policies, guidelines and other information relating to Franchisee’s use of the Marks, and the general operation of the Office including without limitation the Trademark Manual. The Operations Materials govern certain general aspects (but not the day-to-day operation) of the Office including, without limitation: (1) general appearance and maintenance of the Office; (2) standardization of signs, letterheads, business cards, and other similar promotional materials; (3) use of the Marks; (4) protection of Confidential Information; (5) types, models and brands of authorized equipment, supplies, and approved suppliers; (6) use of recommended forms; (7) use of computer hardware and software; (8) adoption of technological developments or advancements; and (9) the addition of new services and modification to existing services.
10. “**Outside Sales Agent**” means each person that is not registered with the Office, who is not shown in the RE/MAX web roster as an affiliate of the RE/MAX Network and is otherwise not authorized to use the Marks, but who is providing any real estate related services that benefit any Sales Associate or the Office, and who is linked or tied to any Sales Associate or the Office in such a way that they make unauthorized use of or benefit directly or indirectly from the Marks. Examples include those who:
    1. are named or pictured in advertising or personal promotion materials that include such Sales Associate’s name, photograph or team name and the name of the Office or any of the Marks; or
    2. have one or more web sites that name or identify such Sales Associate or such Sales Associate’s team or the name of the Office or that have direct links to another web site that displays the name of such Sales Associate, such Sales Associate’s team name, or the name of the Office or displays any of the Marks; or
    3. use business cards, promotional materials or other items that include the name of such Sales Associate, the Sales Associate’s team, the Office or any of the Marks; or
    4. are named or identified by such Sales Associate in any manner that indicates or suggests the existence of an established, regular or continuing working relationship between or involving such unaffiliated person and such Sales Associate, the Office or any other connection or association with the RE/MAX Network or the Marks through such Sales Associate,
    5. are managed by such Sales Associate or are compensated by such Sales Associate or by any other person employed by or affiliated with the Office or are otherwise directly or indirectly subject to the direction or control of such Sales Associate.

“**Owner” or “Owners”** shall mean each individual who has an ownership interest in Franchisee, if Franchisee is a Business Entity. “Ownership Interests” shall mean all forms of ownership, whether legal or beneficial, including stock, partnership interests, limited liability company membership or ownership interests, joint tenancy interests, proprietorship interests, trust beneficiary interests, and any other right, title or interest not included in this definition that Master Franchisee determines to constitute a form of direct or indirect ownership in Franchisee.

1. “**RE/MAX Network**” means the network of franchisees/brokers and affiliated real estate sales associates providing real estate brokerage services under the Marks throughout the world.
2. “**RE/MAX Referral System**” means the part of the System whereby members of the RE/MAX Network can send requests for real estate services in another market.
3. “**Sales Associate**” shall refer to any person (including each broker of record or manager of the Office) who is under contract with, employed by, owns any interest in, represents, is engaged by or is otherwise affiliated with the Office and who provides real estate services through the Office.
4. **“System”** shall mean the proprietary concept devised and promoted by RE/MAX, LLC for the establishment and operation of RE/MAX offices offering high quality real estate services under the Marks. Distinguishing characteristics of the System include, but are not limited to: (1) common use and promotion of the Marks; (2) distinctive sales and promotional materials; (3) standardized supplies and other materials used in RE/MAX offices; (4) centralized advertising, promotional and RE/MAX Referral System; (5) recommended procedures for operation of RE/MAX offices providing efficient, high quality and courteous services to the public; (6) a standardized uniform system for the operation of a real estate service office in accordance with ethical standards and policies; and (7) a high commission concept.
5. “**Territory**” means \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.
6. “**Trademark Manual**” means the most current edition of the publication *RE/MAX Brand Identity: Trademark and Graphic Standards* issued by RE/MAX, LLC setting forth the standards, procedures, policies and guidelines prescribed by RE/MAX, LLC for the proper use, preservation and protection of the Marks and associated goodwill.

EXHIBIT A

OWNERSHIP AND MANAGEMENT INFORMATION

**If Franchise is a Business Entity, list below the name, address and percentage ownership of each Owner of Franchisee as of the Agreement Date:**

|  |  |
| --- | --- |
| Name and Address | Percentage Ownership |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_%

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_%

**If Franchisee is a Business Entity, list below the names, addresses and title of each officer and/or director of the Business Entity:**

|  |  |  |  |
| --- | --- | --- | --- |
| a.        Title: |  | b.        Title: |  |
| c.        Title: |  | d.        Title: |  |

**List below the name and address of the real estate broker or manager responsible for the management and supervision of the Office:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

EXHIBIT B

TRADEMARK ACKNOWLEDGEMENT

In consideration of the terms contained in this Trademark Acknowledgement (the “***Agreement***”), the sufficiency of which Sales Associate acknowledges, and as a pre-requisite to Sales Associate being eligible to become affiliated with Broker or the RE/MAX Network, Sales Associate agrees to the following Essential Trademark Undertakings and other terms as follows:

ESSENTIAL TRADEMARK UNDERTAKINGS

1. DEFINITIONS.
   1. “**Sales Associate**” is , an individual, whose home address is: .
   2. “**Broker**” is RE/MAX , whose address is: .
   3. “**Marks**” means RE/MAX, LLC's registered and unregistered marks, which include, without limitation, the name "RE/MAX" and certain other service marks, trademarks, trade dress and other commercial symbols, including the RE/MAX Balloon and Design, the red-over-white-over-blue horizontal bar design, and such other service marks, trademarks, trade dress and symbols as RE/MAX, LLC may develop, acquire, or license for RE/MAX affiliates’ use from time-to-time.
   4. “**Master Franchisee**” is RE/MAX .
   5. “**RE/MAX Network**” means the network of franchisees/brokers and affiliated real estate sales associates providing real estate brokerage services under the Marks throughout the world.
   6. “**System**” means the system devised and developed by RE/MAX, LLC, for providing high quality real estate services to the general public.
   7. Additional capitalized terms defined in this Agreement will have the meaning given to them.
2. No Relationship with Master Franchisee or RE/MAX, LLC. Sales Associate acknowledges that it is only through Sales Associate’s relationship with Broker that Sales Associate is entitled to participate in the RE/MAX Network. Sales Associate acknowledges and agrees that no contractual relationship of any kind exists between Sales Associate and Master Franchisee or between Sales Associate and RE/MAX, LLC Sales Associate further acknowledges that Sales Associate is not an employee or an agent of Master Franchisee or of RE/MAX, LLC Sales Associate acknowledges that Master Franchisee and RE/MAX, LLC are not bound by, or subject to, the terms and conditions of this Agreement.
3. CONTRACTOR'S RESPONSIBILITIES.
   1. Adherence to Office Policies and System Quality Standards. Sales Associate shall abide by all System policies, guidelines and standards ("***System Standards***") pertaining to sales associates affiliated with the RE/MAX Network as from time-to-time approved or prescribed by Master Franchisee and/or RE/MAX, LLC. Sales Associate acknowledges that Sales Associate's agreement to adhere to the System Standards of Master Franchisee and RE/MAX, LLC is a requirement of Broker’s franchise agreement with Master Franchisee and therefore essential to Sales Associate being allowed to be affiliated with Broker, and that such System Standards have been established for the purpose of preserving the reputation, high standards and goodwill associated with the Marks (as defined below). Any breach of this Subparagraph A is a material breach of this Agreement.
   2. Compliance with Laws and Good Business Practices. Sales Associate shall abide by all applicable laws, ordinances and regulations including, without limitation, local, state and national laws and regulations relating to real estate transactions and real estate service businesses. Sales Associate's advertising and promotion must be completely factual and conform to the highest standards of lawful, ethical advertising. In all dealings with clients, customers, suppliers, public officials, other real estate agents and brokers and the general public, Sales Associate must adhere to the highest standards of business behavior, honesty, integrity, fair dealing and ethical conduct. Sales Associate agrees to refrain from any business or advertising practice which may expose Broker to legal action or liability or adversely affect the reputation or image of Broker, Master Franchisee, other RE/MAX offices or RE/MAX affiliates, the RE/MAX Network, RE/MAX, LLC or the goodwill associated with the Marks. Any breach of this Subparagraph 3.B is a material breach of this Agreement.
   3. Identification as Independent Operation. Sales Associate agrees to indicate in all dealings with clients, customers, suppliers, public officials and others that each RE/MAX office is independently owned and operated.
4. MARKS.
   1. Ownership of Marks. Sales Associate acknowledges that RE/MAX, LLC is the exclusive owner of all right, title and interest in and to the Marks. Sales Associate further acknowledges that the Marks have become well-known marks throughout the world entitled to the protection of Article 6bis of the Paris Convention for the Protection of Industrial Property.
   2. Permitted Uses of Marks on Behalf of Broker. Sales Associate acknowledges that Broker has the right to use the Marks pursuant to, and solely in accordance with, Broker's RE/MAX Franchise Agreement with Master Franchisee. Sales Associate understands and agrees that Sales Associate is not being granted a license, and has no independent right, to use of any of the Marks, but rather that, by virtue of the Limited License embodied in Broker's Franchise Agreement, Sales Associate may use the Marks on Broker’s behalf and under Broker’s supervision, when acting in Sales Associate’s capacity as a real estate sales associate exclusively for Broker. Sales Associate further understands that all use by Sales Associate of the Marks on behalf of Broker inures exclusively to the benefit of RE/MAX, LLC Sales Associate agrees to use the Marks only in connection with Broker's office name and address and in accordance with all other requirements set forth in the most current edition of the RE/MAX, LLC’s *RE/MAX Brand Identity: Trademark and Graphic Standards* manual, or its successor, as periodically amended (the "***Trademark Manual***").
   3. Prohibited Uses of Marks and Broker's Name. Sales Associate is not authorized to and shall refrain from using Broker's name or the Marks: (i) in connection with any business other than the real estate brokerage business of Broker; (ii) in conjunction with the name or photo of any person who is not affiliated as a Sales Associate with Broker; (iii) in the name of any "team" of agents or of any entity, group, network or association other than the RE/MAX Network; (iv) in the name of or in connection with activities comprising a RE/MAX office/agent locator service as defined in the Trademark Manual; (v) in the name of or in connection with activities comprising a private referral network as defined in the Trademark Manual; (vi) in conjunction with any third party service that competes directly with a service offered by Master Franchisee or RE/MAX, LLC, to the public, or affiliates of the RE/MAX Network; (vii) in any telephone directory or other directory listing, including without limitation, any Internet directory listing, that does not comply with the Trademark Manual; (viii) on or in connection with any Internet website that functions for any purpose other than the promotion of the real estate business of Broker or that does not include the office name and address of Broker; (ix) in connection with the offering of real estate related services in market areas that Sales Associate does not serve personally and directly; (x) in connection with any real estate related services that do not meet the standards of quality and professionalism in Sales Associate's market area; or (xi) in any other manner not approved by Broker or that is not in compliance with, or is prohibited by, the Trademark Manual.
   4. No Uses by or In Support of Third Party's Services or Programs. Sales Associate is not authorized to and shall refrain from entering into any relationship with, or sponsorship or endorsement arrangement concerning, any third party individual or entity where such relationship results in, involves, or purports to permit, the use or display by such third party of Broker's name, or any of the Marks, or any other name that is associated with Broker's name, in connection with the offering or promotion of such third party's products, services, programs, beliefs or causes.
   5. Registration and Use of RE/MAX Formative Domain Names Prohibited. Sales Associate is not authorized and agrees not to register any Internet domain name that includes the term "remax" or any of the Marks ("***RE/MAX Formative Domain Name***"). Sales Associate agrees and acknowledges that Sales Associate will not have any legitimate interest in registering or owning any RE/MAX Formative Domain Name or owning any RE/MAX Formative Domain Name after the termination of this Agreement, and that registering or owning any RE/MAX Formative Domain Name or retaining ownership of any RE/MAX Formative Domain Name after termination of this agreement would be an act of bad faith.
   6. No Other Uses of Broker's Name or Marks Permitted. Except as expressly permitted under this Paragraph 4, Sales Associate will not use Broker's name or the Marks in any manner whatsoever. Under no circumstances is Sales Associate permitted to authorize any other real estate professional to use Broker's name or the Marks on business cards or in advertising or promotional materials of any kind or to allow such real estate professional to appear in name and/or image with or under the Marks or to otherwise benefit from them or Broker's name.
   7. Material Breaches and Third-Party Beneficiaries. Any breach of any Subparagraph of this Paragraph 4 shall constitute a material breach of this Agreement. Sales Associate acknowledges and agrees that Master Franchisee and RE/MAX, LLC are third party beneficiaries of this Paragraph 4 and, accordingly, Master Franchisee and/or RE/MAX, LLC may bring an action directly to enforce the provisions of this Paragraph.
   8. Indemnification for Costs of Forced Compliance. Sales Associate agrees to indemnify Broker, Master Franchisee and/or RE/MAX, LLC for all costs incurred, including court costs, expert witness fees, consumer survey costs and reasonable attorney fees, by Broker, Master Franchisee and/or RE/MAX, LLC to secure full compliance with the provisions of this Paragraph 4.
5. DE-IDENTIFICATION. Following termination of this Agreement or of Sales Associate's affiliation with the RE/MAX Network upon any other event, Sales Associate shall be free to continue Sales Associate's real estate business with competing real estate operations or to establish Sales Associate's own brokerage operation or other business alone or in concert with others. However, Sales Associate acknowledges the exclusive rights of RE/MAX, LLC to its real estate system, its method of operation and its distinguishing characteristics, including but not limited to the Marks, slogans, advertising copy, copyrighted materials and other distinguishing characteristics now or hereafter adopted, displayed, used, existing as part of or becoming a part of the System, and RE/MAX, LLC’s compelling business interest in protecting the exclusivity of same to members of the RE/MAX Network.
   1. Marks and Related Identifiers. Following termination or expiration of this Agreement without Renewal or of Sales Associate's affiliation with the RE/MAX Network upon any other event, in connection with any business thereafter carried on by Sales Associate, Sales Associate will:
      1. immediately and clearly distinguish Sales Associate’s business from RE/MAX and the System so as to avoid any possibility of confusion to the public, and not directly or indirectly at any time identify or hold Sales Associate out as being or as having been affiliated with Broker, Master Franchisee, RE/MAX, LLC or the RE/MAX Network;
      2. immediately erase or obliterate from Sales Associate’s letterhead, stationery, printed matter, advertising, web sites and web pages (including without limitation, in visual content, hyperlinks, source code, meta tags, or third-party directory listings), or other materials the Marks and all words and designations indicating that Sales Associate is or was associated or affiliated with Broker, Master Franchisee, or RE/MAX, LLC or the RE/MAX Network;
      3. immediately assign and transfer any RE/MAX Formative Domain Names owned, held or controlled by Sales Associate, to Broker, or upon their request Master Franchisee or RE/MAX, LLC, or take such actions regarding such domain name(s) as Master Franchisee or RE/MAX, LLC may direct. Sales Associate agrees, at Sales Associate’s own expense, promptly to execute and deliver all necessary documents and take any action reasonably requested by Broker, Master Franchisee, or RE/MAX, LLC necessary to effect the assignment and transfer of all such domain names, including compliance with any procedure for the transfer of domains names established by the domain name registrar.
      4. immediately take any action that may be required to cancel, or at Master Franchisee or RE/MAX, LLC’s request transfer to them or their designee, all pseudonyms, logins, or identifiers (including but not limited to custom automobile license plates, user names, instant messaging or social networking screen names or user names, or e-mail addresses) that contain any reference to any Marks;
      5. not adopt, use, or imitate, in any manner or for any purpose, the Marks or any name, trademark, service mark, sign design, logo, advertisement, representation, or business activity that may mislead others in the real estate business and/or the public to believe Sales Associate is still a part of, affiliated with, or sponsored in any way by the RE/MAX Network, including without limitation:
         1. the RE/MAX red-over-white-over-blue trade dress, any "for sale" sign, trade dress or identity scheme comprised of lateral elements in red and blue separated by a white element, or a design comprised of a three horizontal bar design, or any other trade dress that on review is deemed by RE/MAX, LLC to be confusingly similar to the RE/MAX trade dress,
         2. the terms "RE/MAX," "REMAX" or "MAX" or any other term that begins with the prefix "RE" or ends in the suffix "MAX" or any other term that on review is deemed by RE/MAX, LLC to create a possibility of confusion or question regarding Sales Associate’s affiliation with or sponsorship or endorsement by Broker, Master Franchisee, RE/MAX, LLC or the RE/MAX Network, and
         3. a hot air balloon or a hot air balloon symbol;
      6. refrain from referring in any form of advertising or promotion to designations, certifications, awards or recognition that Master Franchisee, RE/MAX, LLC or any of their related or affiliated companies may have granted to Sales Associate at any time during Sales Associate’s affiliation with the RE/MAX Network.

Sales Associate hereby appoints Broker, Master Franchisee, or RE/MAX, LLC as Sales Associate’s agent and attorney-in-fact to act for and on Sales Associate’s behalf to take any of the actions referred to in Subparagraphs 5.A(3) and (4) with the same legal force and effect as if taken by Sales Associate.

* 1. Applicability of Prohibitions. The prohibitions upon termination or expiration of this Agreement as set forth in Subparagraph 5.A, do not affect the rights and privileges that may be conferred upon Sales Associate by any contract establishing an affiliation with another RE/MAX franchisee after such termination or expiration.
  2. Enforcement; Injunctive Relief; Attorneys' Fees. Sales Associate hereby acknowledges and agrees that it would be difficult to measure the economic loss that would occur as a result of the breach of any of the provisions of this Paragraph 5, and that such a breach would cause immediate and irreparable harm for which there would be no adequate monetary remedy. Sales Associate further acknowledges and agrees that any of the above provisions may be enforced by injunction and/or restraining order. Further, Sales Associate acknowledges and agrees that RE/MAX, LLC, as the owner of trade mark registrations for and rights in the Marks, will have a direct right to enforce any of the provisions contained in this Paragraph 5 through appropriate legal proceedings. Sales Associate agrees that Broker may transfer to Master Franchisee and/or RE/MAX, LLC the right to pursue, in Broker's, Master Franchisee's and/or RE/MAX, LLC's name, any claim (including without limitation a breach of contract claim) against Sales Associate for breach of any term or condition contained in this Paragraph 5. Sales Associate agrees not to contest any such transfer in any legal proceeding. If Broker, Master Franchisee and/or RE/MAX, LLC, is required to retain an attorney to enforce any of the provisions of this Paragraph 5 or to institute legal proceedings incident to such enforcement, Sales Associate will pay, in addition to all other sums for which Sales Associate may be found liable, reasonable attorneys' fees, court costs and litigation expenses incurred by Broker, Master Franchisee and/or RE/MAX, LLC.
  3. Third Party Beneficiaries. Master Franchisee and RE/MAX, LLC, are third party beneficiaries of the acknowledgements, agreements and provisions of this Paragraph 5 including, without limitation, for purposes of protection of the System and the Marks.

**MISCELLANEOUS PROVISIONS**

1. WAIVER. No waiver of any breach of any provision or condition of this Agreement is a waiver of any subsequent breach of the same or any other provision or condition of this Agreement.
2. SEVERABILITY. The invalidity or unenforceability of any particular word, sentence, paragraph, subparagraph or provision of this Agreement will not affect the validity or enforceability of the rest of this Agreement and this Agreement will be interpreted in all respects as if such invalid or unenforceable parts were omitted.

Sales Associate, by Sales Associate’s signature below, acknowledges Sales Associate’s understanding of, commitment to, and agreement with the terms of this Agreement as of the Effective Date.

|  |  |
| --- | --- |
|  | SALE ASSOCIATE |
| Signature: |  |
| Name: |  |
| Date: |  |

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (this “***Guaranty***”) relates to that certain Franchise Agreement dated (the “***Agreement***”) by and between RE/MAX \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (“***Master Franchisee***,” “***Master Franchisee***” or “***Master Franchisee***”) and \_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“***Franchisee***”).

In consideration of, and as an inducement to, the execution of the Agreement by Master Franchisee, each of the undersigned (each a “***Guarantor***”) hereby personally and unconditionally (a) guarantees to Master Franchisee and to RE/MAX, LLC, and their successors and assigns, for the Term of the Agreement and thereafter as provided in the Agreement (including during any post-expiration hold-over period), the full and punctual payment and performance of each and every undertaking, agreement and covenant set forth in the Agree­ment and any successor agreement that Franchisee is bound by during any post-expiration holdover period (“***successor agreement***”); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement and, any successor agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor consents and agrees that: (1) his or her direct and immediate liability under this Guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement and any successor agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Master Franchisee of any remedies against Franchisee or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by a subsequent assignment or transfer of the Franchise Agreement by Franchisee or by an extension of time, credit or other indulgence or forbearance which Master Franchisee may from time-to-time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable; (5) he or she has established adequate means of obtaining from Franchisee on a continuing basis information regarding Franchisee’s financial condition and agrees to keep adequately informed from such means of any facts, events or circumstances which might in any way affect Guarantor’s risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Master Franchisee shall have no obligation to disclose to Guarantor any information (including any indulgences or forbearances granted to Franchisee or any other person) or documents acquired by Franchisee in the course of Master Franchisee’s relationship with Franchisee; and (6) the terms of this Guaranty shall survive the termination or expiration of the Agreement and shall continue in full force and effect subsequent to and notwithstanding such termination or expiration until they are satisfied in full.

Each Guarantor waives all rights to payments and claims for reimburse­ment or subrogation which he or she may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty and waives any right he or she may have to revoke this Guaranty until it is satisfied in full. Each Guarantor further waives any defense to liability arising from: (a) any act or omission by which Master Franchisee directly or indirectly discharges Franchisee on any undertaking, agreement or covenants set forth in the Agreement or which increases the probability or amount of Guarantor’s liability hereunder; (b) Master Franchisee’s failure to enforce or delay in enforcing its rights under the Agreement or any successor agreement; or (c) any modification or change of any terms of the Agreement or any successor agreement or any grant of indulgence or forbearances by Master Franchisee.

Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor’s full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

**IN WITNESS WHEREOF**, each of the undersigned has hereunto affixed his or her signa­ture to this Guaranty as of the date indicated below.

|  |  |  |  |
| --- | --- | --- | --- |
| **GUARANTOR(S)** |  |  |  |
| Signature | Date | Signature | Date |
|  |  |  |  |
| Signature | Date | Signature | Date |