FRANCHISE DISCLOSURE DOCUMENT

FRANCHISOR:

RE/MAX, LLC
d/b/a RE/MAX California and Hawaii Region
A Delaware limited liability company
5075 South Syracuse Street
Denver, Colorado 80237-2712
(303) 770-5531
wsoteroff@remax.com
www.remax.com

The franchise offered is for the operation of a RE/MAX® real estate sales office, which offers a variety of real estate services to the general public. The total investment necessary to begin operation of a RE/MAX® franchise ranges from $40,000 to $244,000. This includes the initial franchise fee of $28,000 for a franchise in a high-density market, $20,000 for a franchise in a medium-density market, or $12,500 for a franchise in a low-density market, which initial franchise fee must be paid to RE/MAX, LLC.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Contract Administration Department at 5075 S. Syracuse Street, Denver, Colorado 80237, or by telephone at (303) 770-5531.

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

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

The issuance date: March 26, 2012 (see state cover page for state effective date).

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit H** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

I. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY LITIGATION ONLY IN COLORADO. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH THE FRANCHISOR IN COLORADO THAN IN YOUR HOME STATE.

II. THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

III. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. WE MAY ESTABLISH OTHER FRANCHISED OR COMPANY-OWNED OUTLETS THAT MAY COMPETE WITH YOUR LOCATION.

IV. YOU WILL FACE MARKET COMPETITION, AS WELL AS OTHER BUSINESS RISKS, INCLUDING FLUCTUATIONS IN DEMAND FOR HOUSING, CHANGES IN MORTGAGE RATES AND AVAILABILITY OF FINANCING, AND CHANGING ECONOMIC CONDITIONS, BOTH LOCALLY AND NATIONALLY, WHICH MAY INCLUDE PROLONGED RECESSIONS THAT MAY SIGNIFICANTLY IMPACT THE RESIDENTIAL AND COMMERCIAL REAL ESTATE MARKETS.

V. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We do not use franchise brokers or referral sources to assist us in selling our franchise.

The effective date of this disclosure document in the state described below is:

California: __________.

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

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and owner of the RE/MAX® franchise system is RE/MAX, LLC. The Franchisor will be referred to in this disclosure document as "***RE/MAX, LLC***" or simply "***we***" or "***us***". RE/MAX, LLC, formerly known as RE/MAX International, Inc., has operated as the Franchisor since August 9, 1974. It converted to a Delaware limited liability company on April 15, 2010, and currently maintains its principal business address at 5075 South Syracuse Street, Denver, Colorado 80237-2712. RE/MAX, LLC does not have any predecessors during the 10 year period immediately preceding the close of its most recent fiscal year. RE/MAX, LLC is a wholly owned subsidiary of RMCO, LLC ("***RMCO***"), a Delaware limited liability company. RMCO's principal business address is 5075 S. Syracuse Street, Denver, Colorado 80237-2712. RMCO was formed on April 7, 2010. RIHI, Inc. ("***RIHI***"), formerly known as RE/MAX International Holdings, Inc., a Delaware corporation formed on December 18, 2002, owns a controlling interest in RMCO; its principal business address is 5075 S. Syracuse Street, Denver, Colorado 80237-2712.

RE/MAX, LLC has established an international network through which RE/MAX office franchises are sold directly by RE/MAX, LLC or through independent subfranchisors. RE/MAX, LLC operates this region under the trade name RE/MAX California and Hawaii Region, at the same address as noted above. Except as provided below, RE/MAX, LLC does not currently conduct business under any other name.

RE/MAX, LLC's agent in this state for service of process is, if applicable, disclosed in Exhibit H.

A person who buys a franchise from RE/MAX, LLC will be referred to in this disclosure document as "***you***." If you are a corporation, partnership, limited liability company or other business entity, certain provisions of RE/MAX, LLC's franchise agreement also will apply to your owners. If you are a corporation, partnership, limited liability company or other business entity that is owned, in whole or in part, by one or more other business entities (--a parent entity), reference to owners in the franchise agreement will also include the individual or individuals who own the parent entity. This disclosure document will indicate when your owners also are covered by a particular provision.

The RE/MAX office you will operate as a franchise is referred to in this disclosure document as the "***Office***." In some cases, RE/MAX, LLC may grant you the right to establish one or more additional office locations known as "***Satellite Offices***." (See Item 12 below for a discussion of Satellite Offices.)

<u>Description of Business</u>

RE/MAX, LLC is engaged in the business of developing a network of affiliated real estate brokerage offices throughout the United States, Canada and elsewhere. These offices offer high quality real estate services to the general public under the name "RE/MAX®" and other trademarks and service marks (collectively, the "***Marks***"). The distinguishing characteristics of the RE/MAX system include, among other things, distinctive sales and promotional materials, centralized advertising, promotional and referral services, proprietary procedures and a high commission concept. The high commission concept devised by RE/MAX, LLC enables a real estate sales associate whose license is registered with a RE/MAX office and who works under the supervision of a RE/MAX broker ("***Sales Associate***") to retain a very high percentage (typically 95%) of the commissions and fees earned for providing real estate brokerage services instead of sharing those amounts with the office, which is customary in the real estate industry. In return for the right to retain a very high percentage of their commissions, however, Sales Associates must pay certain fees to the RE/MAX office. These fees include the Sales Associate's personal expenses and pro rata share of general office overhead, a fixed monthly institutional advertising fund fee, a fixed monthly management fee and a broker service fee. Your income is derived in part from your share of the management fees, broker service fees and general office overhead you charge each person whose license is registered with the Office.

Each RE/MAX office is an independently owned and operated business and is solely responsible for its day-to-day conduct and activities. Accordingly, no RE/MAX office is an agent (actual, implied or ostensible) of RE/MAX, LLC.

All RE/MAX franchisees are licensed real estate brokers who serve the general public, competing with other businesses offering real estate brokerage services.

A copy of the franchise agreement (***"Franchise Agreement"***) you will be required to sign is attached to this disclosure document as Exhibit A. The Franchise Agreement grants an address-only location, with no territorial protection at all. You or, if you are a corporation, partnership, limited liability company or other business entity, each of your owners, will also be required to sign a Guaranty and Assumption of Obligations, which is affixed to the Franchise Agreement. If you are a corporation, partnership, limited liability company or other business entity, and you, in turn, are owned by another business entity or entities, each owner of that business entity or those business entities will also be required to sign a Guaranty and Assumption of Obligations.

All prospective franchisees, as well as renewing franchisees and transferees (as discussed below), must sign a form authorizing RE/MAX, LLC to obtain a consumer report and conduct a credit and background check, and meet RE/MAX, LLC'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 following subparagraphs address the requirements of the various possible scenarios under which you received this disclosure document:

Renewing Franchisees

If you are renewing an existing franchise relationship with us due to an expiring franchise agreement, you will be required to sign the Franchise Agreement, as well as an addendum to the Franchise Agreement that modifies certain provisions. As discussed in more detail in Item 12, you will be required to sign, depending principally upon the rights that exist under your expiring franchise agreement, either a "Renewal Addendum to Franchise Agreement - Address Only" (attached as Exhibit A-1), or a "Renewal Addendum to Franchise Agreement - One Mile Territory" (attached as Exhibit A-2). If you are operating a satellite office and wish to continue operating that office at renewal, you will also be required to sign the Satellite Office Amendment (attached as Exhibit A-8).

Transferee Franchisees

If you are a transferee of an existing franchise, you will be required to sign the Franchise Agreement, as well as a Transfer Addendum in the form of Exhibit A-3. The Transfer Addendum clarifies certain terms and conditions of the Franchise Agreement that apply to the transfer and to you as a transferee. In general, transferees will assume ownership of the transferred franchise, but do so under the then current form of franchise agreement being used for new franchise purchasers accompanied by the Exhibit A-3 Transfer Addendum. The new franchise agreement shall provide for a term coinciding with the remainder of the transferor's term.

Commercial Real Estate Franchisees

If you are buying a commercial real estate franchise, you will be required to sign the Franchise Agreement, as well as the Commercial Office Addendum attached as Exhibit A-4. The Commercial Office Addendum restricts you from engaging in real estate activities involving residential real estate brokerage services. (See Item 16.)

Franchise Agreement Amendment

If you are an existing franchisee operating under a currently effective franchise agreement, you will be given the opportunity to sign an amendment that modifies certain provisions of your current franchise agreement (including, without limitation, provisions regarding (a) your continuing monthly payment obligations to us, (b) your current and future territorial rights, (c) your required contributions to the Regional Group Advertising Fund (as defined and more fully discussed in Item 11) for licensed assistants affiliated with your RE/MAX business, (d) your previously granted rights – if any – to operate Secondary Locations (as defined and more fully discussed in Item 12), and (e) your previously granted rights of first refusal – if any – to become a franchisee for an additional territory specified in your franchise agreement). You will be given the opportunity to sign, depending principally upon the rights that exist under your current franchise agreement, a "Letter Amendment to Franchise Agreement" (attached as Exhibit A-5) (the "***Franchise Agreement Amendment***"). The Franchise Agreement Amendment will become effective on the date on which you sign and deliver it back to us (the "***Amendment Effective Date***"). Your decision to enter into a Franchise Agreement Amendment will be completely in your sole discretion, and under no circumstance will you be required to sign it.

If, after signing the Franchise Agreement Amendment, you elect to renew your franchise relationship with us due to an expiring of your franchise agreement, you will be required to sign our then-current form of franchise agreement. Our then-current form of franchise agreement will contain terms that may be substantially different from the terms of your expiring franchise agreement (and/or any applicable amendments or waivers thereto) including, without limitation, a provision limiting your exclusive and/or protected territory to the street address of your principal RE/MAX® office with no other territorial exclusivity or protection whatsoever. However, we will extend the one-mile territorial protection afforded to you under the Franchise Agreement Amendment for an additional five year period upon the next scheduled renewal (provided you execute and deliver to us our then current form of "Renewal Addendum to Franchise Agreement One Mile Territory"). As described in Exhibit A-2, the "Renewal Addendum to Franchise Agreement - One Mile Territory" will extend the one-mile territorial protection afforded to you under the Franchise Agreement Amendment for an additional five year period. No other previously existing contractual renewal rights regarding your territory will be honored.

In addition, your obligation under the Franchise Agreement Amendment to pay the monthly "Component Two Continuing Franchise Fee" (as defined and described in Item 6 below) will survive upon the renewal of your franchise agreement, and will apply to each of your Sales Associates who do not qualify as a "Legacy Sales Associate". For purposes of clarification, to qualify as a "***Legacy Sales Associate***", the Sales Associate must have been affiliated with your Office or another RE/MAX office <u>prior</u> to December 1, 2007 and must have maintained his or her affiliation with your Office or another RE/MAX office continuously since that time with the exception of temporary departures from the RE/MAX organization (no greater than 12 consecutive months). In order for you to carve out your Legacy Sales Associates from the monthly Component Two Continuing Franchise Fee calculation, you will need to execute and deliver to us the "Legacy Sales Associate Rider to Franchise Agreement" (attached as Exhibit A-6) at the time of renewal of your franchise agreement.

Grandfathered Franchisees

Our predecessor, RE/MAX of California & Hawaii, Inc. (as described below), previously granted certain franchisees a written waiver of the "Component Two Continuing Franchise Fee" discussed in Item 6 of this disclosure document. Each currently operating franchisee who received such a waiver is referred to as a "***Grandfathered Franchisee***" for purposes of this section.

If you are a Grandfathered Franchisee whose franchise agreement granted you a one-mile protected area, or some other type of exclusive, protected territory or preferential development area (collectively, "***protected territory***"), and the Office you wish to now open is located within the protected territory, we will offer you the opportunity to temporarily extend your grandfathered status to your new Office provided you execute and deliver to us a Franchise Agreement for such Office together with the "Grandfathered Franchisee Addendum" attached as Exhibit A-7. During this temporary extension, you will not be required to pay the Component Two Continuing Franchise Fee described in Item 6. However, as discussed in Exhibit A-7, we reserve the right to impose this fee on you and all other Grandfathered Franchisees at any time upon 12 months prior written notice.

If the Office you wish to now open will be located outside of the protected territory of your current franchise agreement, we will not extend your grandfathered status to your new Office, and you will be required to pay each of the Monthly Ongoing Fees described in Item 6 for such Office. You will not, however, be required to pay the monthly "Component Two Continuing Franchise Fee" (as defined and described in Item 6) for any Legacy Sales Associates so long as you execute and deliver to us the "Legacy Sales Associate Rider to Franchise Agreement" (attached as Exhibit A-6) at the time of you sign the Franchise Agreement for your new Office.

If you are a Grandfathered Franchisee under an expiring franchise agreement and, by entering into the Franchise Agreement, you are renewing the franchise relationship created by the expiring franchise agreement, we will offer you the opportunity to temporarily extend your grandfathered status provided you execute and deliver to us the Franchise Agreement together with the "Grandfathered Franchisee Addendum" attached as Exhibit A-7. During this temporary extension, you will not be required to pay the Component Two Continuing Franchise Fee described in Item 6. However, as discussed in Exhibit A-7, we reserve the right to impose this fee on you and all other Grandfathered Franchisees at any time upon 12 months prior written notice. In addition, you will be required to sign, depending principally upon the rights that exist under your expiring franchise agreement, either a "Renewal Addendum to Franchise Agreement - Address Only" (attached as Exhibit A-1), or a "Renewal Addendum to Franchise Agreement - One Mile Territory" (attached as Exhibit A-2).

As an alternative to the above, if you are a Grandfathered Franchisee under an expiring franchise agreement and, by entering into the Franchise Agreement, you are renewing the franchise relationship created by the expiring agreement, we will offer you the opportunity to operate your Office under the current terms of the Franchise Agreement without being subject to the monthly Component Two Continuing Franchise Fee for your Legacy Sales Associates. In order to carve out your Legacy Sales Associates from inclusion in the monthly Component Two Continuing Franchise Fee calculation, you will need to execute and deliver to us the Franchise Agreement together with the "Legacy Sales Associate Rider to Franchise Agreement" attached as

Exhibit A-6. In addition, and in connection with your renewal, you will be required to sign, depending principally upon the rights that exist under your expiring franchise agreement, either a "Renewal Addendum to Franchise Agreement - Address Only" (attached as Exhibit A-1), or a "Renewal Addendum to Franchise Agreement - One Mile Territory" (attached as Exhibit A-2).

RE/MAX, LLC and its U.S. Operations

Except for the regions in the United States directly operated by RE/MAX, LLC as Franchisor (see below), RE/MAX, LLC has granted other individuals or entities subfranchising rights in particular regions. These subfranchise rights authorize the subfranchisors to directly grant and service individual franchises for RE/MAX offices to be located in the subfranchised regions. Regions, whether directly operated by RE/MAX, LLC or by its authorized subfranchisors, are typically comprised of one or more states but may also be limited to part of a state.

From its principal place of business in Denver, Colorado, RE/MAX, LLC directly operates eight regions in the United States where it grants and services individual RE/MAX franchises. RE/MAX, LLC operates these regions under different trade names as follows:

RE/MAX Pennsylvania and Delaware Region

RE/MAX Pacific Northwest Region (covering the states of Washington, Oregon, Idaho and Montana)

RE/MAX St. Louis Region (covering eastern Missouri and southern Illinois)

RE/MAX Central and Northern Ohio Region

RE/MAX California and Hawaii Region (the State of California is separated into 2 divisions: Southern and Northern)

RE/MAX Carolinas Region

RE/MAX Florida Region

RE/MAX Mountain States Region (covering the states of Colorado, North Dakota, South Dakota, Utah, and Wyoming)

Only individual RE/MAX office franchises are offered in this disclosure document. RE/MAX, LLC has offered subfranchises and individual franchises in the RE/MAX network since 1974 but has never operated a RE/MAX office; however, certain affiliates of RE/MAX, LLC do operate RE/MAX offices (see Items 12 and 20). RE/MAX, LLC does not engage in other business activities and (except as described below with respect to RE/MAX Insurance) has not offered franchises in other lines of business.

In 2010, Weston Presidio, a private equity firm, purchased a minority interest in RE/MAX, LLC's parent company, RMCO. Weston Presidio also invests in other franchisors.

Predecessors

In 2007, RE/MAX, LLC, through a former subsidiary, acquired the RE/MAX California and Hawaii regional operations from the independent subfranchisor entity (--not affiliated with RE/MAX, LLC) set forth below:

RE/MAX of California & Hawaii, Inc., prior to April 2007, served as the subfranchisor for the states of California and Hawaii. RE/MAX of California & Hawaii, Inc., now known as ROCH Enterprises, was incorporated on December 27, 1982 in the state of California and offered franchises for RE/MAX real estate offices since that time until April 2007. Its principal business address is 707 Torrance Blvd., #200, Redondo Beach, California, 90277.

Affiliates

Subfranchisor Affiliates in the United States: RE/MAX, LLC has two affiliates that act as subfranchisors in the United States.

Tails, Inc., which does business as RE/MAX Central Atlantic Region, is the subfranchisor for the District of Columbia and the states of Maryland, Virginia and West Virginia. RE/MAX Central Atlantic Region was incorporated on October 20, 1987, in the state of Virginia and has offered franchises for RE/MAX real estate offices since that time. Its principal business address is 5075 S. Syracuse Street, Denver, Colorado 80237.

HBN, Inc., which does business as RE/MAX Southwest Region, is the subfranchisor for the states of Arizona, New Mexico and Nevada. RE/MAX Southwest Region was incorporated on July 31, 1990, in the state of Colorado and has offered franchises for RE/MAX real estate offices since that time. Its principal business address is 5075 S. Syracuse Street, Denver, Colorado 80237.

Subfranchisor Affiliates outside of the United States: RE/MAX, LLC also has several affiliates that act as subfranchisors outside of the United States.

RE/MAX of Western Canada (1998), LLC is the subfranchisor for the western Canada region comprised of the provinces of Manitoba, Saskatchewan, Alberta, British Columbia, Nunavut and the Northwest and Yukon Territories. RE/MAX of Western Canada (1998), Inc., was incorporated on December 16, 1997, in the state of Colorado and operated as an area representative from January 1998 until March 2000. Its principal address is 1060 Manhattan Drive, Suite 340, Kelowna, BC V1Y 9X9.

RE/MAX Caribbean Islands, LLC is the subfranchisor for the Caribbean region and Central American countries. RE/MAX Caribbean Islands, Inc. was incorporated on September 8, 1999, in the state of Colorado and has offered franchises for RE/MAX real estate offices since that time. Its principal business address is 5075 S. Syracuse Street, Denver, Colorado 80237.

RE/MAX Australia Franchising, Pty, Ltd., which does business as RE/MAX of Australia, is the subfranchisor for eastern Australia. It was formed in Australia in 2000 and has offered franchises for RE/MAX real estate offices since that time. Its principal place of business is Ground Floor, 143 Coronation Drive, Milton, QLD, Australia 4064.

RE/MAX New Zealand Limited is the subfranchisor for New Zealand. It was incorporated in New Zealand on December 11, 2002, and has offered franchises for RE/MAX real estate offices since 2003. Its principal place of business is Kodak House, Level 1, 70 Stanley Street, Auckland, New Zealand.

None of the subfranchisor affiliates has operated a RE/MAX office; however, their principal officers, managers, directors and marketing staff are experienced in the RE/MAX system. None of the subfranchisor affiliates has offered franchises in other lines of business.

Non-Subfranchisor Affiliates in the United States:

RE/MAX, LLC also has various other affiliates. One of these, RE/MAX International Advertising Development Fund, Inc., d.b.a. National Brand Marketing Alliance, is a Colorado corporation, established for the sole purpose of creating, distributing and placing advertising and public relations programs and related materials for the benefit of all RE/MAX offices. Several other affiliates are corporations formed for institutional advertising purposes for the benefit of RE/MAX offices within a particular region. Ad Fund Promotions, Inc., d.b.a. RE/MAX Mountain States Ad Fund, Inc., services the Mountain States region; RE/MAX Central Atlantic Region Promotional Fund, Inc., services the Central Atlantic region; Arizona Institutional Advertising Corporation d.b.a. RE/MAX Southwest Regional Office Ad Fund, Inc., services the Southwest region; RE/MAX California & Hawaii Ad Fund, Inc. services the California and Hawaii Region; RE/MAX Florida Ad Fund, Inc., services the Florida Region; RE/MAX Carolinas Ad Fund, Inc., services the Carolinas Region; Ohio Ad Fund Promotions, Inc., d.b.a. RE/MAX Central and Northern Ohio Ad Fund Promotions, Inc., services Central and Northern Ohio; Missouri Ad Fund Promotions, Inc., d.b.a. RE/MAX of St. Louis Group Ad Fund, Inc., services St. Louis, Missouri and Southern Illinois; SSR, Inc., d.b.a. RE/MAX Pacific Northwest Ad Fund, services the Pacific Northwest region; RE/MAX Caribbean Islands Ad Fund, Inc., services the Caribbean Island region; RE/MAX Pennsylvania Ad Fund, Inc., services the Pennsylvania/Delaware region; and RE/MAX Western Canada Ad Fund, Inc., services the western Canada region. None of these affiliates have ever operated a RE/MAX office, offered RE/MAX office franchises or offered franchises in other lines of business. There are also other affiliates that operate advertising funds serving regions outside of the United States and Canada.

BMFC, LLC, d.b.a. RE/MAX Event Management ("***RE/MAX Event Management***") is an affiliate engaged solely in the business of organizing various conventions and training and educational conferences attended by RE/MAX franchisees and Sales Associates. RE/MAX Event Management maintains the same principal address as RE/MAX, LLC. RE/MAX Event Management has never operated a RE/MAX office, offered RE/MAX office franchises or offered franchises in other lines of business.

EDR, Inc., d.b.a. EDR Travel, Inc. ("***EDR***"), is an affiliate that provides travel agency services to the general public including RE/MAX franchisees, Sales Associates and other RE/MAX affiliates. EDR maintains its principal business address at 5075 S. Syracuse Street, Denver, Colorado 80237. EDR has never operated a RE/MAX office, offered RE/MAX office franchises or offered franchises in other lines of business.

Finally, RE/MAX, LLC operates RE/MAX Insurance International, Inc. ("***RE/MAX Insurance***"). RE/MAX Insurance was incorporated in June 1980 under the name Liniger/Goodson, Inc., and was merged into, and became a division of, RE/MAX, LLC in July 1986. RE/MAX Insurance maintains the same principal business address as RE/MAX, LLC. It has offered insurance service agency franchises under the Marks since 1982 (although it no longer actively offers these franchises). RE/MAX Insurance sold 47 insurance service agency franchises of which 2 are currently operating under license agreements with RE/MAX, LLC. RE/MAX Insurance does not engage in other business activities and has not offered franchises in other lines of business.

Competition, Real Estate Market Fluctuation and Industry Regulations

You should expect to face various forms of stiff competition from other real estate organizations for sellers and buyers of properties as well as for top-producing sales agents. Much of this competition will come from established real estate firms, some of which are national franchise organizations, that operate under the more traditional "50-50" or "60-40" methods of sharing commissions with sales agents. In some markets, however, you also will face competition from real estate firms, many of which are national franchise organizations, that operate under a 100% or other high commission arrangement that is similar to the RE/MAX high commission concept. You also will face competitors that utilize variations of sales agent compensation techniques and/or commission split deviations (sometimes referred to as "***adverse splits***") designed to discourage sales agent movement to, or affiliation with, the RE/MAX franchise system. Accordingly, an important if not critical component of your success will be your ability to recruit and retain sales agents. To meet this competition and to assist you in recruiting agents, you will utilize distinctive sales and promotional materials, provide high quality real estate services to the public, derive the benefits of the goodwill created by the Marks and employ innovative and unique procedures, techniques and policies for the operation of real estate service offices. The market for the real estate services you will be providing is developed in many areas and developing in other areas, depending on the number of potential buyers and sellers in the area and the number of brokerage businesses that have been established to service these potential customers.

In addition to market competition, you will face other business risks, including fluctuations in demand for housing, changes in mortgage rates and availability of financing, and changing economic conditions, both locally and nationally, which may include prolonged recessions that may significantly impact the residential and commercial real estate markets. The residential and commercial real estate markets tend to be cyclical and are affected by changes in general economic conditions. As a result of the current economic recession, as well as credit constraints, a large inventory of unsold homes in many markets, decreasing sales volume, and a variety of other factors, the real estate market is in a downturn which may make it more difficult to recruit and retain sales agents than when the real estate industry is growing or stable. It is impossible to predict whether or when the economy will improve, whether interest rates will remain stable, or whether or when the real estate industry will return to a growth period.

Most states have specific laws and regulations covering real estate brokerage services and licenses. These laws, among other things, require that anyone who offers real estate brokerage services be a licensed real estate broker, a licensed associate broker or a licensed salesperson affiliated with a licensed real estate broker. There may be similar laws in the cities and counties in which you will be operating. In addition, there are various federal laws that could affect your real estate business such as the Real Estate Settlement Procedures Act, commonly known as RESPA, and Fair Housing Laws. You should investigate these laws to understand your potential legal obligations.

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Item 2

BUSINESS EXPERIENCE

The pertinent information regarding RE/MAX, LLC's directors, managers and principal officers and executives appears below.

Chairman of the Board: David L. Liniger.

Mr. Liniger is founder of RE/MAX, LLC and Chairman of the Board of Managers. He has served as Chairman of the Board since RE/MAX, LLC was established in August 1974. Mr. Liniger was Chairman of the Board of Directors of RE/MAX of Colorado, Inc., a company he formed in January 1973, until it was acquired by RE/MAX, LLC on December 31, 2011. Mr. Liniger holds additional executive positions with other RE/MAX affiliated companies.

Vice Chairman of the Board and Treasurer: Gail A. Liniger.

Ms. Liniger is RE/MAX, LLC's Vice Chairman of the Board of Managers and Treasurer. She has served as RE/MAX, LLC's Vice Chairman of the Board since April 2002, and has served as one of its Managers or Directors since August 1974. In addition, Ms. Liniger was RE/MAX of Colorado's President and Treasurer from February 1986, and was one of its directors from October 1973 until RE/MAX of Colorado was acquired by RE/MAX, LLC on December 31, 2011. Ms. Liniger holds additional executive positions with other RE/MAX affiliated companies.

Chief Executive Officer and Manager: Margaret M. Kelly.

Mrs. Kelly has been RE/MAX, LLC's Chief Executive Officer since October 2005. She has served as a Manager or Director of RE/MAX, LLC since August 2003. Ms. Kelly has been with the RE/MAX organization since 1992 and holds additional executive positions with other RE/MAX affiliated companies.

President and Manager: Vincent J. Tracey.

Mr. Tracey has been RE/MAX, LLC's President since October 2004 and one of its Managers or Directors since August 2005. Mr. Tracey has served in many capacities within the RE/MAX organization since 1978 and currently holds various executive positions with other RE/MAX affiliated companies.

Manager: Daryl L. Jesperson.

Mr. Jesperson has been one of RE/MAX, LLC's Directors or Managers since October 1981. Mr. Jesperson previously served as RE/MAX, LLC's Chief Executive Officer and held a number of other executive positions with RE/MAX, LLC until 2005 when he retired.

Manager: Gilbert L. ("Chip") Baird III.

Mr. Baird has been one of RE/MAX, LLC's Managers since April 2010. He has been a partner at Perella Weinberg Partners since February 2012, and a portfolio advisor to Weston Presidio since November 2011. He was a member of Weston Presidio's investment team from 2001 to October 2011, and was a partner with Weston Presidio from 2006 to October 2011.

Manager: Scott M. Bell.

Mr. Bell has been one of RE/MAX, LLC's Managers since December 31, 2011. He has been a member of the investment team with Weston Presidio since 2004, and one of its partners since June 2011.

Manager: Richard O. Covey.

Mr. Covey is one of RE/MAX, LLC's Managers. He served as a Director of RIHI from August 2005 to April 2010, when he became a Manager of RE/MAX, LLC. He served as President and Chief Executive Officer of United Space Alliance, LLC, in Houston, Texas from September 2007 to March 2010. He was its Chief Operating Officer from February 2006 to September 2007. Mr. Covey was President of Boeing Service Company in Colorado Springs from 2000 to 2006. A former NASA astronaut, Covey piloted STS 51-I, a spacecraft repair mission in 1985 and STS-26, the first flight of Discovery after the Challenger accident in 1988.

Manager: Roger J. Dow.

Mr. Dow is one of RE/MAX, LLC's Managers. He served as a Director of RIHI from August 2005 to April 2010, when he became a Manager of RE/MAX, LLC. He has been President and Chief Executive Officer of the U.S. Travel Association since January 1, 2005. Prior to joining U.S. Travel, over a 34 year period he held a variety of positions with the Marriott organization, including serving Marriott International, Inc. as Vice President of Marketing from 1985 to 1995, and Senior Vice President of Global and Field Sales from 1995 to 2004.

Manager: David L. Ferguson.

Mr. Ferguson has been one of RE/MAX, LLC's Managers since April 2010. He has been a partner at Perella Weinberg Partners since February 2012, and a portfolio advisor to Weston Presidio since November 2011. Mr. Ferguson was a partner with Weston Presidio from January 2003 to October 2011.

Manager: Ronald E. Harrison.

Mr. Harrison is one of RE/MAX, LLC's Managers. He served as a Director of RIHI from August 2005 to April 2010, when he became a Manager of RE/MAX, LLC. Over a period of 40 years he held a variety of positions with PepsiCo, including serving as PepsiCo's Senior Vice President responsible for Global Diversity and Inclusion from 2000 to 2003. Mr. Harrison has also served on a number of corporate advisory boards, including the National Urban League, the Congressional Black Caucus Foundation, the Hispanic Association for Corporate Responsibility, and the U.S. Hispanic Chamber of Commerce. He also served on the Board of Trustees at the College of New Rochelle (NY), and currently serves on the Industry Advisory Board for the University of New Hampshire's William Rosenberg Center of Franchising. He is a past chairman of the International Franchise Association (IFA), and is Founding Chairman of the Diversity Institute of IFA.

Manager: Daniel J. Predovich.

Mr. Predovich is one of RE/MAX, LLC's Managers. He served as a Director of RIHI from August 2005 to April 2010, when he became a Manager of RE/MAX, LLC. He is a Certified Public Accountant, Certified Fraud Examiner, Certified Information Technology Professional, and is certified in Financial Forensics. He has been the principal of Predovich & Company since 1985. He has special training in IRS financial investigative techniques, analytical investigation methods and is an FBI trained law enforcement instructor.

Executive Vice President, Chief Operating Officer and Chief Financial Officer: David M. K. Metzger.

Mr. Metzger has been RE/MAX, LLC's Executive Vice President and Chief Financial Officer since February 2010 and became Chief Operating Officer in January 2011. He oversees numerous departments: Finance and Accounting, Legal, Emerging Technologies, Information Technology, Membership Services, Human Resources and Risk Management. He served as RE/MAX, LLC's Senior Vice President, Chief Financial Officer from September 2007 to February 2010. Prior to joining RE/MAX, LLC, Mr. Metzger was Chief Financial Officer and Corporate Counsel at Sciona, Inc., a Boulder, Colorado company from September 2006 to September 2007. Mr. Metzger is a Certified Public Accountant and a member of the Maryland Bar Association.

Executive Vice President, U.S. and International Regional Development: William E. Soteroff.

Mr. Soteroff has been Executive Vice President, U.S. and International Regional Development, since January 2011. In this capacity, he is responsible for all U.S. regions operated directly by RE/MAX, LLC or by affiliates of RE/MAX, LLC, and he is also responsible for the expansion and development of RE/MAX franchises domestically and internationally. He was Senior Vice President, International Development, from January 2007 to January 2011. He has served in various other capacities within the RE/MAX organization since 1994.

Executive Vice President, Global Communications and Branding: Mike Ryan.

Mr. Ryan has been Executive Vice President, Global Communications and Branding, since April 2011. In this capacity, he is responsible for RE/MAX, LLC's communication and branding efforts and oversees brand marketing, event management, education, training, as well as the eBusiness and Communications departments and RE/MAX University. He was Senior Vice President, Global Communications and Branding, from January 2011 to April 2011 and Senior Vice President of Media and Training from September 2005 to January 2011.

Senior Vice President, Office of the Chairman: Bruce A. Benham.

Mr. Benham has been Senior Vice President, Office of the Chairman, since December 2010. He served as RE/MAX, LLC's Chief Operating Officer from August 2004 to December 2010. Mr. Benham has served in many capacities for RE/MAX, LLC since 1993 and currently holds additional executive positions with other RE/MAX affiliated companies.

Senior Vice President, Chief Legal Officer and Secretary: Geoffrey D. Lewis.

Mr. Lewis has been RE/MAX, LLC's Senior Vice President, Chief Legal Officer and Secretary, since September 2005. He served as Senior Vice President and General Counsel from September 2004 to September 2005.

Senior Vice President, Brand Alliances: Mike Reagan.

Mr. Reagan has been RE/MAX, LLC's Senior Vice President, Brand Alliances, since April 2011. In this capacity, he oversees all of RE/MAX, LLC's advertising and marketing efforts. Mr. Reagan was RE/MAX, LLC's Senior Vice President, Brand Marketing, from July 2009 to April 2011 and Senior Vice President, Brand Marketing and Event Management, from October 2004 to July 2009. He has served in various other capacities for RE/MAX, LLC since 1990.

Senior Vice President, Human Resources: Patricia E. Lawrence.

Ms. Lawrence has been a Senior Vice President of RE/MAX, LLC since April 2007. From December 2005 to April 2007, she served as RE/MAX, LLC's Vice President of Human Resources.

Vice President, International Regional Development: Larry Oberly.

Mr. Oberly has been Vice President, International Regional Development, since January 2011. He was Vice President, International Development, from December 2006 to January 2011. He has served in various other capacities for RE/MAX, LLC and affiliated companies since 1998.

Vice President, U.S. Regional Development: Ward Morrison.

Mr. Morrison has been Vice President, U.S. Regional Development, since January 2011. He was Vice President of RE/MAX, LLC's Membership Services, Contract Administration, and Customer Relations departments from July 2009 to January 2011; Director of the Membership Services and Contract Administration departments from March 2008 to July 2009; and a Business Development Consultant and Senior Business Development Consultant in RE/MAX, LLC's Brokerage Operations department from October 2005 to March 2008.

Vice President, Business Development: Diana Fredericks.

Ms. Fredericks has been Vice President, Business Development, since July 2010. She was Vice President, Franchise Sales, from January 2010 to July 2010. She was Assistant Regional Director for RE/MAX Southwest Region from June 2008 to January 2010; Senior Franchise Development Consultant for that region from January 2007 to May 2008; and Regional Franchise Sales Director for the RE/MAX St. Louis Region from November 2002 to January 2007. Ms. Fredericks served in various other capacities within the RE/MAX organization since 1993.

Vice President, Multi Media and Education: Tom Kramig.

Mr. Kramig has been Vice President of Multi Media and Education since July 2009. In this capacity, he oversees training and education offered by RE/MAX University. He served as Executive Director of the RE/MAX Satellite Network from March 2007 to July 2009 and Director of Production Services for RE/MAX Satellite Network from April 2006 to March 2007.

Executive Vice President: Jack Kreider.

Mr. Kreider has served as Executive Vice President of the Southern division of RE/MAX, LLC's franchise operations in the RE/MAX California and Hawaii Region since January 2011. He was Executive Vice President, Regional Development, from December 2006 to January 2011. He has served in other capacities within the RE/MAX organization since 1992.

Regional Vice President: Paul Brewster.

Mr. Brewster has been Regional Vice President in the RE/MAX California and Hawaii Region since June 2011. He was Assistant Regional Director for RE/MAX, LLC's franchise operations in the RE/MAX California and Hawaii Region from January 2011 to June 2011. In the same region he served as Senior Franchise Development Consultant from February 2010 to January 2011 and also from June 2008 to January 2009. From March 2007 to June 2008 he served as Senior Franchise Development Consultant in the RE/MAX Central Atlantic Region.

Director, Business Development: Tim Burns.

Mr. Burns has been Director, Business Development, since July 2010. He was Director, Franchise Sales from January 2008 to July 2010. From March 2006 to January 2008, Mr. Burns was Senior Franchise Sales Consultant for the RE/MAX Central Atlantic Region. He has served in other capacities within the RE/MAX organization since 1997.

Director, Business Development: Peter Luft.

Mr. Luft has been Director, Business Development, since July 2010. From November 2009 to July 2010, Mr. Luft was Director of Mergers and Acquisitions. From September 2008 to October of 2009, he was Vice President of Franchise Sales with One Coach International. Mr. Luft was a co-founder of Connecting Neighbors and its Chief Executive Officer of operations from May 2003 through September 2008.

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Item 3

LITIGATION

Actions Involving Predecessors of RCH (including Principal Owners)

Mark and Rachelle Berger, and Michael Attar on behalf of themselves and all persons similarly situated v. Property I.D. Corporation, RE/MAX of California & Hawaii, Inc., et al.

This is a class action suit, originally filed in August 2005 in the United States District Court, Central District of California, Western Division, Case No. 05-5373-GHK (CTx). The Plaintiffs brought this action against various real estate brokerage companies, Property I.D. Corporation ("Property ID") and certain of their affiliates. Plaintiffs allege that the affiliates are unlawful, created for the purpose of transferring illegal payments from Property ID to the brokerages. Plaintiffs named RE/MAX California & Hawaii., Inc., a predecessor of RCH, as an additional defendant in the Second Amended Complaint. A Third Amended Complaint ("TAC") was filed in March, 2007, adding a new named plaintiff.

The TAC alleged that the joint ventures were established to market and/or sell Natural Hazard Disclosure Statements, which were required in the sale of all residential properties under California Civil Code §1103. The TAC further alleged that the joint ventures made payments to the brokerages which were illegal under the Real Estate Settlement Procedures Act (RESPA), and that these illegal payments violated § 17200 of the California Business and Professions Code (UCL), which prohibits acts of unfair competition, and unlawful business acts or practices. The TAC also alleged that, in connection with the alleged RESPA violations, the broker defendants breached their fiduciary duties to their customer/clients.

On January 26, 2009, the United States District Court approved a settlement agreement under which the defendants paid a combined total of $43 million dollars, of which RE/MAX of California & Hawaii, Inc. paid $498,474.00. The case was dismissed with prejudice.

Actions Involving RE/MAX, LLC and its Affiliates

1. Her Majesty the Queen, Applicant, and RE/MAX Ontario-Atlantic Canada, Inc. and RE/MAX of Western Canada (1998) Inc. and RE/MAX International, Inc., Respondents, Federal Court of Canada (Trial Division)

This matter related to an investigation by the Canadian Competition Bureau (the "Bureau") of a certain advertising policy (the "Policy") promulgated by RE/MAX, LLC's wholly-owned subsidiary RE/MAX Western Canada (1998), Inc. (the "Region"). The Bureau contended that the Policy may violate provisions of the Canadian Competition Act (the "Act") against resale price maintenance. The Policy in question prohibited franchises and their Sales Associates from advertising commissions - it did not impose restrictions of any kind on the commission rates charged by offices or Sales Associates. The Region has had no policy governing the commission rates actually charged by the franchisees and Sales Associates.

This matter was resolved through an agreement on the part of the Region, RE/MAX Ontario-Atlantic Canada, Inc., and RE/MAX, LLC to amend certain of their respective policies, practices and agreements as they relate to the advertising of commissions throughout Canada. The amendments in question allow for commissions to be advertised but require any advertisement of commission rates to disclose that different commission rates and different listing and marketing services may be offered by other RE/MAX franchisees and Sales Associates. In addition, a party advertising commission rates is required to ensure that potential clients fully understand the listing and marketing services provided by

RE/MAX franchisees and Sales Associates. The foregoing agreement is set forth in a February 17, 2003 prohibition order entered by the Federal Court of Canada by the consent of the Bureau and the RE/MAX parties mentioned above. By consenting to the prohibition order, none of the RE/MAX parties admitted to any wrongdoing or violation of any Canadian laws.

2. Hyland et al. vs. HomeServices of America, Inc. et al., United States District Court for the Western District of Kentucky at Louisville, Civil Action No. 3:05 CV-612-S.

In October 2005, a class action (the "Action") was filed against various entities, including RE/MAX International, Inc. ("International"), and two RE/MAX franchisees located in Kentucky (RE/MAX Connections and RE/MAX Properties East). The Action alleged that the defendants conspired to fix real estate commissions and refused to compete on the basis of price in connection with real estate transactions in Kentucky, as well as to fix prices as reflected in Kentucky's "anti-rebate" rule (in effect from 1991 to 2005, this law prohibited brokers and agents from offering or advertising prizes, rebates, money, free gifts or other things of general value to the general public). Four amended complaints have been filed in the Action, each making certain modifications, such as to include a new defendant (the fourth amended complaint added RE/MAX of Kentucky/Tennessee, Inc, the independently owned and operated regional franchisor of RE/MAX franchises in the Kentucky region).

A joint motion to dismiss was filed by the defendants in March 2006 for lack of subject matter jurisdiction, failure to state a claim, and statute of limitations bar. The motion was granted in part (with regard to the statute of limitations issue) and denied in part (antitrust claim was sufficiently pled). Also, International filed a separate motion to dismiss, contending that it could not be held vicariously liable for the actions of its franchisees because International is not a real estate broker in Kentucky and it was not involved in plaintiffs' real estate transactions in Kentucky. In June, 2007, the court denied International's motion.

On June 12, 2008, plaintiffs and International entered into a stipulation to dismiss International. International agreed to pay funds into an escrow account, which will be subsequently distributed as directed by the court to pay for administrative costs and expenses, processing proof of claim and release forms, payment of taxes, payment of attorney's fees, and distribution of any balance to the plaintiff class. In addition, International agreed to cooperate with plaintiffs, and to make available for interviews, depositions, or testimony at trial, at plaintiffs' expense, the officers, directors, and employees of International who have knowledge regarding plaintiffs' claims. International awaits court approval of the stipulation of dismissal. In the interim, the Court granted class certification. On January 17, 2012, the Court preliminarily approved plaintiffs' settlement with International and set a fairness hearing for April 17, 2012.

3. Real Estate Alliance Ltd., v. National Association of Realtors, Keller Williams Realty, Inc., NORCAL Gold, Inc., d/b/a RE/MAX Gold, Inc., Frank Howard Allen Realtors, Alain Pinel Realtors, Inc., RE/MAX International, Inc., et al, Case Number 08CV01657-GAF, United States District Court, Central District of California, Western Division, filed March 11, 2008.

Plaintiff Real Estate Alliance Ltd. ("REAL") alleged patent infringement of two patents against RE/MAX International, Inc. ("International") and numerous other defendants in the U.S. District Court for the Central District of California. These two patents purport to describe methods for locating real estate properties on a map by using a "zooming" device or feature that displays the approximate location of properties for sale within the area identified. As to International, REAL alleges that International's ownership and control over its website, remax.com, and the use of "zooming" map technology to view real estate on the site constitutes infringement of its patents. REAL seeks damages of an unspecified amount and an injunction preventing defendants from continuing the allegedly infringing conduct. REAL intends to seek class certification of several defendant classes and seeks to certify International as a representative of the real estate broker class. The case was consolidated with a previously-filed declaratory judgment action, MOVE, Inc. v. Real Estate Alliance Ltd. et al., Civil Action No. 07-2185-GAF. MOVE, Inc. is alleged to own, control or operate a number of websites that infringe these patents, including REALTOR.com, HomeBuilder.com, RentNet.com and others. REAL's claims against International were stayed on September 25, 2008, pending resolution of the declaratory judgment action between MOVE and REAL. On January 27, 2010, the court entered a Rule 54(b) final judgment of non-infringement based on the MOVE websites and stayed the litigation pending appeal to the Federal Circuit. On March 22, 2011, the U.S. Court of Appeals for the Federal Circuit vacated the order and remanded the matter. On January 26, 2012, the court granted MOVE, Inc's motion for summary judgment of non-infringement. The claims against International remain stayed. MOVE and Dominion Enterprises, who developed and provided the accused technology to International, have agreed to indemnify International for any liability it incurs in this action and are also indemnifying International for its defense costs in the litigation.

4. American Magic Real Estate, Inc. v. RE/MAX International, Inc., Case No. 09-2-02954-5, pending in the Superior Court of Washington for Snohomish County, filed on February 17, 2009, the matter was removed to the United States Federal District Court, Western District of Washington, Case No. CV09-212RSL, on February 18, 2009.

Plaintiff American Magic Real Estate, Inc., d/b/a/ RE/MAX Champions ("RE/MAX Champions") filed this action against International requesting a temporary restraining order, preliminary and permanent injunction and damages alleging claims for breach of contract, declaratory judgment, unfair competition, tortious interference with contracts and/or business expectancy and for alleged violations of the Franchise Investment Protection Act and the Consumer Protection Act. The lawsuit alleges, among other things, that International terminated two RE/MAX Champions' franchise agreements without cause and without reasonable opportunity to cure and interfered with Plaintiff's relationships with its real estate sales associates by soliciting them away from Plaintiff. Plaintiff seeks damages in an unspecified amount. International contends that Plaintiff materially breached the two franchise agreements, that termination of these agreements was proper and that it had the right to meet with the sales associates. On February 19, 2009, Plaintiff and International entered into a "standstill" agreement under which the parties agreed that, for a period of 30 days, they will continue to operate under the franchise agreements as if they had not been terminated. Plaintiff's motion for temporary restraining order was stricken. On June 1, 2009, the Court denied International's motion to dismiss and granted plaintiffs' request for arbitration. The parties participated in non-binding arbitration on September 29, 2009, but no resolution was reached. There have been no further developments in this matter.

5. George P. Irish, et al v. Harry J. Ferguson, RE/MAX, LLC et al, Case No. 3:12-CV-174, U.S. Dist. Ct for the Middle Dist. of PA, filed January 31, 2012.

On February 13, 2012, RE/MAX, LLC received a copy of a lawsuit filed by a former franchisee, MIK, Inc., one of its principals, George Irish, and George Irish's wife against RE/MAX, LLC and thirty other defendants. MIK, Inc.'s franchise relationship with RE/MAX, LLC ended in early 2005. The termination of RE/MAX, LLC's franchise relationship with MIK, Inc. was the subject of an earlier lawsuit filed by MIK, Inc. and its principals, including George Irish, on August 25, 2010 against RE/MAX, LLC and the owners of the RE/MAX franchise who succeeded MIK, Inc. In that earlier lawsuit, those plaintiffs sought an injunction asserting that the owners of the RE/MAX franchise after MIK, Inc. were merely the straw owners and operators of the franchise office and that MIK, Inc. was the true owner. On November 2, 2010, the Court denied the injunction requested and rejected the plaintiffs' "straw" franchisee argument. In this most recent action, Plaintiffs allege two RICO (18 U.S.C. § 1962(c and d)) causes of action against RE/MAX, LLC arising out of the same "straw franchisee" theory and seek unspecified damages. RE/MAX, LLC denies the allegations of and intends to vigorously defend the complaint.

Litigation Commenced Against Franchisees in the Past Fiscal Year

Franchise Fee Collection Suits

RE/MAX, LLC fka RE/MAX International, Inc. v. Boulevard Brokerage Group, Inc.; Jay M. Belson; and Does 1 – 100, inclusive, Case No. LC094163, California Superior Court, County of Los Angeles – Northwest District, filed July 8, 2011.

RE/MAX, LLC, v. Byron B. Alvarez, an individual; Community Real Estate Center, Inc.; and Does 1 – 30, inclusive, Case No. 39-2011-00263142-CL-BC-STK, Superior Court of California, County of San Joaquin, filed May 10, 2011.

RE/MAX, LLC v. Fudosan, Inc.,; Tim Delaney; and Does 1 – 100, inclusive, Case No. BC463574, Superior Court of the State of California, County of Los Angeles, filed June 15, 2011.

HBN, Inc. dba RE/MAX Southwest Region v. RE/MAX Properties, LLC and Candace Bailey, Case No. A-11-652423-C XXVI, Clark County, Nevada, filed Nov. 30, 2011.

RE/MAX, LLC d/b/a RE/MAX Florida Region v. Jeremy K. Anderson and Power Advantage, Inc., Case No. 2011-CV-3056, District Court, City and County of Denver, CO, filed April 22, 2011.

RE/MAX, LLC v. 5 Star Real Estate, Inc. d/b/a RE/MAX 5 Star and Gary P. Benjamin, Case No. 2011-CA-003486-NC, Circuit Court of the 12th Judicial Circuit in and for Sarasota County, FL, filed May 16, 2011.

RE/MAX, LLC v. All Pro Realty Co of Volusia County, Inc., Gerald A. Stemmler, and Robert M. Millward, Case No. 2011-32737-CICI, Circuit Court in and for Volusia County, Florida, filed December 7, 2011.

RE/MAX,LLC dba RE/MAX Pacific Northwest Region v. Amy Kirwan & John Doe Kirwan dba/fdba RE/MAX Home Team, Case No. 11-2-00843-2, Grant County Superior Court, WA, filed July 14, 2011.

RE/MAX, LLC, dba RE/MAX Carolinas Region v. John N. Crosson, Case No. 2011CA4190-O Div#40, Circuit Court of the Ninth Judicial Circuit in Orange County, FL, filed April 5, 2011.

Tails Inc., trading as RE/MAX Central Atlantic Region v. Phillip W. Styles, Jr., Case No. 11L-004899, Circuit Court of Cook County, Illinois, County Department, Law Division, filed May 11, 2011.

Indemnification Suits

RE/MAX, LLC v. William B. Waldman and William H. Black, Case No. 77 114 00118 11, pending with the American Arbitration Association, filed May 9, 2011.

Trademark Infringement Actions concerning Post-Termination Conduct

RE/MAX, LLC v. Rolling Hills Realty, Inc., Case. No. 1:11-cv-151 U.S. District Court for the Western District of North Carolina; filed June 21, 2011).

Other than the actions identified above, no litigation is required to be disclosed in this disclosure document.

Nevertheless, from time to time, other lawsuits arise out of the day-to-day real estate operations conducted by RE/MAX offices. These lawsuits are isolated cases typically brought by buyers and sellers of real estate. RE/MAX, LLC and/or other entities duly licensed to operate under the Marks have sometimes been, and in the future may be, named in these actions because of their standing as franchisor and subfranchisor, rather than as a result of any involvement or conduct by them in the underlying real estate transactions. Moreover, errors and omissions insurance is typically available to cover potential loss or liability. These cases are routine and incidental to the business conducted by RE/MAX, LLC. If more information is desired about the nature of these matters, it will be provided upon your written request.

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Item 4

BANKRUPTCY

No bankruptcies are required to be disclosed in this franchise disclosure document.

Item 5

INITIAL FEES

You must pay RE/MAX, LLC a nonrefundable initial franchise fee when you sign the Franchise Agreement. The amount of this fee varies depending upon the general population density of the market area where the Office will be located. The parameters of the fee are as follows:

(a) $28,000 in areas with a general population of more than 40,000 people ("***high-density***"); or

(b) In areas which are substantially distant from a major urban area, and in which no appreciable population growth is envisioned, the initial franchise fee will be:

1. $20,000 in areas with a general population of 10,000 to 40,000 people ("***medium-density***"); or

2. $12,500 in areas with a general population of less than 10,000 people ("***low-density***").

The applicable initial franchise fee will be determined by RE/MAX, LLC and inserted into Subsection 6.A. of the Franchise Agreement before you sign it.

You will also be required to pay RE/MAX, LLC a nonrefundable $5,000 fee for each Satellite Office that RE/MAX, LLC allows you to open.

RE/MAX, LLC may vary, reduce, negotiate or make an exception to its published fee structure and/or payment terms in order to facilitate mergers or conversions or other large transactions, as well as to accommodate certain existing franchisees that acquire additional offices. For example, at the present time, RE/MAX, LLC may, in its sole discretion, offer opportunities to purchase a franchise at a reduced fee to (i) qualified existing franchisees in good standing or (ii) qualified prospective franchisees that are converting existing real estate offices or that are converting multiple real estate offices. RE/MAX, LLC makes no representations that these or any other opportunities or variations to the standard initial franchise fee will continue to be made available and they may be discontinued at any time.

During calendar year 2011, franchisees paid initial franchise fees ranging from $0 to $28,000.

You may finance the initial franchise fee over a 24-month period at an annual rate of 2% over the prime rate (as defined in Item 10) and you will be required to pay at least 50% in cash as a down payment when the Franchise Agreement is signed.

Note to Renewal Franchisees

In the event of a renewal, you will not need to pay us an initial franchise fee. However, a renewal fee is payable to us in an amount ranging from $4,000 to $10,000, depending upon whether your franchise is located in a high-, medium-, or low-density area. Your renewal fee will be $10,000 if your franchise is in a high-density area ($12,200 if you choose to pay your renewal fee in 6 equal installments), $7,000 if your franchise is in a medium-density area ($8,540 if you choose to pay your renewal fee in 6 equal installments), or $4,000 if your franchise is in a low-density area ($4,880 if you choose to pay your renewal fee in 6 equal installments).

Note to Franchise Transferees

In the event of a transfer, you will not need to pay us an initial franchise fee. However, a transfer fee is payable to us in the amount of $2,500 plus escrow of amounts necessary to cover our other costs, such as administrative and legal expenses.

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Item 6

OTHER FEES

Type of Fee[1]	Amount	Due Date	Remarks
Monthly Ongoing Fees[2, 3, 6, 7]	***Component One Continuing Franchise Fee***: $125 per month for each Sales Associate; ***Component Two Continuing Franchise Fee (or "Broker Fee")***: an amount equal to 1% of gross commissions.[3]	Due by 5th day of each month.	Payable to RE/MAX, LLC which may increase Component One Continuing Franchise Fee amount once in any calendar year to offset increased operating expenses.[3]
Annual Dues[2]	$390 for each Sales Associate in your Office.	First payment due within 5 days of the date such Sales Associate's license is first registered with the Office or the date the new Sales Associate is first qualified to engage in real estate services for the Office, whichever is earlier. All subsequent payments are due on or before each anniversary date of the day the initial dues are paid respecting the Sales Associate.	Payable to RE/MAX, LLC which may increase amount once in any calendar year to offset increased operating expenses.[4]
Regional Group Advertising Fund[2, 6, 7]	$101 per month for each Sales Associate in your Office.	Due by 5th day of each month.	Payable to RE/MAX, LLC which may increase amount once in any calendar year. Used for institutional advertising for RE/MAX offices operating in region. RE/MAX, LLC directs a portion of this fee (currently $35) to the National Brand Marketing Alliance.[5]

Type of Fee[1]	Amount	Due Date	Remarks
Transfer	$2,500 plus escrow of amounts necessary to cover RE/MAX, LLC's other costs, such as administrative and legal expenses.	Prior to consummation of transfer.	Payable to RE/MAX, LLC when the Franchise Agreement, assets of the Office, or controlling interest in you is transferred. No transfer fee is payable if the Franchise Agreement transferred to an entity you control within one year after signing or if transfer constitutes less than a controlling interest (i.e., 50% or less). RE/MAX, LLC may waive this fee if transfer is to an existing RE/MAX franchisee who has been affiliated with the RE/MAX organization for at least 12 months. RE/MAX, LLC's costs could be higher than the transfer fee depending upon the nature and complexity of the transaction.
Consultation	$300 per day plus expenses.	15 days after billing.	This is for additional or special consultation, training or assistance you need or request.
Renewal	$4,000 - $10,000[8]	Upon signing successor franchise agreement.	Payable to RE/MAX, LLC.
Product Purchases	See Item 8.	See Item 8.	
Audit	Cost of inspection or audit.	15 days after billing.	Payable if you fail to furnish reports, supporting records or other required information, or you understate the amounts owed to RE/MAX, LLC for any three-month period by more than 5%, or if the inspection reveals other conduct that is unlawful or a breach of the Franchise Agreement.

Type of Fee[1]	Amount	Due Date	Remarks
Interest and Late Charges	As liquidated damages and not as a penalty: 20% of amount owed for the late payment of Annual Dues; 10% of amount owed for all other fees (or maximum amount allowed by law); $100 per day for the failure to timely submit reports; plus interest of 1% per month compounded (or highest rate allowed by law) of amount owed for all fees except Annual Dues.	Due with payment of outstanding amounts or submission of reports.	Payable on all overdue amounts or for the failure to timely submit reports.
Costs and Attorneys' Fees	Will vary under circumstances.	As incurred.	Payable if we engage legal counsel in connection with your failure to comply with the Franchise Agreement.
Indemnification	Will vary under circumstances.	As incurred.	You have to reimburse RE/MAX, LLC if it is held liable for claims arising from the operation of your Office.
Conventions and Seminars	$195 - $800 registration fee per person. Nominal fees or charges may also be assessed for a variety of other social functions.	Prior to attending.	Attendance is highly recommended; you also must pay for all related travel, meal, lodging, and entertainment expenses.
Initial Training	$0	Not Applicable	Initial training is required. You will be required to pay for all related travel, meal, lodging and entertainment expenses. (See Item 11 for more detail.)

Type of Fee[1]	Amount	Due Date	Remarks
Broker/Owner Conferences, Meetings and Retreats	$0 - $100 registration fee	Upon receipt of invoice.	Attendance is highly recommended; you also must pay for all related travel, meal, lodging and entertainment expenses (if any).
Educational Courses	$50 - $150	15 days after billing or at registration.	You may be required to complete, at your expense, certain educational courses as a condition of renewal. (See Item 11 for more detail.)
Holdover Fee	Will vary under circumstances	Upon receipt of invoice.	
Lost Future Revenue	Will vary under circumstances	Upon early termination	If the Franchise Agreement is terminated early for cause or for any other reason than pursuant to mutual consent, you must immediately pay us lost future revenue which is equal to the combined monthly average of Monthly Ongoing Fees, Annual Dues, and Regional Advertising and National Brand Marketing fund fees required to have been paid (whether paid or not) from the effective date of the Franchise Agreement through the date of early termination, multiplied by the number of months (or partial months) remaining in the term.

[1] All fees are uniformly imposed and collected by and payable to either RE/MAX, LLC or one of its affiliates. All fees are non-refundable.

[2] The high commission concept contemplates that you will charge and collect monthly management and broker service fees (see footnote 3), Annual Dues and Regional Group Advertising Fund fees from each of your Sales Associates. The term ***"Sales Associate"*** means anyone whose license is registered with the Office and all Satellite Offices including, without limitation, sales associates, broker associates, brokers, licensed assistants and each broker of record and/or manager except that with respect to Regional Group Advertising Fund fees only, you will have to pay only $46 per month per licensed assistant. You will be required to pay the Monthly Ongoing Fees, Annual Dues and Regional Group Advertising Fund fee whether or not you collect the monthly management fees or the other dues or fees from your Sales Associates.

[3] Monthly Ongoing Fees. You will be required to pay RE/MAX, LLC monthly ongoing fees *("Monthly Ongoing Fees")* consisting of two components.

- *Component One Continuing Franchise Fee.* The first component, the Component One Continuing Franchise Fee ("***Component One Continuing Franchise Fee***"), may be referred to simply as "continuing franchise fee" on billing statements or invoices you receive. Under this component, you will be required to pay RE/MAX, LLC, on a monthly basis, $125.00 per month for each Sales Associate in your Office during the previous calendar month whether or not you actually collect management fees from your Sales Associates as recommended below. The Component One Continuing Franchise Fee will be due and will be considered late if not received by RE/MAX, LLC by the 5th day of the month after the month the Office opens and by the 5th day of each month throughout the remainder of the term of the Franchise Agreement. RE/MAX, LLC will have the right to increase the amount of the Component One Continuing Franchise Fee once in any calendar year to offset increased operating expenses, provided such increase will not exceed 15% of the Component One Continuing Franchise Fee amount in effect at the time of any such increase and provided such increase will not occur in consecutive calendar years. RE/MAX franchisees, in turn, should charge each of their Sales Associates a monthly management fee.

- *Component Two Continuing Franchise Fee.* The second component of the Monthly Ongoing Fees is the Component Two Continuing Franchise Fee ("***Component Two Continuing Franchise Fee***"), which may be referred to simply as "Broker Fee" on billing statements or invoices you receive. The Component Two Continuing Franchise Fee applies to all franchisees except for certain existing franchisees that are purchasing a new (additional) franchise or renewing an existing franchise relationship, and that were previously issued a written waiver of this fee by the predecessor to RE/MAX, LLC, RE/MAX California & Hawaii, Inc. ("Predecessor Region"). (See below for more discussion regarding these exceptions.)

  You will be required to pay RE/MAX, LLC, as a Component Two Continuing Franchise Fee, an amount equal to 1% of gross real estate commissions (including referral fees), earned, derived or otherwise generated from closed real estate transactions handled by each one of your Sales Associates during the previous calendar month whether or not you actually collect a "broker service fee" as recommended below. This Component Two Continuing Franchise Fee will be due and will be considered late if not received by RE/MAX, LLC by the 5th day of the month after the month the Office opens, and by the 5th day of each month throughout the remainder of the term of the Franchise Agreement.

  In addition to the monthly management fee franchisees charge their Sales Associates, RE/MAX, LLC recommends that RE/MAX franchisees retain, a small percentage of the gross commissions (including referral fees), earned, derived or otherwise generated from closed real estate transactions handled by their Sales Associates (*"**Broker Service Fee**"*). RE/MAX, LLC currently recommends, but does not require, that a RE/MAX franchisee's Broker Service Fee be 5%.

  Component Two Continuing Franchise Fee--Exception for "Grandfathered Franchisees".

The Predecessor Region imposed a Broker Service Fee (similar to the Component Two Continuing Franchise Fee) applicable to all franchises in this region, but, subject to its sole discretion, provided written waivers of this fee for certain franchises (generally those that had been in the RE/MAX system for a number of years and that were in full compliance with their franchise agreement). Franchisees who received this written fee waiver are referred to as "***Grandfathered Franchisees***".

(a) Renewing Franchisees. If you are a Grandfathered Franchisee under an existing franchise agreement that is expiring and you are entering into a new franchise agreement to renew your franchise relationship, RE/MAX, LLC will temporarily extend the Grandfathered Franchisee status to your renewed franchise. During this temporary extension, you will not be required to pay the Component Two Continuing Franchise Fee. However, RE/MAX, LLC reserves the right to impose this fee on you and all other Grandfathered Franchisees at any time upon 12 months prior written notice. If RE/MAX, LLC imposes this fee, it may, but will not be required to, allow you to designate certain Sales Associates as "Legacy Sales Associates" for whom you will not be required to pay us the Component Two Continuing Franchise Fee.

(b) Additional Franchise Purchase by Existing Franchisee. If you are a Grandfathered Franchisee under a pre-existing franchise agreement that granted you a one-mile protected area, or some other type of exclusive or protected territory or preferential development area (collectively "***Protected Territory***"), and you are purchasing an additional franchise that will be located within that Protected Territory, RE/MAX, LLC will temporarily extend that Grandfathered Franchisee status to this additional franchise. During this temporary extension, you will not be required to pay the Component Two Continuing Franchise Fee. However, RE/MAX, LLC reserves the right to impose this fee on you and all other Grandfathered Franchisees at any time upon 12 months prior written notice. If you are purchasing an additional franchise that will be located outside of the Protected Territory of your pre-existing franchise agreement, RE/MAX, LLC will not extend your Grandfathered Franchisee status, if any, to your new franchise and you will be required to pay RE/MAX, LLC the Component Two Continuing Franchise Fee commencing on the effective date of the new franchise agreement.

Your failure to establish or require your Sales Associates to pay a monthly management fee or a Broker Service Fee, or your failure to actually collect such fees from some or all of your Sales Associates, will not relieve you of your obligation to remit all Component One Continuing Franchise Fee and Component Two Continuing Franchise Fee amounts making up the Monthly Ongoing Fees payable to RE/MAX, LLC under the Franchise Agreement in a timely manner.

[4] This fee may be increased once in any calendar year to offset increased operating expenses; however, the increase will not exceed 20% of the then existing fee. From time to time, and solely at RE/MAX, LLC's discretion, RE/MAX, LLC may offer a prospective franchisee that is converting an existing real estate office a temporary waiver or deferral of the annual dues.

[5] RE/MAX, LLC may increase (but not by more than $30 per month) or decrease the monthly Regional Group Advertising Fund fee once in any calendar year. $35 of the RGAF monthly fee due with respect to each Sales Associate will be first allocated and paid over to the National Brand Marketing Alliance ("***National Brand Marketing Alliance***" or "***NBMA***") to be used for (i) purchases of national media advertising and promotion on network and cable television, in national magazines and newspapers, on the Internet, and in other media forms targeted to the U.S. population as a whole; (ii) the creation and development of advertising and media materials, and for public relations purposes; (iii) special, high profile advertising opportunities; and (iv) technology related services (which include, without limitation, expenses related to the development, operation, and maintenance of the remax.com website, LeadStreet (the lead management solution included as a part of the remax.net intranet), and the RE/MAX Design Center). The portion allocated to the NBMA may be increased or decreased from time to time; it is currently anticipated that the portion allocated to the NBMA will increase to $45 on or about August 1, 2012. The remaining balance of this monthly Regional Group Advertising Fund fee will be used for institutional advertising and promotion for the benefit of those RE/MAX offices operating within this region. This fee will be due and will be considered late if not received by RE/MAX, LLC by the 5th day of the month after the month the Office opens and by the 5th day of each month throughout the remainder of the term of the Franchise Agreement.

[6] As an acknowledgement of their many years with the RE/MAX organization, Sales Associates that are at least 65 years old, and that have been in the RE/MAX system for at least 10 years, and who are no longer able, or no longer desire, to devote a significant portion of their time and energy to real estate, may be eligible to receive a reduction in both Monthly Ongoing Fees and Regional Group Advertising fees in return for their continued affiliation with the RE/MAX organization, albeit on less than a full-time basis; this program is known as the RE/MAX Gold Plan ("***RE/MAX Gold Plan***"). If you would like eligible Sales Associates in your Office to participate in this program, you will be required to sign the then current version of the RE/MAX Gold Plan Letter Addendum; a copy of the current RE/MAX Gold Plan Letter Addendum is attached to this disclosure document as Exhibit A-10.

[7] From time to time, and solely at RE/MAX, LLC's discretion, RE/MAX, LLC may offer a prospective franchisee that is converting an existing real estate office a temporary waiver or deferral of the Monthly Ongoing Fees and/or Regional Group Advertising Fund Fee.

[8] You may choose to pay your renewal fee in one lump sum or you may choose to pay it in 6 equal payments with the first installment due immediately upon signing the renewal addendum, and the remaining installments due monthly thereafter. Your renewal fee will vary depending upon whether your franchise is located in a high-density, medium-density, or low-density area. (See Item 5.) Your renewal fee will be $10,000 if your franchise is in a high-density area ($12,200 if you choose to pay your renewal fee in 6 equal installments), $7,000 if your franchise is in a medium-density area ($8,540 if you choose to pay your renewal fee in 6 equal installments), or $4,000 if your franchise is in a low-density area ($4,880 if you choose to pay your renewal fee in 6 equal installments). If you are renewing an existing franchise relationship and your existing Franchise Agreement allows you to retain, on renewal, any type of territorial rights greater than a one-mile protected territory or area, RE/MAX, LLC will waive the renewal fee if you agree to sign the "Renewal Addendum to the Franchise Agreement – One Mile Territory" (attached as Exhibit A-2).

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Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial franchise fee[2]	$12,500 - $28,000	Lump Sum	Upon Signing Franchise Agreement	RE/MAX, LLC
Office set-up/improvements[3]	$3,500 - $75,000	As Agreed	As Incurred	Third Parties
Exterior office signage	$500 - $4,000	As Agreed	As Incurred	Third Parties
Furniture, fixtures and equipment[4]	$5,000 - $40,000	As Agreed	As Incurred	Third Parties
Inventory and supplies[5]	$500 - $4,000	As Agreed	As Incurred	Third Parties
Training fees and expenses[6]	$1,000 - $3,000	Lump Sum	As Incurred	Third Parties
Miscellaneous opening costs[7]	$2,000 - $15,000	As Incurred	As Incurred	Third Parties
Additional funds - 3 months[8]	$15,000 - $75,000	As Incurred	As Incurred	Third Parties
Total [9]	$40,000 - $244,000			

Explanatory Notes

[1] All fees listed in this Item 7 are non-refundable.

[2] Your Initial Franchise Fee schedule is as follows: (a) $28,000 in high-density areas with a population of more than 40,000; (b) $20,000 in medium-density areas with a population of 10,000 to 40,000; or (c) $12,500 in low-density areas with a population of less than 10,000. You may finance the initial franchise fee over a 24-month period at an annual interest rate of 2% over the prime rate (as defined in Item 10) and you will be required to pay at least 50% in cash as a down payment when the Franchise Agreement is signed. See Item 5 of this disclosure document for further explanation.

[3] If you are starting a new office, you will be required to have at least 1,000 square feet (700 square feet if you are starting a new office in a low-density area) of office space to start and should plan to expand to be able to accommodate the minimum number of Sales Associates you will be required to have by the end of the third year of the Franchise Agreement. The exact size of your Office will depend on the number of Sales Associates you anticipate having under contract and the availability of office space in your area. If you are converting an existing real estate office rather than starting a new office, your initial investment for Office Set-Up/Improvements may be closer to the low end of the range. If you are starting a new office that is 1,000 square feet in size, these costs should typically be in the $15,000 - $75,000 range. The actual cost of the office space and improvements, however, will depend on whether you lease or purchase the space, the size, condition and location of the Office premises, the demand for the Office premises among prospective lessees, the type of tenant finish or improvement you choose and how you prefer to furnish and decorate the Office premises. (See footnote 9.)

[4] Your Office must be staffed by at least one full-time secretary and equipped with furniture and other miscellaneous office equipment (including a printer, copier, fax machine and high speed internet and email access) necessary to conduct a real estate brokerage business. You must also maintain at the Office a phone system and a computer system with hardware, networking and software that is compatible with RE/MAX, LLC's communication and data reporting requirements. (See Item 11.) Costs for computer hardware, networking, software and other office equipment such as fax machines can vary significantly, depending on the quality you choose and the automation requirements of your Office. See Item 11 for detailed information pertaining to brokerage back-office software.

The costs you incur may vary significantly and will depend, in large part, on whether you are converting an existing real estate office which already has much of the furniture, fixtures and equipment you will need or you are starting a new office, whether you lease or finance your furniture, fixtures and equipment or purchase them outright, and the size of your office. If you are starting a new office, and purchase your furniture, fixtures and equipment outright, or your office is larger than 1,000 square feet, your initial outlay may be considerably higher than the upper range listed in the table. (See footnote 9 for more detail.)

[5] This category covers various supplies you will need prior to opening the real estate brokerage business, including such items as business cards, for sale signs, stationery, postage and the like.

[6] You or a principal owner must attend and complete the mandatory 4½ day RE/MAX office training program. You may send one or more people from the Office free of charge to the training program, although you will be responsible for all travel, meal, lodging, and entertainment expenses you or anyone else from the Office incurs while attending the training program in the Denver, Colorado metropolitan area.

[7] This category covers miscellaneous opening costs and expenses, such as broker and other required licenses, security deposit and first month's rent, advertising, legal and accounting expenses, insurance, membership in national, state and local REALTOR® associations and deposits for gas, electricity and related utilities and installation of telephone and computer systems. As with other categories, the costs you incur will depend largely on whether you are converting an existing office (where your costs can generally be expected to be closer to the low end of the range) or starting a new office where your costs will generally be closer to the high end of the range.

[8] This category estimates your initial start-up expenses (other than the items identified separately in the table) for a three-month period after the Office begins operations. These expenses include payroll costs, rent or mortgage payments and other overhead expenses. These figures are estimates, and RE/MAX, LLC cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow RE/MAX, LLC's methods and procedures; your management skill, experience and business acumen; Sales Associate recruiting efforts; whether you are converting an existing real estate office with Sales Associates or starting a new office with no Sales Associates; the size of your facility and staff; local economic conditions; the local market for your services; the prevailing wage range; and competition. In general, these costs should be closer to the low end of the range if you are converting an existing office and between $15,000 and $75,000 if you are starting a new office. (See footnote 9.) You should discuss your cash flow needs and capital budget with a professional accountant or advisor knowledgeable in planning new business enterprises.

[9] This is an estimated range of costs you might incur prior to opening your Office and/or during the first 3 months of operation as a franchisee and is based on the assumption that you have an office with 1,000 square feet—the minimum required during the initial phase of the Office's operation if your office is in a high-density or medium-density area. RE/MAX, LLC relied on the real estate experience of some of its top executive officers and on financial information obtained from RE/MAX offices within this region to compile these estimates. However, the range of total expenditures you incur may vary considerably from the amounts estimated above. For instance, if your Office is larger than 1,000 square feet, your initial outlay may be considerably higher than the upper range listed in the table, depending upon how much additional space you lease. Initial investment costs for particular categories may also vary significantly depending on a number of factors including such things as the geographic location of the Office and whether or not it is a conversion of an existing real estate office. For example, if the Office is located in a luxury resort community, your initial investment costs could be substantially higher than the upper range indicated in the table. On the other hand, if you are converting an existing real estate office rather than starting a new office, your initial investment costs may be closer to the lower range indicated in the table. (These initial investment costs should also apply to the opening of a Satellite Office, should you desire to open one and should RE/MAX, LLC grant you permission to do so. However, since the fee to open a Satellite Office is less than the Initial Franchise Fee and since Satellite Offices cannot exceed, and may often be less than, 1,000 square feet in size, your initial investment costs for a Satellite Office should generally be closer to the low end of the range.) You should review these figures carefully with a business advisor, knowledgeable in planning new business enterprises, before making any decision to purchase the franchise. Except as discussed in Item 10 below, RE/MAX, LLC does not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing will depend on many factors, such as the availability of financing generally, your creditworthiness, collateral you may have and lending policies of financial institutions from which you may request a loan. The monetary figures reflected in this category do not include any amounts you may need for personal or living expenses and do not include any costs which you might incur to acquire an existing real estate business or its assets.

<u>Note to Franchise Transferees</u>

It is up to you and the selling franchisee to negotiate and determine the purchase price for the Office and Satellite Offices, if any, which may include some or all of the items listed in the above chart. We will not necessarily review or comment on the sufficiency or appropriateness of the purchase price to be paid by you. To the extent that any of the items listed above are not included in the purchase price, you may need to incur these costs in addition to the purchase price. If you open any Satellite Office(s) subsequent to the transfer, then the items listed in the above chart will apply for each Satellite Office (see footnote 9 above).

<u>Note to Renewal Franchisees</u>

Upon renewal, as you already have an established office, you will not incur all of the above estimated amounts. However, we may require you to take certain actions to bring the Office up-to-date with our then current standards. The costs of such actions will vary depending on the circumstances. Moreover, if you open any Satellite Office(s) subsequent to renewal, then the items listed in the above chart will apply for each Satellite Office (see footnote 9 above).

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You will be required to operate the Office according to the RE/MAX system. System standards and specifications may regulate, among other things, use of signs, letterhead, business cards and other promotional materials, use of computer hardware and software, types, models and brands of authorized equipment and supplies to be used in operating the Office and designation of approved suppliers of these items (which may include RE/MAX, LLC and its affiliates). RE/MAX, LLC has the right to change these system standards and specifications periodically.

Except as provided below, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software or real estate relating to the Office's establishment or operation that you will be required to purchase or lease from RE/MAX, LLC or a designated supplier, although RE/MAX, LLC reserves the right to require that certain goods, services, supplies, fixtures, equipment, inventory, and computer hardware and software relating to the Office's establishment or operation be purchased exclusively from RE/MAX, LLC, or to designate exclusive, specific suppliers for such products and services in the future.

To protect the Marks and to facilitate your compliance with certain communication and reporting requirements, you will be required to purchase or lease materials containing the Marks, such as an exterior real estate office sign, yard signs, stationery and business cards, as well as computer hardware and software that meet RE/MAX, LLC's minimum standards and specifications. RE/MAX, LLC will notify you in the Operations Materials (see Franchise Agreement - Subsection 8.B.) or in other communications of the standards and specifications for these items. RE/MAX, LLC has the right to add to and otherwise modify the Operations Materials from time to time, if deemed necessary to improve the standards of service or quality or the efficient operation of the Office, to protect or maintain the goodwill associated with the Marks or to meet competition. If these items meet the minimum standards and specifications, they need not be purchased or leased from "approved suppliers;" you are not required to purchase items from the suppliers on RE/MAX, LLC's approved supplier list. RE/MAX, LLC does, however, maintain a list of approved suppliers from which these items may be procured. RE/MAX, LLC does not assume any liability for the acts or omissions, or guaranty the performance, of any supplier, whether approved or not.

Approved Supplier Program

RE/MAX, LLC evaluates suppliers based on a number of criteria including length of time in business, financial resources, business credentials and their ability to provide services or products in accordance with minimum standards for delivery, performance, appearance and quality. Suppliers who wish to be included on RE/MAX, LLC's approved supplier list must submit an application package and a $675 application fee to RE/MAX, LLC, which fee will be refunded to unsuccessful applicants. RE/MAX, LLC will not unreasonably withhold its approval of a supplier, and will grant or deny approval within 6 months of RE/MAX, LLC's receipt of a fully completed application packet. Approved supplier status can be revoked at any time if the supplier fails to meet RE/MAX, LLC's criteria, or if it breaches its agreement with RE/MAX, LLC. RE/MAX, LLC may limit the number of approved suppliers offering similar products or services to maintain volume levels for competitive pricing and to assure consistent quality.

RE/MAX, LLC and/or its affiliates may receive a flat fee, access fee, rebate, percentage or other consideration from approved suppliers as a result of their sale of products, services or supplies to franchisees and Sales Associates. Typically, approved suppliers pay RE/MAX, LLC an annual access fee of the greater of: (i) $20,000; or (ii) $1,800 plus 5% of their net sales to franchisees and Sales Associates—although occasionally approved suppliers may pay a substantially higher flat fee or percentage fee.

RE/MAX, LLC has the right to receive these payments from approved suppliers on account of their dealings with you and other franchisees and to use the amounts it receives without restriction, for any purpose. RE/MAX, LLC has the right to modify these fees, rebates, percentages or other consideration in the future. Prices for products and services from approved suppliers are generally competitive due to RE/MAX, LLC's buying power.

David L. Liniger, Gail A. Liniger, and Daryl L. Jesperson each own an interest in EDR Travel, Inc., an approved supplier of travel agency services. There are no other approved suppliers in which any of RE/MAX, LLC's officers own an interest.

Insurance

You will be required to obtain and maintain, at your expense, such insurance coverage that RE/MAX, LLC requires from time to time and to meet the other insurance related obligations in the Franchise Agreement. This insurance shall include, at a minimum, the following coverage:

1. Workers' compensation insurance for employees in amounts prescribed by law;

2. Comprehensive general liability insurance insuring against claims for bodily and personal injury, and death and property damage in the face amount of not less than $2,000,000 per occurrence and annual aggregate. If you are unable to obtain general liability insurance in the face amount of $2,000,000, then you must obtain comprehensive general liability insurance in the face amount of not less than $1,000,000 per occurrence and annual aggregate, as well as commercial umbrella liability insurance in the face amount of not less than $1,000,000 per occurrence and annual aggregate;

3. Errors and omissions liability insurance in the face amount of not less than $1,000,000 per claim and annual aggregate;

4. Automobile liability insurance covering each vehicle titled or leased in the name of the Office or any of its owners and used for business purposes. Each such automobile liability insurance policy must have (i) a combined single limit of liability for bodily injury and property damage of at least $500,000; or (ii) bodily injury liability insurance having limits of at least $250,000 per person and a minimum of $500,000 per occurrence and property damage liability insurance having limits of at least $100,000 per occurrence; and

5. A commercial, hired and non-owned automobile policy in the face amount of at least $1,000,000 combined single limit of liability for bodily injury and property damage.

All insurance policies that you will be required to obtain must commence the day the Office begins business operations.

You will be required to name RE/MAX, LLC as an additional insured on all insurance policies that you will be required to obtain, as well as RE/MAX, LLC's officers, managers, directors and employees. All insurance policies that you will be required to obtain must contain a waiver by the insurance carrier of all subrogation rights against RE/MAX, LLC and other parties covered by the insurance and shall provide that RE/MAX, LLC receive 30 days prior written notice of termination, expiration, cancellation or modification of any such policy. You will also be required to use your best efforts to ensure that each automobile liability insurance policy obtained by your Sales Associates meets all of the same conditions set forth in this paragraph.

All required insurance coverage shall be maintained under one or more policies of insurance of the types, and containing such terms and conditions, as are specified from time to time by RE/MAX, LLC and issued by insurance carriers approved by RE/MAX, LLC. You will be required to obtain insurance policies with an insurance company that has an A.M. Best's rating of at least an A- and an A.M. Best's financial size category of at least XII.

RE/MAX, LLC may from time to time 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 in circumstances.

You will be required to secure endorsements, on forms acceptable to us, covering the Sales Associates under the required insurance policies or, in the alternative, you must ensure that each Sales Associate secures such insurance. You will also be required to ensure that each Sales Associate in your Office obtains automobile liability insurance covering each vehicle used at any time by the Sales Associate for business purposes. You will be required to use your best efforts to ensure that each such automobile liability insurance policy names RE/MAX, LLC (and its officers, managers, directors, and employees) as an additional insured, contains a waiver by the insurance carrier of all subrogation rights against RE/MAX, LLC and other parties covered by the insurance, and provides that RE/MAX, LLC receives 30 days prior written notice of termination, expiration, cancellation or modification of such policy. Each such automobile liability insurance policy must provide the same amount of coverage as you are required to obtain.

You will be required to furnish RE/MAX, LLC a copy of the 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. If you at any time fail or refuse to maintain in effect any insurance coverage required by RE/MAX, LLC, or to furnish satisfactory evidence of such insurance, RE/MAX, LLC may, at its option and in addition to any other rights and remedies it may have, obtain such insurance coverage on your behalf, although RE/MAX, LLC is under no obligation to do so. You will be required to fully cooperate with RE/MAX, LLC in its efforts to obtain such insurance policies, promptly execute any and all forms or instruments required to obtain any such insurance, allow any inspections of the premises of the Office which are required to obtain such insurance, and reimburse RE/MAX, LLC, on demand, any costs and premiums it may incur.

If you are operating a commercial franchise, RE/MAX, LLC may, in its discretion, require you to have additional insurance coverage in additional amounts.

With regard to errors and omissions insurance, you will also be required to purchase an extended reporting period endorsement (also known as tails coverage), covering a period of 3 years after the expiration, termination or transfer of the Franchise Agreement, which endorsement shall include, without limitation, the requirement to name RE/MAX, LLC as an additional insured.

Independent Contractor Agreement

You will be required to have a fully executed independent contractor agreement ("ICA") with each of your Sales Associates. Although the form of ICA you use is up to you, we will require that you include in your ICA certain essential provisions to help preserve and protect the RE/MAX name, service marks, goodwill and the RE/MAX system. For your convenience RE/MAX, LLC may provide a model ICA for you to consider using as a framework. The current essential ICA provisions are attached to the Franchise Agreement, which is Exhibit A of this disclosure document.

RE/MAX University

RE/MAX, LLC has developed RE/MAX University ("***RU***") as a way to deliver educational and motivational programming to RE/MAX Affiliates. With the exception of premium programming, such as accredited courses, RE/MAX University programming is available free of charge via the RE/MAX Mainstreet website (see below for more details), which you can access via a computer, some smart phones and mobile devices, or you can purchase a Pop Box or a Roku player, digital media players that will allow you to watch RE/MAX University programming on a television (both are available for a one-time fee of up to $140.00). Premium programming, such as accredited courses, typically range from $50 to $1,000. Although you are not required to subscribe to RU at the present time, you may be required to do so in the future, in which case you may also be required to purchase a Pop Box, Roku player or other device or mechanism in order to receive the programming, as well a television or other equipment, and pay RE/MAX, LLC a programming fee.

Brokerage Back-Office Management Software System

Franchisees with more than 10 Sales Associates.

If your Office will have more than 10 Sales Associates, or if you own multiple RE/MAX offices and the total number of Sales Associates in all of your offices is greater than 10, to facilitate your reporting to RE/MAX, LLC, and to enhance the operation and management of your Office or offices, you will be required to purchase and use *brokerWOLF* software (or such other brokerage back-office management software as RE/MAX, LLC may designate). Although RE/MAX, LLC does not currently require that franchisees with more than 10 Sales Associates purchase or lease specific hardware, or that they purchase or lease hardware from a specific supplier, in the future such franchisees may be required to do so.

Franchisees with 10 or fewer Sales Associates.

If your Office will have 10 or fewer Sales Associates, there is no current requirement to purchase or lease *brokerWOLF* or other software from a specific supplier but you will be required to use a brokerage back-office management software system that has capabilities compatible with RE/MAX, LLC's communications and data reporting requirements. In addition, if you will have 10 or fewer Sales Associates and don't use *brokerWOLF* (or such other back-office management software as RE/MAX, LLC may designate for offices with more than 10 Sales Associates) RE/MAX, LLC may require you to input and upload certain statistical data and operational information into a web-based portal in order to facilitate your reporting obligations. Although RE/MAX, LLC does not currently require that franchisees with 10 or fewer Sales Associates purchase or lease specific hardware or software, or that they purchase or lease hardware or software from a specific supplier, in the future such franchisees may be required to do so.

RE/MAX Mainstreet

Finally, you will be required to subscribe, and to ensure that each of your Sales Associates subscribes, to "***RE/MAX Mainstreet***," a password protected Extranet site, hosted by RE/MAX, LLC, and to sign a RE/MAX Mainstreet Member Registration and Website User Agreement. The current form of this agreement is attached as Exhibit A-5. (See Item 11 below for more detail.) RE/MAX Mainstreet, a free service, serves as a members only electronic communication website enabling RE/MAX, LLC to share important information with you and other RE/MAX affiliates in a secure environment, including educational and motivational programming available via RE/MAX University (see discussion above). You will be required to access RE/MAX Mainstreet via the Internet; therefore, you will be required to have an Internet service provider. Internet service provider fees typically range from $60 to $300 per month.

Revenue from Franchisee Purchases

In the year ending December 31, 2011, RE/MAX, LLC's revenue from franchisees' required purchases or leases related to Lone Wolf Software and errors and omissions insurance was $287,477 or 0.2% of RE/MAX, LLC's total revenue of $123,695,706. Except as set forth above, neither RE/MAX, LLC nor any of its affiliates received other revenue as a result of franchisee required purchases or leases in the year ending December 31, 2011.

The cost of products or services required to be purchased or leased either from designated or approved sources of supply or in accordance with RE/MAX, LLC's specifications as set forth above represents from 10% to 25% of your total purchases or leases in the establishment and operation of the Office. These percentages may vary significantly from office to office depending on various factors including, for example, the geographic location of the Office, whether or not it is a conversion of an existing real estate office, the number of Sales Associates licensed with the Office, the type of tenant finish or improvement you choose and how you prefer to furnish and decorate the premises.

Cooperatives/Negotiated Prices

Except as described above, neither RE/MAX, LLC nor its affiliates currently derives revenue or other material consideration as a result of required purchases or leases. Except for AALD, Inc., there currently are no purchasing or distribution cooperatives. Except as noted above, RE/MAX, LLC does not currently negotiate purchase arrangements with suppliers for the benefit of franchisees or provide material benefits to you based on your use of approved suppliers or designated sources.

Material Benefits

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

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Item 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in agreement	Disclosure document item
a. Site selection and acquisition/lease	Subsections 2.A. and 2.C., Section 3, and Subsection 13.B.(1) of Franchise Agreement	Items 7, 11 and 12
b. Pre-opening purchases/leases	Section 3 and Subsections 8.B., 8.D. and 8.M. of Franchise Agreement	Items 7 and 8
c. Site development and other pre-opening requirements	Section 3, Subsections 8.A., 8.B., 8.C., 8.D., 8.F., 8.H., 8.K., and Subsection 13.B.(2) of Franchise Agreement	Items 7, 11 and 12
d. Initial and ongoing training	Subsections 8.G., 9.A. and 13.B.(3) of Franchise Agreement	Items 1 and 11
e. Opening	Section 3 and Subsection 13.B.(2) of Franchise Agreement	Items 1 and 11
f. Fees	Section 6 and Subsection 13.C. of Franchise Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Section 4 and Subsections 8.A., 8.B., 8.C., 8.H., 8.K. and 8.L. of Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Section 4, Subsections 5.C. and 8.K. and Section 14 of Franchise Agreement	Items 13 and 14
i. Restrictions on products/services offered	Subsections 2.A.,2.C.,2.D., 4.B., 8.B., 8.C., 8.F., and 9.E. of Franchise Agreement	Items 8, 11 and 16
j. Warranty and customer service requirements	Subsections 5.B., 5.C., 8.B., 8.F. and 8.I. of Franchise Agreement	Items 8, 11 and 16

Obligation	Section in agreement	Disclosure document item
k. Territorial development and sales quotas	Subsection 2.C., Section 7 and Subsections 13.C. and 13.D. of Franchise Agreement	Item 12
l. On-going product/service purchases	Subsections 8.A., 8.B., 8.D., 8.H., 8.J., and 8.K. of Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Section 3 and Subsections 8.A. and 8.B. of Franchise Agreement	Items 7 and 11
n. Insurance	Subsection 8.D. of Franchise Agreement	Items 7 and 8
o. Advertising	Subsections 4.B., 6.D., 8.C., 8.K., and 9.C. of Franchise Agreement	Items 6 and 11
p. Indemnification	Subsection 5.D. of Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	Section 1 and Subsections 2.B., 5.B., 8.E. and 8.F. of Franchise Agreement	Items 1, 11 and 15
r. Records and reports	Subsection 6. F. (2), Section 10 and Subsection 13.C.(3) of Franchise Agreement	
s. Inspections and audits	Section 11 of Franchise Agreement	Item 6
t. Transfer	Section 12 and Subsection 13.B. of Franchise Agreement	Item 17
u. Renewal	Subsection 2.E. of Franchise Agreement	Item 17
v. Post-termination obligations	Section 14 of Franchise Agreement	Item 17
w. Non-competition covenants	Subsections 5.F. and 14.J. of Franchise Agreement	Item 17
x. Dispute resolution	Not Applicable	Not Applicable

Item 10

FINANCING

RE/MAX, LLC offers financing to franchisees. Financing for the initial franchise fee will be made available for a 24-month period at an annual percentage rate ("***APR***") of interest equal to 2% over the prime rate (as listed in "The Wall Street Journal") in effect when the promissory note for the initial franchise fee is signed. A copy of the Promissory Note for the initial franchise fee (***"Promissory Note 1"***) is attached to this disclosure document as Exhibit B-1. As of February 1, 2012, the applicable APR was 5.25%. Those who wish to finance this fee must pay at least 50% in cash as a down payment when the Franchise Agreement is signed. The principal balance of the franchise fee will be due in 24 equal monthly installments plus accrued interest.

If you wish to finance the renewal fee, your renewal fee will be $12,200 if your franchise is in a high-density area (as opposed to $10,000 if you pay it in one lump sum), or $8,540 if your franchise is in a medium-density area (as opposed to $7,000 if you pay it in one lump sum), or $4,880 if your franchise is in a low-density area (as opposed to $4,000 if you pay it in one lump sum), which you will be required to pay in 6 equal payments with the first installment due immediately upon signing the renewal addendum, and the remaining installments due monthly thereafter. A copy of the promissory note for the renewal franchise fee (***"Promissory Note 2"***) is attached to this disclosure document as Exhibit B-2.

If any payments are late (not paid within 10 days after they are due), RE/MAX, LLC may accept the late payment with a 10% late charge or, upon 10 days' written notice, accelerate payment of the outstanding principal and interest. All payments will be applied first to outstanding late charges, then to interest (if applicable), and then to principal. (Promissory Notes 1 and 2-Sections 3, 4 and 5.)

If RE/MAX, LLC accelerates payment and subsequently refers Promissory Note 1 or Promissory Note 2 to an attorney for collection, all outstanding amounts will bear interest at the default rate of 20% per year (or if this rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted) and you will have to pay RE/MAX, LLC's reasonable attorneys' fees and costs it incurs as a result of the default. As an additional remedy if you default, RE/MAX, LLC may terminate your Franchise Agreement (although this will not release you from having to pay all unpaid amounts). (Promissory Notes 1 and 2-Sections 5 and 6.)

If you transfer any of your interest in the Franchise Agreement, the unpaid principal and interest (if applicable) balances under Promissory Note 1 or Promissory Note 2 are immediately due and payable. (Promissory Notes 1 and 2 - Section 8.)

You and any endorsers of Promissory Note 1 or Promissory Note 2 waive and excuse presentment for acceptance and payment, notice of dishonor and protest of dishonor and agree to any extension of time of payment. You may prepay the principal balance at any time without penalty. (Promissory Notes 1 and 2 - Sections 7 and 9.)

Whether Promissory Note 1 or Promissory Note 2 will have to be secured by collateral other than the franchise itself, and whether a separate guaranty will be required, will depend primarily on your financial condition and the available collateral.

Other than described above, RE/MAX, LLC does not charge any additional finance fees to apply for or secure the financing described in this Item 10. Except as described above, RE/MAX, LLC does not offer direct or indirect financing. RE/MAX, LLC does not guarantee your note, lease or obligation. RE/MAX, LLC does not receive direct or indirect payments for placing financing. Except as provided above, neither Promissory Note 1 nor Promissory Note 2 contains a waiver of defenses or similar provision. RE/MAX, LLC does not have any practice or intent to sell, assign or discount to a third party all or part of Promissory Note 1 or Promissory Note 2.

Item 11

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

Except as listed below, RE/MAX, LLC is not required to provide you with any assistance.

Before you open the Office, RE/MAX, LLC will:

1. At your request, assist you in selecting the Office's location which must be approved by RE/MAX, LLC. (Franchise Agreement - Subsections 2.A. and 2.C.) RE/MAX, LLC's criteria for a location include population density, the number of competing real estate offices in the surrounding area, your financial capability to maintain the Office at the particular location, public access to the Office, parking availability, the location's public appeal and professional image and the proximity to other RE/MAX offices. You may not begin operating the Office until a location has been selected and approved. If you and RE/MAX, LLC, acting reasonably and in good faith, cannot agree on a location for the Office within 90 days after the Franchise Agreement is signed, unless otherwise agreed, it will be deemed to be a failure of a material condition precedent to the Franchise Agreement entitling RE/MAX, LLC to terminate the Franchise Agreement. Failure to open the Office within 180 days after the Franchise Agreement is signed will also be deemed to be a failure of a material condition precedent to the Franchise Agreement entitling RE/MAX, LLC to terminate the Franchise Agreement. Your initial franchise fee is not refundable if you fail to locate an acceptable site for your Office or you do not open your Office within 180 days after the Franchise Agreement is signed. RE/MAX, LLC does not own the premises upon which the Office is located and therefore does not lease it to you.

2. Furnish you with specifications for the Office's appearance. (Franchise Agreement - Subsections 8.A., 8.B. and 9.B.)

3. As discussed in Item 8, identify the items necessary for the Office to begin operations, the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be obtained. (Franchise Agreement - Section 3. and Subsections 8.B., 8.K. and 9.B.)

4. Issue you one or more copies of the Operations Materials. (Franchise Agreement - Subsection 8.B.)

5. Train you or one of your principal owners. (Franchise Agreement - Subsections 8.G. and 9.A.) This training is described in detail later in this Item.

6. At your request and expense, assist you with your open house, Office design and layout, conversion of sales staff, meeting with the Board of REALTORS® and real estate commission and with your initial publicity and advertising campaign. (Franchise Agreement - Subsection 9.B.)

The typical length of time between the signing of the Franchise Agreement and the opening of a RE/MAX office ranges from approximately one to three months, although a longer period of time may be necessary. Factors affecting the length of time usually include the time necessary to find an acceptable location for the Office, secure financing arrangements, comply with local laws and acquire and install required equipment and signs. You will be required to open your Office in compliance with RE/MAX, LLC's requirements within 180 days after the Franchise Agreement is signed. (Franchise Agreement - Section 3.)

RE/MAX, LLC is not obligated by the Franchise Agreement, or any other agreement, to provide any other assistance or services before the opening of the Office.

During your operation of the Office, RE/MAX, LLC will:

1. At your request and expense, provide consultation and guidance relating to the Office's management and operation. In addition, various educational courses and other assistance will periodically be made available in such areas as sales, fiscal management, office operations, recruiting and retention of Sales Associates and financial planning. (Franchise Agreement - Subsection 9.D.) (See Item 6 above.)

2. Issue you one or more copies of the Operations Materials, consisting of manuals or similar materials containing mandatory and suggested specifications, standards, procedures, policies, guidelines and rules that RE/MAX, LLC prescribes from time to time. The Operations Materials may be modified periodically to improve the standards of service or quality or the Office's efficient operation, to protect or maintain the goodwill associated with the Marks or to meet competition. (Franchise Agreement - Subsection 8.B.) The table of contents of the various manuals comprising the Operations Materials, as of our last fiscal year end, is attached to this disclosure document as Exhibit F. As of that date, these manuals contained a total of 465 pages.

3. Issue and supplement system standards and policies for RE/MAX offices. RE/MAX, LLC may modify system standards and policies from time to time and these modifications may obligate you to invest additional capital in the Office and/or incur higher operating costs. (Franchise Agreement - Section 3. and Subsections 5.B., 8.B. and 8.L.)

4. Encourage use of the Marks and the RE/MAX system on a national and international basis. To this end, RE/MAX, LLC has established and maintains a national and international referral system. (Franchise Agreement - Subsection 9.E.)

5. Allow you to attend, at your expense, regional conferences and annual conventions designed to enhance the image of the RE/MAX system, assist franchisees in recruiting Sales Associates and provide a forum for the exchange of ideas and information on the operation of RE/MAX offices. (Franchise Agreement - Subsection 9.F.) You also will be entitled to receive any publications that RE/MAX, LLC produces and distributes. (Franchise Agreement - Subsection 9.G.)

6. Collect, control and administer monies paid to the Regional Group Advertising Fund (the "***RGAF***") and the National Brand Marketing Alliance (the "***NBMA***") (Franchise Agreement - Subsections 6.D. and 9.C.). These funds are described in more detail below.

RE/MAX, LLC is not obligated by the Franchise Agreement, or any other agreement, to provide any other assistance or services in connection with the ongoing operation of the Office. RE/MAX, LLC shall have the right to suspend some or all of the assistance, benefits and services noted above or set forth in the Franchise Agreement or otherwise afforded to you as a franchisee if you fail to make any payments to RE/MAX, LLC as required under the Franchise Agreement. (Franchise Agreement - Subsection 6.H.)

Advertising. Each RE/MAX office within this region must make monthly contributions to the RGAF on behalf of each person who is licensed with the RE/MAX office (see Item 6 above); however, in regard to licensed assistants, RE/MAX offices are responsible only for $46 per month per licensed assistant. Each RE/MAX office typically collects this monthly contribution directly from each of these licensed persons. Affiliates of RE/MAX, LLC that operate RE/MAX real estate offices contribute to the RGAF on the same basis as all other franchisees.

All monies collected by the RGAF, including any interest, dividends, capital gains or other income earned on these monies, will be accounted for separately from RE/MAX, LLC's other funds. The RGAF fee may be increased once in any calendar year but not by more than an additional $30 per month. A portion of this monthly RGAF fee will be allocated to the NBMA; from time to time, the portion that is allocated to the NBMA may change (see below). Except for amounts allocated to the NBMA, all RGAF funds, including any interest, dividends, capital gains or other income, will be used for institutional advertising and promotion (and related administrative expenses) for the benefit of RE/MAX offices operating within this region. RE/MAX, LLC has full discretion to allocate these funds towards the maintenance and administration of the RGAF, 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 pertaining to LeadStreet, such as web hosting, licensing, and consulting fees). Advertising may be disseminated through television, radio, billboard, magazine, newspaper, Internet and other media campaigns. (Franchise Agreement - Subsections 6.D. and 9.C.) (See Item 6 above.)

In addition to the RGAF, RE/MAX, LLC collects, controls and administers monies allocated to the NBMA. (Franchise Agreement - Subsections 6.D. and 9.C.) $35 (or such increased or decreased amount as RE/MAX, LLC may specify from time to time) of the monthly contribution made to the RGAF on behalf of each Sales Associate will first be allocated and paid over to the NBMA to be used for (i) purchases of national media advertising and promotion on network and cable television, in national magazines and newspapers, on the Internet and in other media forms targeted to the U.S. population as a whole; (ii) the creation and development of advertising and media materials, and for public relations purposes; (iii) special, high profile advertising opportunities; and (iv) technology related services (which include, without limitation, expenses related to the development, operation, and maintenance of the remax.com website, LeadStreet (the lead management solution included as a part of the remax.net intranet), and the RE/MAX Design Center) (Franchise Agreement - Subsection 6.D.) All monies collected by the NBMA, including any interest, dividends, capital gains or other income earned on these monies, will be accounted for separately from RE/MAX, LLC's other funds and spent on items (including a portion for administrative expenses) relating to the creation, distribution and placement of advertising and public relations programs and related materials. It is currently anticipated that the portion allocated to the NBMA will increase to $45 on or about August 1, 2012.

The Region Owners Council, a body consisting of U.S. and Canadian region owners, serves in an oversight capacity to the NBMA. The Region Owners Council meets two or more times per year. Approval of region owners representing at least a majority of the sales associates in the United States and Canada is required to act on any opportunities. The annual budget of the NBMA must be approved by a two-thirds vote of the Region Owners Council. The governing documents of the Region Owners Council do not specify whether RE/MAX, LLC has the right to form, change or dissolve it, but RE/MAX, LLC may withdraw its participation from the Region Owners Council at any time.

The NBMA is audited annually; the RGAF is not audited. A monthly financial statement and a cash flow statement are prepared for both funds showing the beginning cash balance, receipts, disbursements, and ending cash balance. Neither the financial statements for the RGAF nor the NBMA are generally distributed to franchisees; however, if you request, RE/MAX, LLC will make the statements available for your review. The financial statements for the NBMA are made available for review by the Region Owners Council members at the Region Owners Council meetings. It is possible that not all of the funds which are contributed to the RGAF and the NBMA in a given fiscal year will be spent that year. Excess funds that have not been spent by the end of any given fiscal year will remain in a conservative investment account and be carried over to the next year until these funds are spent. All interest earned on monies contributed to the RGAF and the NBMA will be used to pay advertising costs before other assets of the fund are expended. A portion (see below) of the NBMA and RGAF is used to pay for salaries of employees and other administrative expenses reasonably related to the direction and implementation of the funds' advertising purposes.

During the fiscal year ending January 31, 2012, a total of $5,701,854.54 was disbursed by the RGAF. Of that amount, $2,069,515 was paid to the NBMA. Of the remaining RGAF balance of $3,632,339.54, 1.0% was spent on production, 73.41% was spent on media placement, 14.82% was spent on technology (which includes, without limitation, professional services pertaining to LeadStreet, such as web hosting, licensing and consulting fees), and 10.77% was spent on administrative expenses. During the fiscal year ending January 31, 2012, a total of $22,909,947.08 was spent by the NBMA. 7.59% was spent on production, 72.68% was spent on media placement, 15.07% was spent on technology (which includes, without limitation, expenses related to the development, operation, and maintenance of the remax.com website, LeadStreet (the lead management solution included as part of the remax.net intranet, and the RE/MAX Design Center), and 4.66% was spent on administrative expenses.

Neither the RGAF nor the NBMA spend money on advertising that is principally a solicitation of new franchisees.

Although the RGAF and the NBMA are intended to maximize general public recognition of the Marks, the RE/MAX system and services offered by RE/MAX offices, RE/MAX, LLC is not obligated to ensure that expenditures by the RGAF or the NBMA are proportionate or equivalent to the contributions to these funds by RE/MAX offices or that any RE/MAX office will benefit directly or in proportion to its contribution to the RGAF or NBMA from the development of advertising and marketing materials or the placement of advertising. RE/MAX, LLC does not have any fiduciary obligations to you or any other RE/MAX office in connection with the establishment of the RGAF and the NBMA or the collection, control or administration of monies paid into these funds and RE/MAX, LLC expressly disavows the existence of any such fiduciary relationship. (Franchise Agreement - Subsection 9.C.) (See Item 6 above.)

The RGAF and NBMA may furnish you with samples of advertising, marketing and promotional materials at no cost. Additional copies of these materials may also be purchased from them. You are permitted to use your own advertising materials to specifically promote the Office if you follow the standards and policies issued by RE/MAX, LLC to protect the Marks. All of your advertising and promotion must be completely clear and factual and conform to the highest standards of fair and ethical marketing. (Franchise Agreement - Subsection 8.C.)

Computer Hardware and Software. To facilitate your reporting to RE/MAX, LLC and to meet other communication requirements, you will be required to maintain certain systems in operation at the Office. (Franchise Agreement - Section 3.) The computer hardware can be obtained from any source but must be PC compatible, with a minimum amount of memory and meeting other requirements that we may specify from time to time. In addition, you will need a computer with high speed access to the Internet (preferably T1 (full, fractional, or frame relay), DSL or cable), a printer, and a CD and DVD drive. You will be obligated to upgrade such hardware as RE/MAX, LLC specifies from time to time. (Franchise Agreement - Section 3.) There are no contractual limitations on the frequency and cost of this obligation. You will have to obtain a maintenance contract with a reputable organization for your computer hardware and related equipment. We estimate that the cost to acquire a computer system that complies with these requirements to be between $800 and $1,500. It is difficult to estimate the annual cost of maintaining or upgrading your computer system because it will depend on many variables such as the age, and total number, of computers you choose to have in your Office, your usage and security practices, the cost of third party maintenance services in your area, as well as technological advances that we cannot predict at this time. As an example, if you need 1 to 5 hours of third party maintenance services per month, it may cost you between $75 to $500 per month (or $900 to $6,000 per year) for one computer system.

To facilitate your reporting to RE/MAX, LLC, and to enhance the operation and management of your Office, you will also be required to use a brokerage back-office management software system that has capabilities compatible with RE/MAX, LLC's communications and data reporting requirements.

Franchisees with more than 10 Sales Associates. If you will have more than 10 Sales Associates in your Office, or if you will own multiple RE/MAX offices and the total number of Sales Associates in all of your offices is greater than 10, you will be required to purchase and use *brokerWOLF* software (or such other brokerage back-office management software as RE/MAX, LLC may designate from time to time) from Lone Wolf Real Estate Technologies, Inc. ("Lone Wolf"), or such other provider that RE/MAX, LLC may designate. The *brokerWOLF* software includes information and data on contact management, associate receivables, listing management, sales, contract management, escrow/trust and miscellaneous income and referrals. You will also be required to purchase maintenance and support from Lone Wolf, the cost of which will depend on the size of your office (see chart below). Under its software license agreement, Lone Wolf will be obligated to provide ongoing maintenance, repairs, upgrades or updates. You will be required to upgrade or update the *brokerWOLF* software during the term of the Franchise Agreement, and there are no contractual limitations on the frequency and cost of this obligation.

Franchisees with 10 or fewer Sales Associates. If your Office will have 10 or fewer Sales Associates you will be required to use a brokerage back-office management software system, although you are not currently required to purchase or lease it from a specific supplier. However, the brokerage back-office software system that you choose must have capabilities compatible with RE/MAX, LLC'S communications and data reporting requirements. For instance, it must be able to record, track and monitor transactions and provide office accounting and bookkeeping (brokerage-back office management software programs are generally able to manage data pertaining to listings, sales, contract management, associate receivables, escrow and trust accounts, referrals, and miscellaneous income). Costs for a software program that meets RE/MAX, LLC's requirements will vary widely and will depend on the type or complexity of the software you choose. For offices with 10 or fewer Sales Associates, we estimate brokerage back-office software will cost approximately $950 for initial set-up and $1,525 per year (or $130 per month) for basic support and upgrades. In addition, if you will have 10 or fewer Sales Associates and don't use *brokerWOLF* (or such other back-office management software as RE/MAX, LLC may designate for offices with more than 10 Sales Associates) RE/MAX, LLC may require you to input and upload certain statistical data and operational information into a web-based portal in order to facilitate your reporting obligations.

Currently, the cost for *brokerWOLF* software from Lone Wolf Real Estate Technologies, Inc. varies depending on the number of Sales Associates affiliated with the Office (from time to time, Lone Wolf Real Estate Technologies, Inc. may increase the cost):

NUMBER OF SALES ASSOCIATES	LICENSE FEE	ANNUAL COST OF MAINTENANCE AND SUPPORT
1-10 Sales Associates	$949	$1,524 (or $127/month)
11-20 Sales Associates	$1,449	$2,292 (or $191/month)
21-50 Sales Associates	$1,949	$3,072 (or $256/month)
51-100 Sales Associates	$2,499	$3,840 (or $320/month)
101-250 Sales Associates	$3,199	$5,376 (or $448/month)
251-500 Sales Associates	$4,799	$9,228 (or $769/month)
501-1250 Sales Associates	$7,999	$15,396 (or $1,283/month)
OVER 1250 Sales Associates	$12,849	$24,636 (or $2,053/month)
If you are a multi-office owner you must also purchase the following modules:	**LICENSE FEE**	**ANNUAL**
MULTI-OFFICE MODULE (10 Sales Associates and under)	$159	$312 (or $26/month)
MULTI-OFFICE MODULE (11 Sales Associates and over)	$319	$612 (or $51/month)

RE/MAX, LLC will not have independent access to information that is generated and stored on the software that you purchase from Lone Wolf. However, RE/MAX, LLC will have access to information that *brokerWOLF* software automatically transmits to RE/MAX, LLC. For instance, the *brokerWOLF* software will automatically communicate a variety of information to RE/MAX, LLC including but not limited to the number of Sales Associates affiliated with your Office, when such Sales Associates join or leave your Office, as well as information pertaining to Sales Associate transactions. RE/MAX, LLC may also retrieve all other information that it considers necessary, desirable or appropriate. There are no contractual limitations on RE/MAX, LLC's right to access information. A portion of the revenue that Lone Wolf derives from the sale of its software program will be remitted to RE/MAX, LLC. (See Item 8.)

If you are a franchisee with 10 or fewer Sales Associates, RE/MAX, LLC will not have independent access to the information and data on brokerage back-office software that you do not purchase from Lone Wolf Real Estate Technologies.

You will also be required to maintain current versions of the Microsoft Windows operating system. (Franchise Agreement - Section 3.) You will be obligated to upgrade or update software and there are no contractual limitations on the frequency and cost of these obligations. (Franchise Agreement - Section 3.) The approximate cost to upgrade one version of Microsoft Windows software may range from $240 to $499 per year, and will depend in part on the version of the Microsoft Windows operating system you choose, the number of software licenses you require, as well as on technological advances which we cannot predict at this time.

In addition, "***RE/MAX Mainstreet,***" a password-protected Extranet site developed and hosted by RE/MAX, LLC, is accessible to RE/MAX affiliates worldwide at www.remax.net. The software systems that comprise RE/MAX Mainstreet are the proprietary property of RE/MAX, LLC. RE/MAX Mainstreet serves as an electronic communication website between RE/MAX, LLC, you and other RE/MAX affiliates for the exchange of important RE/MAX information. This site incorporates basic functions such as e-mail forwarding addresses, messaging, a roster (the "***RE/MAX Web Roster***") which provides information about the entire RE/MAX membership, including relevant personal and professional data, and profiles on all Sales Associates in the RE/MAX system, as well as various enhancements such as industry news, information on approved suppliers, access to a tool for generating marketing materials (the "***RE/MAX Design Center***"), and a host of other proprietary functions designed to facilitate communication throughout the RE/MAX network. An electronic referral system ("***LeadStreet***"), accessed by RE/MAX Affiliates via RE/MAX Mainstreet, offers lead generation, management and marketing tools, and the opportunity to receive referrals via remax.com; however, owning a RE/MAX office doesn't guaranty the receipt of referrals. Additionally, RE/MAX University, which can be accessed via RE/MAX Mainstreet, a computer, some smart phones and mobile devices, a Pop Box or a Roku player, offers a variety of educational opportunities. You will be required to subscribe to RE/MAX Mainstreet which you can access through any Internet service provider. (Franchise Agreement - Section 3.) RE/MAX Mainstreet is currently a free service offered by RE/MAX, LLC. Internet service provider subscription fees typically range from $60 to $300 per month (varies depending on such factors as the number of users).

RE/MAX Mainstreet is a moderated website and RE/MAX, LLC will have independent access to the information and content on this site. There are no contractual limitations on RE/MAX, LLC's right to access the information and content of RE/MAX Mainstreet.

RE/MAX, LLC is not obligated to provide, or to assist you in obtaining, the computer hardware or software identified above. However, RE/MAX, LLC intends to provide informational assistance if requested.

RE/MAX Mainstreet, www.remax.com, and www.remax.net have not been reviewed or approved by the California Department of Corporations. Any complaints concerning the content of the websites may be directed to the California Department of Corporations at www.corp.ca.gov.

Training. Before the opening date of your Office, you or your principal owner will be provided with a mandatory 4½ day training program at RE/MAX, LLC's headquarters in Colorado ("***training***" or "***training program***"). You or your principal owner are not required to achieve a stated level of performance in the training program. This training program is held on a monthly basis. You will be permitted to send one or more people from the Office free of charge to the training program, although you will be responsible for all travel, meal, lodging, and entertainment expenses you or anyone else from the Office incurs while attending the training program. (See Item 7 above.) You will be required to complete training before the Office is scheduled to open. As of RE/MAX, LLC's most recent fiscal year end, RE/MAX, LLC's training program consisted of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
History and Overview of RE/MAX Systems and Services.	7	0	5075 S. Syracuse Street, Denver, Colorado
Fiscal Management, RAPP Program and Space Planning	5	0	5075 S. Syracuse Street, Denver, Colorado
Tour of RE/MAX, LLC; Technology Overview	5	0	5075 S. Syracuse Street, Denver, Colorado
Recruiting and Retention; Standards and Quality Control; and Legal Review	12	0	5075 S. Syracuse Street, Denver, Colorado

RE/MAX, LLC will provide you with a workbook addressing such topics as the RE/MAX systems and services; office set-up; and fiscal management. In addition, RE/MAX, LLC will provide you with the Office Operations Manual, the Office Administration Manual and the Office Opening Manual which will address the RAPP Program; Recruiting and Retention; Technology Overview; and Standards and Quality Control. Most or all of the material will be provided to you electronically, for instance, via a flash drive or other electronic device.

All classroom training will be facilitated by Kathy Baker and Amy Somerville, as well as a series of guest presenters:

> ***Kathy Baker*** obtained her real estate license in 1988. She has experience as a sales agent, an office manager, a RE/MAX broker/owner, and as an independent real estate consultant and trainer.
>
> ***Amy Somerville*** is the Manager of Brokerage Training with RE/MAX University. Prior to becoming a corporate trainer, Ms. Somerville served as the Assistant Regional Director for the RE/MAX Central Atlantic Region from January 2011 to June 2011 and served as a Franchise Development Consultant for the RE/MAX Central Atlantic and Carolinas Region from January 2008 to January 2011. Prior to joining RE/MAX, LLC, Ms. Somerville was an associate broker with RE/MAX Masters in Albuquerque, New Mexico, from December 2003 to December 2007.

Occasionally, different guest speakers may make appearances at the training program to provide information about various services and programs offered by RE/MAX, LLC. For example, some speakers may be existing franchisees or other industry experts.

Prior to renewal, you may be required to complete the following courses: RE/MAX 201: Boot Camp for Brokers and Managers ("***Boot Camp***"); RE/MAX 501: Maximizing Your Office Potential ("***Maximizing Your Office Potential***"); and/or such other training or courses deemed necessary by us. Alternatively, RE/MAX, LLC may accept evidence that you have satisfied requirements equivalent to such courses or training. (Franchise Agreement - Subsections 2.E. and 8.G.) (See Item 6 above.) Boot Camp is a follow-up course to the training program conducted for RE/MAX franchisees by RE/MAX, LLC. It is a condensed, 3 day course that includes such topics as: fiscal management; profitability; operations management; social media and technology; recruiting and retention; and goal setting. There is currently no registration fee associated with attending Boot Camp; you will, however, be responsible for all travel, meal, lodging, and entertainment expenses you or anyone else from the Office incurs while attending Boot Camp. (Franchise Agreement - Subsections 2.E. and 8.G.) (See Item 6 above.)

Maximizing Your Office Potential is a management refresher course developed to help you adapt to the increasingly complex real estate industry. It covers such topics as fiscal management, office operations, and recruiting and retention; from time to time, additional segments may be added. Maximizing Your Office Potential is offered during the annual convention (see below) and may be periodically offered during other conferences. The cost of Maximizing Your Office Potential is currently $25 per person; you will also be responsible for all travel, meal, lodging and entertainment expenses you or anyone else from the Office incurs while attending this course. (Franchise Agreement - Subsections 2.E. and 8.G.) (See Item 6 above.)

If, during the term of the Franchise Agreement, you have (1) taken and completed all segments of the Maximizing Your Office Potential and Boot Camp courses (and/or have completed other educational courses deemed by RE/MAX, LLC to be equivalent to such courses) and (2) demonstrated to the satisfaction of RE/MAX, LLC that you have achieved the requisite level of managerial competence and understanding of the RE/MAX concept and business methods, the requirement to take Maximizing Your Office Potential and/or Boot Camp as a condition of renewal will be waived.

Finally, RE/MAX, LLC conducts an annual convention and may periodically conduct training conferences designed to build the RE/MAX image, assist franchisees in recruiting potential Sales Associates and provide an international forum for exchanging ideas on managing and operating RE/MAX offices. Attendance is optional. (See Item 6 above.) RE/MAX, LLC also offers other educational and certification classes for obtaining professional credits. (Franchise Agreement Subsections 9.D. and 9.F.) You will be responsible for all costs and expenses (including travel, meals, lodging and entertainment) associated with attending the conventions and the various conferences and classes. (Franchise Agreement Subsections 9.D. and 9.F.)

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Item 12

TERRITORY

You will not receive an exclusive territory except under certain limited circumstances that may apply if you are renewing an existing franchise relationship with RE/MAX, LLC (this is discussed more fully below under "Renewals"). You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You are granted the right to operate the Office at a specific address-only location that first must be approved by RE/MAX, LLC. You may not relocate the Office without RE/MAX, LLC's prior written consent. The Franchise Agreement does not give you any right of first refusal, option or any other right to purchase, acquire, or open any additional RE/MAX office franchises, although you may, under certain circumstances, be granted the right to open one or more Satellite Offices (see discussion below). RE/MAX, LLC may establish other franchised or company owned outlets that may compete with your location. RE/MAX, LLC retains all rights to develop, locate and operate, and to grant others the right to develop, locate and operate, real estate brokerage offices under another trademark or service mark or any other business under the Marks or under any other trademark or service mark or to engage in any other business activity anywhere.

Renewals. If you have an existing franchise relationship under a franchise agreement that granted you an address-only location and requires that you, upon renewal, sign the then-current form of franchise agreement, you will also be required to sign the "Renewal Addendum to Franchise Agreement - Address Only" (attached as Exhibit A-1). If you have an existing franchise relationship under a franchise agreement that granted you a "one-mile protected area" (or some other type of exclusive or protected territory or preferential development area, collectively, these will be referred to simply as "***territorial rights***") and requires that you, upon renewal, sign the then-current form of franchise agreement, you will be offered, in lieu of Exhibit A-1, the "Renewal Addendum to Franchise Agreement - One Mile Territory" (attached as Exhibit A-2). Exhibit A-2 will modify the terms of your renewal to include a non-assignable one-mile exclusive territory for a single term (with any subsequent renewals to be under the address-only location form of franchise agreement). The purpose of this addendum is to allow a transition period from the territorial terms of your expiring franchise to the address-only location form of franchise agreement. If you are eligible for and are offered the Exhibit A-2 addendum, but decline to accept and sign it, then your right to renew your franchise relationship will be limited to and determined by the unexpired remaining renewal rights, if any, created by your expiring franchise agreement. If you do have such renewal rights, then provided you meet all other conditions for renewal under your expiring franchise agreement, you may be offered renewal on the current form of franchise agreement being used for new franchise purchasers (Exhibit A) with a non-assignable renewal addendum that, among other things, simply honors any previously existing contractual renewal rights to which you are entitled. That addendum will also put you on notice that any subsequent renewals of your franchise relationship will be required to be under the address-only location form of franchise agreement. These addenda create or clarify certain terms and conditions that apply to your relationship as a franchisee only if you are renewing an existing franchise relationship; the terms of these addenda do not apply if you are a new purchaser of a RE/MAX franchise or if you are purchasing an existing RE/MAX franchise. If you are operating a satellite office and wish to continue operating it upon renewal of your franchise relationship, you will also be required to sign the Satellite Office Amendment (attached as Exhibit A-8).

If you are renewing an existing franchise relationship, the renewal term is 5 years although you may be granted up to 10 years if you renew under the "Renewal Addendum to Franchise Agreement – Address Only" (Exhibit A-1) and you meet certain criteria. Factors considered in determining whether to grant a longer renewal term include, but are not limited to (a) whether you have fully complied with all conditions for renewal set forth in your existing franchise agreement; (b) whether you have consistently paid in full and on a timely basis all fees, dues and other amounts owed under your franchise agreement throughout its term; (c) whether you have a proven track record of participation in scheduled RE/MAX events such as annual conventions, Broker/Owner conferences, Broker/Owner council meetings and training and educational seminars; (d) whether you have met our then current subjective and objective standards for new franchisees; and (e) whether you have demonstrated a spirit of cooperation with us and within the RE/MAX system that, in our sole discretion, merits consideration for a longer renewal term.

Minimum Agent Count. The Franchise Agreement will establish a Sales Associate minimum agent count (the ***"Minimum Agent Count"***) for the Office. These Minimum Agent Counts are set based upon a number of criteria, including most notably RE/MAX, LLC's performance goals and market share expectations for the area where the Office will operate. The Minimum Agent Count establishes the number of Sales Associates the new franchisee is required to bring into the RE/MAX network during the development period of the franchise from companies that are not affiliated with RE/MAX. The Minimum Agent Count also establishes the minimum number of Sales Associates you will be required to maintain on an ongoing basis. Because these Minimum Agent Count requirements are designed to assure sales associate growth for the RE/MAX network, any Sales Associates you recruit from other RE/MAX offices or who transfer to your Office from other RE/MAX offices for whatever reason (i.e., Sales Associates who are already affiliated with the RE/MAX network) do not count toward satisfaction of your Minimum Agent Count. In extraordinary circumstances, such as the imminent closing of a nearby RE/MAX office, an exception to this Minimum Agent Count exclusion policy may be granted by RE/MAX, LLC in its discretion. In general, however, only Sales Associates who have not been affiliated with the RE/MAX network for at least 12 months prior to their affiliation with your Office will be counted toward satisfaction of your Minimum Agent Count requirements.

If this is the initial term of your franchise relationship with RE/MAX, LLC (rather than a renewal term), the Minimum Agent Count for your Office will increase in three stages during which you will be required to have and maintain a certain number of Sales Associates. RE/MAX, LLC's current parameters are that you have approximately:

(a) 10 Sales Associates by the end of the first 12-month period after the Franchise Agreement is signed and during each month after that through the 24th-month after the Franchise Agreement is signed ("***First Stage Minimum Agent Count***");

(b) 20 Sales Associates beginning the first day following the end of the first 24-month period and during each month after that through the 36th-month after the Franchise Agreement is signed ("***Second Stage Minimum Agent Count***"); and

(c) 30 Sales Associates beginning the first day following the end of the first 36-month period and during each month after that through the remaining term of the Franchise Agreement ("***Third Stage Minimum Agent Count***").

The actual number established for the First Stage Minimum Agent Count, Second Stage Minimum Agent Count and Third Stage Minimum Agent Count will be based upon such factors as sales agent count, population, market share, Premiere Market Presence (described below), the size and number of competitor offices in the market, and other demographic data and trends in the area where the Office will be located. The suggested Minimum Agent Count numbers may also be reduced, at RE/MAX, LLC's discretion, if the Office will be operated exclusively as a commercial real estate office.

If you are renewing an existing franchise relationship, and you will be signing either the Renewal Addendum to Franchise Agreement – Address Only (Exhibit A-1) or the Renewal Addendum to Franchise Agreement – One Mile Territory (Exhibit A-2), the Minimum Agent Count during each of the first 12 months of the Franchise Agreement will be equal to the greater of (i) 60% of the actual number of Sales Associates you had at the end of your previous franchise agreement or (ii) the Minimum Agent Count you were required to have as of the end of your previous franchise agreement. After the first 12 months of the Franchise Agreement, and for the duration of the term of the Franchise Agreement, the Minimum Agent Count will be equal to the greater of (i) 60% of the actual number of Sales Associates you had at the end of your previous franchise agreement or (ii) the Third Stage Minimum Agent Count required under franchise agreements then being sold or granted in markets of similar population density and/or demographics.

If you are renewing an existing franchise relationship, the terms of which grant you the right to retain any type of exclusive or protected territory or area that is larger than that granted by the Renewal Addendum to Franchise Agreement – One Mile Territory (Exhibit A-2), the Minimum Agent Count requirements set forth above may be increased at RE/MAX, LLC's sole discretion. Factors that RE/MAX, LLC will consider in establishing this increased Minimum Agent Count include, but are not limited to, the size of the territory, the general population within the territory, the number of real estate agents within the territory, and other market conditions as RE/MAX, LLC, in its sole discretion deems relevant.

If you are a transferee or assignee of an existing franchise, the Minimum Agent Count at the commencement of the Agreement will be equal to the greater of (i) 60% of the actual number of Sales Associates the transferring or assigning franchisee had at the time of transfer or (ii) the Minimum Agent Count that the transferring or assigning franchisee was required to have at the time of transfer and will be increased, if appropriate, consistent with the Minimum Agent Count requirements currently in effect under franchise agreements for the area in which the Office is located.

If you fail to meet the Minimum Agent Count at any time, RE/MAX, LLC may terminate the Franchise Agreement (see Item 17) or reduce or eliminate any territorial rights you may have retained on renewal under Exhibit A-2 or under any other addendum or amendment and allow other RE/MAX offices to be located at any location including next door or across the street from your Office.

RE/MAX, LLC may grant you the right to establish one or more additional office locations ("***Satellite Offices***") in order to accommodate Sales Associates who have a team of individuals assisting them, and who need additional office space, provided that you shall not then, or at any time thereafter prior to the opening of such Satellite Office, be in default of any of your obligations arising under the Franchise Agreement and upon the additional conditions set forth below. You will be required to sign the Satellite Office Amendment (attached as Exhibit A-8 for each Satellite Office you establish).

Permission to establish a Satellite Office shall be within RE/MAX, LLC's sole and absolute discretion. Factors RE/MAX, LLC will consider in determining whether to grant you the right to establish a Satellite Office include, without limitation, the location of the proposed Satellite Office, population growth and the overall market share enjoyed by RE/MAX in the area of the proposed Satellite Office and other market conditions that may affect the desirability of establishing a Satellite Office.

You will be required to pay a Satellite Office fee of $5,000 for each Satellite Office you open (see Item 5). Each Satellite Office must be located within one-mile driving distance of your Office location at a site approved by RE/MAX, LLC and must not be within one-mile driving distance of any other RE/MAX office. RE/MAX, LLC may, in its sole and absolute discretion, permit you to open a Satellite Office outside a one-mile driving distance of your Office location as long as it is not within the protected area or exclusive territory of any other RE/MAX office. Each Satellite Office shall operate as a part of the Office (i.e., as a branch of the Office operating under and as a part of the same ownership as the Office), shall operate under the same name as the Office and, except as otherwise provided in the Franchise Agreement, shall comply with and be subject in every respect to all of the terms, conditions, provisions and restrictions of the Franchise Agreement as are applicable to the Office. RE/MAX, LLC is not under any obligation to provide Satellite Offices any of the services and benefits made available to the Office although RE/MAX, LLC may, in its sole and absolute discretion, provide some services and benefits to Satellite Offices.

Satellite Offices shall be "address only" locations and therefore shall have no protected area or territorial exclusivity whatsoever. Each Satellite Office must have at least 600 square feet but not more than 1,000 square feet of office space.

If you are renewing an existing franchise relationship under which you established one or more physical office locations different than your main or primary office location including, without limitation, an "executive suite" location, a branch or satellite office location or any other office location of any type and however characterized (all these types of additional locations collectively referred to as ***"Secondary Locations"***), RE/MAX, LLC may permit you to keep these Secondary Locations subject to the following conditions.

If you wish to retain any Secondary Location that was defined or otherwise designated as an "executive suite" under your expiring franchise agreement, RE/MAX, LLC may grant its consent provided (a) the location does not encroach upon the rights of any other RE/MAX franchisee, and (b) you convert each executive suite location to a Satellite Office by (i) signing a separate Satellite Office Amendment for each location (which will be an address-only location with no territorial exclusivity or protection whatsoever), and (ii) complying with all terms and conditions of the Satellite Office Amendment with respect to each location. RE/MAX, LLC will waive the Satellite Office fee in connection with any conversion of an executive suite location to a Satellite Office.

If you wish to retain any Secondary Location that was not defined or designated as an "executive suite" under your expiring franchise agreement (each non-executive suite location, a ***"Branch Office"***), RE/MAX, LLC may grant its consent provided (a) the location does not encroach upon the rights of any other RE/MAX franchisee, and (b) you convert each Branch Office to a full franchise by (i) signing a separate Franchise Agreement for each office location (which will be an address-only location with no territorial exclusivity or protection whatsoever), and (ii) complying with all terms and conditions of the Franchise Agreement with respect to each location. RE/MAX, LLC will waive the Initial Franchise Fee in connection with any conversion of a Branch Office to a full franchise.

Neither you nor any other RE/MAX office is limited to listing, selling or otherwise dealing with property or representing clients or customers within any defined geographic area. However, you will be expected to meet high standards of real estate service and professionalism reflective of the goodwill and respect enjoyed by the RE/MAX name and organization. These expectations can only be met by limiting your real estate services to market areas where you can serve customers and clients directly and personally and where you have the greatest knowledge of local conditions, infrastructures, community history and the housing market. Accordingly, if you are asked to provide real estate services in areas in which you are unable to meet such requirements or elect not to provide service, you will be required to refer the request to the RE/MAX office for that area, or if there is no RE/MAX office in that area, then to RE/MAX, LLC's Referral Department.

RE/MAX, LLC may establish company-owned outlets using the Marks. In addition, from time to time, RE/MAX, LLC or any one of its affiliates (which affiliate may be an entity controlled or owned, in whole or in part, by RE/MAX, LLC or by any other entity related to RE/MAX, LLC or by any of RE/MAX, LLC's or its related entities' officers, managers, directors or shareholders), may acquire existing RE/MAX real estate offices or independent (non-RE/MAX) real estate brokerage companies and convert these independent companies to RE/MAX offices operating under the Marks. For example, RE/MAX Equity Group, Inc., an affiliate of RE/MAX, LLC, acquired the assets of The Equity Group, Inc., an independent real estate company that formerly operated multiple real estate offices in Portland, Oregon and Vancouver, Washington. RE/MAX Equity Group, Inc. converted all of The Equity Group offices to RE/MAX offices. Each of these offices operates under separate franchise agreements with RE/MAX, LLC. In addition, another affiliate of RE/MAX, LLC acquired the assets of RE/MAX Northwest REALTORS, a RE/MAX franchisee that operated a number of real estate offices in the state of Washington. These particular affiliates of RE/MAX, LLC now operate a total of 18 offices in Washington and Oregon. Other affiliates of RE/MAX, LLC currently operate 4 offices in Maryland and 1 office in Virginia. RE/MAX, LLC or its affiliates may continue to acquire existing RE/MAX offices and independent real estate companies in this or other regions.

Neither RE/MAX, LLC nor its affiliates have established other channels of distribution using the Marks, but expressly reserve the right to do so in the future.

Neither RE/MAX, LLC nor its affiliates have established or have any presently formulated plans to establish other franchises or company-owned outlets, or another channel of distribution, selling or leasing similar products or services under different trademarks, but expressly reserve the right to do so in the future.

You do not receive the right to acquire additional franchises, although you may, under certain circumstances as set forth above, be entitled to establish a Satellite Office.

Premier Market Presence (PMP)

Through years of experience in the real estate franchise sales and support business, RE/MAX, LLC has discovered that the potential for success of a RE/MAX office increases, rather than decreases, due to the presence of additional RE/MAX office locations in the immediate area. Indeed, our experience indicates that there is a direct correlation between the potential for success of an individual franchisee in a given market area and the number and proximity of competing RE/MAX offices in the same market area. This same correlation has been noted with increases in the sales force size and market share enjoyed by RE/MAX offices. Finally, we have found that, where franchised offices within a given market area achieve a certain threshold market profile, termed Premier Market Presence ("***PMP***"), all franchisees in the same area enjoy the benefits of significantly increased industry and public awareness.

Based on these facts, RE/MAX, LLC believes that much of the RE/MAX system's future growth and the potential for success will rest in the ability to achieve PMP by further developing market areas not yet fully serviced by RE/MAX offices. While the market profile needed to achieve PMP may vary from one market area to another, it is believed that the market penetration needed to achieve PMP will be at least 35% of residential sales.

The ultimate benefit of PMP is maximum public recognition and awareness which, in turn, produces a synergy that assists each RE/MAX office in attracting more real estate buyers and sellers. More buyers and sellers, in turn, make it easier for each RE/MAX office to recruit and retain top-producing Sales Associates. The more Sales Associates who affiliate with RE/MAX offices in a given market area, the greater will be their combined advertising impact on the general public. Consequently, achieving PMP gives rise to a competitive growth spiral that benefits all RE/MAX offices in a given market area.

Due to the benefits of PMP to each franchisee and the RE/MAX system, RE/MAX, LLC intends to establish RE/MAX offices as needed to achieve PMP in each market area. Since PMP in a given market area is achieved most readily by establishing multiple RE/MAX franchised offices, you are advised that, except under certain limited circumstances that may apply if you are renewing an existing franchise relationship with RE/MAX, LLC as discussed more fully above under "Renewals," RE/MAX, LLC may grant additional RE/MAX franchises and may locate or establish additional RE/MAX offices at any location, regardless of their proximity to your Office.

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Item 13

TRADEMARKS

RE/MAX, LLC owns certain trademarks, service marks and other commercial symbols and grants you a limited license to use them in operating the Office. The principal service marks (the "***Marks***") under which you will operate your Office are as follows:

Service Mark	Registration Number	Date Filed	Date Issued	Renewed[1]?
RE/MAX®	1,139,014	01/21/1977	08/26/1980	Yes
ABOVE THE CROWD®	1,158,371	08/29/1979	06/23/1981	Yes
	2,119,607	11/15/1996	12/9/1997	Yes
	1,173,586[2]	06/09/1980	10/13/1981	Yes
	2,850,985	06/24/2003	06/08/2004	No
Red-over-white-over-blue rectangular bar design	1,702,048[2]	11/15/1989	07/21/1992	Yes

All of these Marks, which cover real estate brokerage and related services, are registered on the Principal Register of the United States Patent and Trademark Office ("***USPTO***") and all affidavits required as of the date of this document have been filed.

[1]By statute, trademarks must be renewed every 10 years following registration. 15 U.S.C. § 1059.
[2]With respect to registration number 1,173,586 and 1,702,048, in accordance with United States Patent and Trademark Office(*"USPTO"*) regulations, vertical shading lines indicate the color red and horizontal shading lines indicate the color blue.

You will be required to follow RE/MAX, LLC's rules when you use the Marks. You will not be permitted to use any Mark as part of your corporate or legal business name or with modifying words, designs or symbols. You will not be permitted to use any Mark in connection with the performance of any unauthorized services or the sale of any unauthorized products or in any other manner RE/MAX, LLC has not expressly authorized in writing.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state or any court; nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving any of the principal trademarks. There are no agreements currently in effect which significantly limit RE/MAX, LLC's rights to use or license use of the Marks in a manner material to any franchise.

You will be required to notify RE/MAX, LLC immediately of any third party infringement or challenge to your use of any of the Marks, or of any claim by any person of any rights in any of the Marks or similar mark, and you may not communicate with any person other than RE/MAX, LLC and its attorneys in connection with any such infringement, challenge or claim. RE/MAX, LLC has the right to take whatever action it deems appropriate and to control exclusively any litigation or other proceeding arising from any infringement, challenge or claim relating to any of the Marks. You will be required to sign any documents, provide such assistance and take any other reasonable, lawful action that RE/MAX, LLC's attorneys say is necessary or advisable to protect and maintain RE/MAX, LLC's interests in any litigation or proceeding related to the Marks or otherwise to protect and maintain RE/MAX, LLC's interests in the Marks.

If it becomes advisable at any time in RE/MAX, LLC's sole discretion for you to modify or discontinue the use of any of the Marks and/or use one or more additional or substitute trademarks or service marks, you will be required, at your expense, to comply with RE/MAX, LLC's directions within a reasonable time after receiving notice.

RE/MAX, LLC is not obligated by the Franchise Agreement to protect your right to use the Marks or to protect you (by way of indemnification or otherwise) against infringement or unfair competition claims arising from your use of the Marks. However, RE/MAX, LLC intends to take whatever action is necessary to protect its rights in the Marks and its right to set standards and guidelines to govern use of the Marks by RE/MAX offices.

RE/MAX, LLC does not actually know of either superior prior rights or infringing uses that could materially affect a franchisee's use of RE/MAX, LLC's principal Marks in any state.

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Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. RE/MAX, LLC claims copyrights in various materials used in operating RE/MAX offices, including the Operations Materials (consisting of audiovisual works, CDs, DVDs, manuals, handbooks, catalogs, workbooks and periodicals). These copyrights have generally not been registered with the Copyright Office. You may use these various items only in the manner RE/MAX, LLC specifies and only while operating your Office under the Franchise Agreement.

In addition to its trademark registrations for the RE/MAX balloon design, RE/MAX, LLC owns the following copyright registrations:

Work	Registration Number	Date	First Publication
"RE/MAX Hot Air Balloon Logo (Vertical-1998)"	VA 1-418-052	06/15/2007	Approx. 03/01/1998
"RE/MAX Hot air Balloon Photograph (Vertical-1991)"	VA 1-418-053	06/15/2007	Approx. 03/03/1991

Under current U.S. law, the duration of copyright for these works is to end of the calendar year, 95 years from the year of the work's first publication, and copyright in these works cannot be renewed beyond that duration. RE/MAX, LLC takes no position whether, as between trademark rights and copyright in these logos, copyright is material to the franchise.

The Operations Materials that you will be allowed to use in operating your Office include RE/MAX, LLC's confidential information, consisting of recruiting techniques, accounting procedures, quality control procedures and other methods of operating RE/MAX offices. You will not be permitted to use this confidential information in an unauthorized manner and you will be required to take reasonable steps to prevent its disclosure to others.

You will be required to notify RE/MAX, LLC immediately of any apparent infringement of or challenge to any of these copyrights, or of any claim by any person of any rights in any such copyright, and you will not be able to communicate with any person other than RE/MAX, LLC and its attorneys in connection with any such infringement, challenge or claim. RE/MAX, LLC has the right to take whatever action it deems appropriate and to control exclusively any litigation or other proceeding arising from any infringement, challenge or claim relating to any of its copyrights. You will be required to sign any documents, provide such assistance and take any action that RE/MAX, LLC's attorneys say is necessary or advisable to protect and maintain its interests in any litigation or proceeding related to its copyrights or otherwise to protect and maintain RE/MAX, LLC's interests in the copyrights.

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

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials nor are there any infringing uses actually known to RE/MAX, LLC that could materially affect a franchisee's use of the copyrighted materials in any state. Further, there are no agreements currently in effect that significantly limit RE/MAX, LLC's right to use or authorize franchisees to use the copyrighted materials. RE/MAX, LLC is not required by any agreement to protect or defend copyrights or confidential information, although it intends to do so when this action is in the best interests of the RE/MAX system.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You will be required to operate the Office in accordance with the provisions of the Franchise Agreement, to perform all obligations contained in the Franchise Agreement and to continuously exert your best efforts to promote and enhance the business of the Office for the term of the Franchise Agreement. You will not be permitted to engage in any other real estate business or other business or enterprise that may be in competition with RE/MAX, LLC. Neither you nor your owners, if you are a business entity, will be required to participate personally in the direct operation of the Office, although RE/MAX, LLC recommends that you or a principal owner do so, in which event you or the principal owner will be required to at all times hold a valid real estate broker license. If you or a principal owner does not directly supervise the Office or have a valid real estate broker license, you will be required to secure the services of a validly licensed real estate broker under whose license the Office will be conducted and who will be responsible for the management of the Office. If you are a corporation, partnership, limited liability company or other business entity, this broker-manager need not have an equity interest in you but will be required to agree in writing to preserve the confidentiality of any confidential information to which he or she has access. You or your principal owner or, if applicable, your broker-manager will be required to devote his or her full time and best efforts to managing and supervising the Office's operations. Although you or your principal owner will be required to attend initial training in its entirety, no similar obligation will be imposed upon the broker-manager. There are no minimum performance standards, other than attending the full training program, that must be satisfied during training.

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

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may operate your Office only at the approved location. However, you are not limited by RE/MAX, LLC to listing or selling property or representing clients or customers within any defined geographic area. Subject to any restrictions or limitations placed upon you by state licensing laws and subject to best business practices, standards and guidelines from time to time issued by RE/MAX, LLC, you are free to deal with property and/or represent clients and customers wherever they are located. Similarly, other franchisees are free to deal with property and/or represent clients and customers that are located near you.

You will be expected to meet high standards of real estate service and professionalism reflective of the goodwill and respect enjoyed by the RE/MAX name and organization. These expectations can only be met by limiting your real estate services to market areas where you can serve customers and clients directly and personally and where you have the greatest knowledge of local conditions, infrastructures, community history, and the housing market. Accordingly, if you are asked to provide real estate services in areas in which you are unable to meet such requirements or elect not to provide service, you will be required to refer the request to the RE/MAX office for that area, or if there is no RE/MAX office in that area, then to RE/MAX, LLC's Referral Department. (See Item 12.)

Your Office will be permitted to offer only the real estate brokerage and related services that RE/MAX, LLC requires or authorizes from time to time for RE/MAX offices. You will be required to offer all services that RE/MAX, LLC designates as required services. RE/MAX, LLC will have the unlimited right to change these required and authorized services from time to time.

If you operate your Office exclusively as a commercial real estate franchise, you will be required to sign the Commercial Office Addendum (Exhibit A-4) which will restrict you from offering or engaging in residential real estate brokerage services. Residential Property means real property on which is located, or intended to be located, residential structures containing 4 dwelling units or less.

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Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Subsection 2.A.	5 years. However, to facilitate mergers or conversions or other large transactions, as well as to accommodate existing franchisees that acquire additional offices, RE/MAX, LLC may provide for a longer franchise term.
b. Renewal or extension of the term	Subsection 2.E. and Renewal Addendum	If you meet the requirements for renewal, you can renew by executing the form of franchise agreement used at the time of renewal. The agreement you would sign if you are an existing franchisee and are renewing at this time is Exhibit A and either A-1 or A-2 attached. The renewal term is 5 years although you may be granted up to 10 years if you meet certain criteria as set forth in Subsection 2.E. of the Franchise Agreement.

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	Subsection 2.E. and Renewal Addenda	You can renew the franchise relationship if: • you have complied with the terms of the Franchise Agreement; • you have exercised diligence in developing your Office during the term in a manner acceptable to us; • you sign a form authorizing RE/MAX , LLC to obtain a consumer report and conduct a credit and background check; • you provide us with a copy of your current financial statement; • you meet our then current subjective and objective standards for new franchisees; • you pay the renewal fee; • you provide written notice of election to renew at least 6 months prior to the expiration of the Franchise Agreement; • you complete required training courses and; • you sign the then current form of Franchise Agreement, including the then current form of renewal addendum (both of which may have materially different terms and conditions from your original contract) at least 3 months prior to the expiration of the Franchise Agreement.
d. Termination by franchisee	Not Applicable	
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	Section 13	RE/MAX, LLC can terminate the Franchise Agreement if you commit any of the violations listed in Section 13.
g. "Cause" defined – curable defaults	Subsections 13.C. and 13.D.	You have 10 days to cure records and reporting requirement defaults as well as payment defaults (including default under promissory note). You have 30 days to cure Minimum Agent Count defaults, insurance requirement defaults, and other defaults not specifically listed in Section 13.

Provision	Section in franchise or other agreement	Summary
h. "Cause" defined – non-curable defaults	Subsection 13.B.	Non-curable defaults include: • failure to procure a location for the Office within 90 days; • failure to open the Office within 180 days; • failure to attend mandatory training; • abandonment or loss of right to occupy Office premises; • unapproved transfers; • bankruptcy; an assignment for the benefit of creditors or an appointment of a trustee or receiver; • conviction of a crime; • dishonest or unethical conduct; • suspension or revocation of real estate license; • failure to timely comply with a notice of noncompliance from any federal, state or local agency; • violation of anti-terrorism laws; • misrepresentation on application or in financial information; • failure to appoint a manager or dispose of an ownership interest in event of your or a principal owner's death, incompetency, or permanent disability; • 3 or more defaults within any 12 consecutive month time period (even if cured); or • failure to timely cure a default of any other franchise or other agreement between you and RE/MAX, LLC or any of its affiliates.
i. Franchisee's obligations on termination/non-renewal	Subsection 6.K. and Section 14	Obligations include payment of lost future revenue and outstanding amounts, complete de-identification and return of confidential information.
j. Assignment of contract by franchisor	Subsection 12.A.	No restriction on RE/MAX, LLC's right to assign.
k. "Transfer" by franchisee - defined	Subsection 12.B. and Transfer Addendum	Includes any assignment, transfer or encumbrance of Franchise Agreement or assets or ownership interest.

Provision	Section in franchise or other agreement	Summary
l. Franchisor's approval of transfer by franchisee	Subsection 12.B. and Transfer Addendum	RE/MAX, LLC has the right to approve all transfers; no transfer without RE/MAX, LLC's prior written approval.
m. Conditions for franchisor approval of transfer	Subsections 8.E., 12.C., 12.D. and Transfer Addendum	RE/MAX, LLC will not unreasonably withhold approval of transfers. Conditions for transfers of controlling interests in you and transfers of Franchise Agreement or assets include: • you have complied with Franchise Agreement; • you pay all amounts due including the entire unpaid balance of any promissory note; • you submit the relevant documents that we require, including purchase and sale agreement; • you submit transferee(s) financial statements; • transferee(s) meet RE/MAX, LLC's subjective and objective standards for new franchisees; • transferee(s) sign a form authorizing RE/MAX, LLC to obtain a consumer report and conduct a credit and background check; • transferee(s) are qualified individual(s) and complete training; • lease for Office is assigned, and if required, the landlord consents to the assignment of the lease to the transferee(s); • you pay us a transfer fee equal to $2,500 and escrow with us any amounts deemed necessary by us to cover any additional costs such as administrative and legal expenses; • you sign a transfer agreement and full general release in a form approved by us; • transferee(s) sign then current form of Franchise Agreement, Transfer Addendum, Guaranty, and any other required documents, and • 3 year extended reporting period endorsement on the errors and omissions insurance has been purchased.

Provision	Section in franchise or other agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	Subsection 12.E.	Upon your or a principal owner's death or permanent disability, your or such owner's interest must be sold or transferred to an approved person within 6 months, or with 30 days prior written notice, the Office may be closed if any outstanding fees have been paid in full.
q. Non-competition covenants during the term of the franchise	Subsection 5.F.	Neither you (nor, if you are an entity, your owners), nor your or their spouses and immediate family members, may have any ownership interest in, or perform services for, any other real estate service business or other competitive business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Subsection 14.J.	If Franchise Agreement is terminated prior to its expiration, for a period of 1 year, you may not operate, manage, own or have an interest in any business that is a franchisee of any franchising organization or network that competes with RE/MAX, LLC. You will not be restricted from affiliation as a real estate agent with a franchisee of a franchising organization or network.
s. Modification of the agreement	Subsections 6.B., 6.C., 6.D., 8.B., 8.L. and 15.M.	No modifications to the Franchise Agreement unless in writing and signed by all parties to the Franchise Agreement. Operations Materials and system standards are subject to change at the discretion of RE/MAX, LLC.

Provision	Section in franchise or other agreement	Summary
t. Integration/merger clause	Subsection 15.Y.	The Franchise Agreement (including the Operations Materials) supersedes any previous agreements and contains the entire agreement (subject to state law). No other representations, understandings or promises are binding.
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Subsection 15.K.	Litigation must be in Colorado (subject to state law).
w. Choice of law	Subsection 15.K.	Colorado law applies (subject to state law).

Item 18

PUBLIC FIGURES

RE/MAX, LLC does not use any public figure to promote the RE/MAX office franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing RE/MAX® office, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Bill Soteroff, Executive Vice President, U.S. and International Regional Development, RE/MAX, LLC, 5075 South Syracuse Street, Denver, Colorado, 80237, (303) 770-5531, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION[1]

RE/MAX, LLC

Table No. 1

Systemwide Outlet Summary
For Years 2009 to 2011

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchisee	2009	3903	3489	-414
	2010	3489	3283	-206
	2011	3283	3207	-76
Company-Owned	2009	28	25	-3
	2010	25	24	-1
	2011	24	23	-1
Total Outlets	2009	3931	3514	-417
	2010	3514	3307	-207
	2011	3307	3230	-77

[1] These numbers are reflective of U.S. offices only.

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Table No. 2

Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Number of transfers
Alabama	2009	3
	2010	0
	2011	0
Alaska	2009	0
	2010	1
	2011	0
Arizona	2009	3
	2010	4
	2011	5
Arkansas	2009	1
	2010	0
	2011	2
California	2009	4
	2010	1
	2011	3
Colorado	2009	7
	2010	3
	2011	7
Connecticut	2009	1
	2010	2
	2011	2
Delaware	2009	0
	2010	1
	2011	2
District of Columbia	2009	0
	2010	0
	2011	0
Florida	2009	9
	2010	7
	2011	7
Georgia	2009	27
	2010	4
	2011	11[1]
Hawaii	2009	0
	2010	0
	2011	0
Idaho	2009	2
	2010	1
	2011	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Number of transfers
Illinois	2009	10
	2010	3
	2011	10
Indiana	2009	1
	2010	0
	2011	2
Iowa	2009	0
	2010	10
	2011	1
Kansas	2009	0
	2010	0
	2011	1
Kentucky	2009	3
	2010	0
	2011	1
Louisiana	2009	0
	2010	0
	2011	1
Maine	2009	0
	2010	0
	2011	0
Maryland	2009	6
	2010	3
	2011	3
Massachusetts	2009	0
	2010	2
	2011	2
Michigan	2009	4
	2010	0
	2011	3
Minnesota	2009	4
	2010	0
	2011	11
Mississippi	2009	0
	2010	0
	2011	0
Missouri	2009	6
	2010	2
	2011	3

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Number of transfers
Montana	2009	0
	2010	0
	2011	0
Nebraska	2009	1
	2010	0
	2011	1
Nevada	2009	1
	2010	2
	2011	1
New Hampshire	2009	1
	2010	0
	2011	0
New Jersey	2009	9
	2010	9
	2011	4[2]
New Mexico	2009	0
	2010	2
	2011	1
New York	2009	1
	2010	4
	2011	2
North Carolina	2009	4
	2010	1
	2011	5
North Dakota	2009	0
	2010	0
	2011	0
Ohio	2009	8
	2010	2
	2011	6
Oklahoma	2009	0
	2010	1
	2011	0
Oregon	2009	2
	2010	0
	2011	3
Pennsylvania	2009	1
	2010	2
	2011	4

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Number of transfers
Rhode Island	2009	0
	2010	0
	2011	1
South Carolina	2009	2
	2010	1
	2011	2
South Dakota	2009	0
	2010	0
	2011	0
Tennessee	2009	12
	2010	5
	2011	4
Texas	2009	21
	2010	10
	2011	7[3]
Utah	2009	2
	2010	5
	2011	0
Vermont	2009	0
	2010	0
	2011	0
Virginia	2009	7
	2010	2
	2011	2
Washington	2009	4
	2010	5
	2011	2
West Virginia	2009	0
	2010	2
	2011	0
Wisconsin	2009	4
	2010	2
	2011	11
Wyoming	2009	1
	2010	0
	2011	2
Guam	2009	0
	2010	0
	2011	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Number of transfers
Puerto Rico	2009	0
	2010	0
	2011	0
U.S. Virgin Islands	2009	0
	2010	0
	2011	0
Total	2009	172
	2010	99
	2011	135

[1]In January 2011, a franchise in Georgia was transferred; the same franchise was transferred again in April 2011.
[2]In July 2011, a franchise in New Jersey was transferred; the same franchise was transferred again in December 2011.
[3]In March 2011, a franchise in Texas was transferred; the same franchise was transferred again in November 2011.

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Table No. 3

Status of Franchised Outlets
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at the End of the Year
Alabama	2009	58	6	3	2	0	0	59
	2010	59	4	4	0	0	2	57
	2011	57	2	2	3	0	2	52
Alaska	2009	10	0	0	0	0	0	10
	2010	10	0	0	0	0	0	10
	2011	10	0	0	0	0	0	10
Arizona	2009	75	11	10	8	0	5	63
	2010	63	3	4	2	0	0	60
	2011	60	4	0	3	0	0	61
Arkansas	2009	28	0	2	1	0	0	25
	2010	25	1	2	0	0	0	24
	2011	24	0	4	2	0	0	18
California	2009	328	40	39	13	0	40	276
	2010	276	30	28	8	0	7	263
	2011	263	31	18	1	0	5	270
Colorado	2009	113	5	7	1	0	7	103
	2010	103	0	4	3	0	0	96
	2011	96	4	4	0	0	1	95
Connecticut	2009	48	2	4	3	0	2	41
	2010	41	9	3	5	0	0	42
	2011	42	1	6	2	0	0	35
Delaware	2009	20	0	0	0	0	0	20
	2010	20	1	2	0	0	0	19
	2011	19	0	0	1	0	0	18
District of Columbia	2009	5	1	3	0	0	0	3
	2010	3	0	0	0	0	0	3
	2011	3	1	1	0	0	0	3
Florida	2009	213	7	26	0	0	5	189
	2010	189	11	14	1	0	0	185
	2011	185	22	11	0	0	1	195
Georgia	2009	155	7	15	2	0	4	141
	2010	141	7	23	0	0	2	123
	2011	123	5	18	1	0	7	102
Hawaii	2009	14	1	1	4	0	0	10
	2010	10	0	1	0	0	0	9
	2011	9	1	0	0	0	0	10
Idaho	2009	20	4	8	0	0	0	16
	2010	16	1	2	0	0	0	15
	2011	15	2	2	1	0	0	14

Table No. 3

Status of Franchised Outlets
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at the End of the Year
Illinois	2009	175	8	16	5	0	5	157
	2010	157	2	3	8	0	1	147
	2011	147	7	7	4	0	0	143
Indiana	2009	94	7	15	4	0	0	82
	2010	82	8	8	0	0	2	80
	2011	80	1	6	1	0	0	74
Iowa	2009	68	1	2	0	0	0	67
	2010	67	3	9	0	0	0	61
	2011	61	1	3	0	0	1	58
Kansas	2009	34	0	2	2	0	4	26
	2010	26	0	2	0	0	0	24
	2011	24	2	0	2	0	0	24
Kentucky	2009	58	3	6	0	0	2	53
	2010	53	2	4	0	0	1	50
	2011	50	6	1	1	0	0	54
Louisiana	2009	35	2	3	0	0	0	34
	2010	34	2	2	1	0	0	33
	2011	33	4	4	2	0	0	31
Maine	2009	20	1	0	1	0	0	20
	2010	20	0	0	0	0	0	20
	2011	20	1	0	0	0	0	21
Maryland	2009	86	1	12	3	0	6	66
	2010	66	6	3	2	0	0	67
	2011	67	4	0	0	0	0	71
Massachusetts	2009	117	11	13	4	0	3	108
	2010	108	7	4	4	0	2	105
	2011	105	9	5	3	0	1	105
Michigan	2009	137	6	7	4	0	2	130
	2010	130	4	4	1	0	0	129
	2011	129	3	5	0	0	2	125
Minnesota	2009	95	2	7	0	0	2	88
	2010	88	9	3	2	0	3	89
	2011	89	5	5	0	0	1	88
Mississippi	2009	25	0	1	0	0	0	24
	2010	24	0	2	0	0	0	22
	2011	22	2	1	0	0	1	22
Missouri	2009	95	4	7	4	0	0	88
	2010	88	5	7	4	0	1	81
	2011	81	7	6	5	0	0	77

Table No. 3

Status of Franchised Outlets
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at the End of the Year
Montana	2009	15	0	0	0	0	0	15
	2010	15	0	2	0	0	0	13
	2011	13	0	1	0	0	1	11
Nebraska	2009	18	0	1	0	0	0	17
	2010	17	1	1	0	0	0	17
	2011	17	1	1	0	0	1	16
Nevada	2009	31	2	4	1	0	0	28
	2010	28	3	2	4	0	0	25
	2011	25	1	1	1	0	1	23
New Hampshire	2009	34	2	2	1	0	4	29
	2010	29	5	1	1	0	0	32
	2011	32	4	2	1	0	0	33
New Jersey	2009	205	10	21	2	0	5	187
	2010	187	7	17	3	0	1	173
	2011	173	8	15	2	0	2	162
New Mexico	2009	28	1	2	0	0	0	27
	2010	27	2	0	0	0	0	29
	2011	29	1	1	0	0	1	28
New York	2009	121	2	16	2	0	1	104
	2010	104	3	18	9	0	1	79
	2011	79	8	3	6	0	1	77
North Carolina	2009	119	5	17	0	0	7	100
	2010	100	5	17	1	0	2	85
	2011	85	5	4	0	0	6	80
North Dakota	2009	3	0	0	1	0	0	2
	2010	2	1	0	0	0	0	3
	2011	3	0	0	0	0	0	3
Ohio	2009	138	7	15	1	0	0	129
	2010	129	11	20	2	0	4	114
	2011	114	11	9	3	0	4	109
Oklahoma	2009	25	3	0	2	0	2	24
	2010	24	2	3	0	0	0	23
	2011	23	2	1	1	0	0	23
Oregon	2009	30	0	5	0	0	1	24
	2010	24	3	0	0	0	0	27
	2011	27	4	3	2	0	0	26
Pennsylvania	2009	171	2	11	3	0	4	155
	2010	155	6	10	3	0	1	147
	2011	147	9	2	0	0	1	153

Table No. 3

Status of Franchised Outlets
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at the End of the Year
Rhode Island	2009	22	0	1	4	0	0	17
	2010	17	3	0	0	0	0	20
	2011	20	1	1	1	0	0	19
South Carolina	2009	50	1	8	1	0	3	39
	2010	39	1	4	1	0	0	35
	2011	35	5	4	0	0	1	35
South Dakota	2009	6	0	0	0	0	0	6
	2010	6	1	2	0	0	0	5
	2011	5	1	0	0	0	0	6
Tennessee	2009	83	3	13	0	0	3	70
	2010	70	0	9	0	0	2	59
	2011	59	7	6	0	0	2	58
Texas	2009	306	26	23	4	0	20	285
	2010	285	21	19	5	0	3	279
	2011	279	16	18	7	0	8	262
Utah	2009	35	4	3	0	0	1	35
	2010	35	2	7	1	0	0	29
	2011	29	1	2	0	0	0	28
Vermont	2009	9	0	0	1	0	0	8
	2010	8	1	0	0	0	0	9
	2011	9	2	0	1	0	1	9
Virginia	2009	111	7	14	4	0	2	98
	2010	98	8	2	6	0	1	97
	2011	97	9	3	2	0	1	100
Washington	2009	83	4	12	0	0	3	72
	2010	72	0	8	1	0	2	61
	2011	61	6	5	0	0	0	62
West Virginia	2009	19	0	1	2	0	0	16
	2010	16	0	1	0	0	0	15
	2011	15	0	0	0	0	0	15
Wisconsin	2009	96	7	14	4	0	1	84
	2010	84	6	10	2	0	0	78
	2011	78	3	4	1	0	0	76
Wyoming	2009	12	2	0	0	0	1	13
	2010	13	0	2	0	0	0	11
	2011	11	0	0	0	0	0	11
Guam	2009	1	0	0	0	0	0	1
	2010	1	0	0	0	0	0	1
	2011	1	0	0	0	0	0	1

Table No. 3

Status of Franchised Outlets
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at the End of the Year
Puerto Rico	2009	3	0	1	0	0	0	2
	2010	2	0	1	0	0	0	1
	2011	1	2	0	0	0	0	3
U.S. Virgin Islands	2009	3	0	0	0	0	0	3
	2010	3	0	1	0	0	0	2
	2011	2	0	0	0	0	0	2
Total	2009	3903	218	393	94	0	145	3489
	2010	3489	207	295	80	0	38	3283
	2011	3283	232	195	60	0	53	3207

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

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Table No. 4

Status of Company-Owned Outlets
For Years 2009 to 2011

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at the End of the Year
Maryland	2009	6	0	0	1	0	5
	2010	5	0	0	1	0	4
	2011	4	0	0	0	0	4
Oregon	2009	14	0	0	1	0	13
	2010	13	0	0	0	0	13
	2011	13	0	0	0	0	13
Virginia	2009	1	0	0	0	0	1
	2010	1	0	0	0	0	1
	2011	1	0	0	0	0	1
Washington	2009	7	0	0	1	0	6
	2010	6	0	0	0	0	6
	2011	6	0	0	1	0	5
Total	2009	28	0	0	3	0	25
	2010	25	0	0	1	0	24
	2011	24	0	0	1	0	23

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Table No. 5

Projected Openings as of December 31, 2011[1]

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	0	5	0
Alaska	0	0	0
Arizona	1	3	0
Arkansas	0	5	0
California	16	15	0
Colorado	4	3	0
Connecticut	2	3	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	13	20	0
Georgia	2	6	0
Hawaii	0	3	0
Idaho	0	2	0
Illinois	1	13	0
Indiana	0	6	0
Iowa	3	2	0
Kansas	0	5	0
Kentucky	0	2	0
Louisiana	0	5	0
Maine	0	2	0
Maryland	1	7	0
Massachusetts	1	8	0
Michigan	3	8	0
Minnesota	1	7	0
Mississippi	0	5	0
Missouri	0	10	0
Montana	0	1	0
Nebraska	1	3	0
Nevada	2	3	0
New Hampshire	1	2	0
New Jersey	7	10	0
New Mexico	0	2	0
New York	6	12	0
North Carolina	0	10	0
North Dakota	0	1	0

Table No. 5

Projected Openings as of December 31, 2011[1]

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Ohio	1	14	0
Oklahoma	0	5	0
Oregon	0	3	0
Pennsylvania	1	14	0
Rhode Island	0	1	0
South Carolina	0	5	0
South Dakota	0	1	0
Tennessee	0	3	0
Texas	4	20	0
Utah	0	4	0
Vermont	1	1	0
Virginia	0	5	0
Washington	3	6	0
West Virginia	0	1	0
Wisconsin	2	7	0
Wyoming	0	0	0
Guam	0	0	0
Puerto Rico	0	1	0
U.S. Virgin Islands	0	0	0
Total	77	280	0

[1]This is an estimate only.

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Exhibit D lists the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2011.

Exhibit E lists the name, city and state, and the current business telephone number (or, if unknown, the last known telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, RE/MAX, LLC has not signed a confidentiality clause with any current or former franchisee.

There is one trademark-specific franchisee organization associated with the franchise system being offered which RE/MAX, LLC has created, sponsored or endorsed. The Region Owners Council is a body consisting of U.S. and Canadian Region Owners (see Item 11). The Region Owners Council does not have its own address, telephone number, email address or Web address. However, it may be contacted via its liaison, Margaret Kelly, at RE/MAX, LLC at 5075 S. Syracuse Street, Denver, Colorado 80237; (303) 770-5531; mkelly@remax.com.

The following independent franchisee organizations have asked to be included in the disclosure document: None.

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Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C are the consolidated balance sheets of RE/MAX, LLC and subsidiaries as of December 31, 2011 and 2010, and the related consolidated statements of income and comprehensive income, member's deficit and noncontrolling interest, and cash flows for each of the years in the three-year period ended December 31, 2011. A signed consent of the independent public accountant authorizing the use of its report is also included.

Item 22

CONTRACTS

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

Exhibit A:	Franchise Agreement (including the Ownership and Management Information forms, Essential ICA Provisions, and Guaranty and Assumption of Obligations)
Exhibit A-1:	Form of Renewal Addendum - Address Only
Exhibit A-2:	Form of Renewal Addendum - One Mile Territory
Exhibit A-3:	Form of Transfer Addendum
Exhibit A-4:	Form of Commercial Office Addendum
Exhibit A-5:	Form of Letter Amendment to Franchise Agreement
Exhibit A-6:	Form of Legacy Sales Associate Rider to Franchise Agreement
Exhibit A-7:	Form of Grandfathered Franchisee Addendum
Exhibit A-8:	Form of Satellite Office Amendment
Exhibit A-9:	Form of RE/MAX Mainstreet Member Registration and Website User Agreement
Exhibit A-10:	Form of RE/MAX Gold Plan Letter Addendum
Exhibit B-1:	Form of Promissory Note 1 (Initial Franchise Fee)
Exhibit B-2:	Form of Promissory Note 2 (Renewal Franchise Fee)

Item 23

RECEIPTS

The last two pages of this disclosure document (Exhibit K) are identical pages acknowledging receipt of this entire disclosure document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this disclosure document.

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