

## FRANCHISE DISCLOSURE DOCUMENT

### WEICHERT REAL ESTATE AFFILIATES, INC.

A Delaware Corporation  
225 Littleton Road  
Morris Plains, New Jersey 07950  
(973) 359-8377  
www.weichertfranchise.com  
affiliates@weichertrealtors.net

# Weichert®

The franchisee will operate one or more Weichert Offices providing residential real estate brokerage services and, if the franchisee wishes, non-residential real estate brokerage services.

The total investment necessary to begin operation of a Weichert franchise is from \$62,500 to \$326,200, excluding real property, including \$25,000 that must be paid to the franchisor with an additional \$12,500 per office for each Additional Office to be opened.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Administration at Weichert Real Estate Affiliates, Inc., 225 Littleton Road, Morris Plains, New Jersey 07950 and 973-359-8377.

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 accountant.

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

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

**Issuance Date: March 16, 2022**

## How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Weichert business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Weichert franchisee?</b>	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## **What You Need To Know About Franchising Generally**

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit C.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in New Jersey. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in New Jersey than in your own state.
2. **Sales Performance Required**. You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Spousal Liability**. Your spouse may be required to sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's material and personal assets, perhaps including your house, at risk if your franchise fails.

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**EXHIBIT A FRANCHISE AGREEMENT AND RELATED MATERIALS**

**STATE ADDENDA TO FRANCHISE AGREEMENT**

**EXHIBITS TO FRANCHISE AGREEMENT:**

- A INITIAL FRANCHISE FEE; ADDITIONAL OFFICE FEE; FRANCHISED TERRITORY; MINIMUM MONTHLY CONTINUING ROYALTY; MINIMUM AND MAXIMUM MONTHLY MARKETING FEES; RESPONSIBLE REAL ESTATE BROKER; INITIAL OFFICE LOCATION; ADDITIONAL OFFICE LOCATIONS; INITIAL OFFICE IMPACT DATE(S); FRANCHISEE CONVERSION PACKAGE; GUARANTORS; ACTIVE DOMAIN NAMES AND E-MAIL ADDRESSES; ACTIVE TELEPHONE NUMBERS; ANNUAL MINIMUM PERFORMANCE INCREASE REQUIREMENT; ASSUMED BUSINESS NAME**
- B PROPRIETARY MARKS**
- C CONFIDENTIALITY/NON-COMPETITION AGREEMENT**
- D GUARANTEE**
- E GENERAL RELEASE – SUCCESSOR FRANCHISE AGREEMENT**
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**SAMPLE BYLAWS OF WEICHERT BROKERS COUNCIL**

**SOFTWARE LICENSE AGREEMENTS**

**RECEIPT FOR CONFIDENTIAL OPERATIONS MANUAL**

**ADMINISTRATIVE OFFICE ADDENDUM**

**TEMPORARY OFFICE ADDENDUM**

**SATELLITE OFFICE ADDENDUM**

**EXHIBIT B FINANCIAL STATEMENTS**

**EXHIBIT C STATE ADMINISTRATORS**

**EXHIBIT D AGENTS FOR SERVICE OF PROCESS**

**EXHIBIT E STATE ADDENDA TO DISCLOSURE DOCUMENT**

**EXHIBIT F LIST OF OPERATIONAL FRANCHISEES**

**EXHIBIT G LIST OF FORMER FRANCHISEES**

**EXHIBIT H WEICHERT LEAD NETWORK LEAD PROGRAM AGREEMENT**

**EXHIBIT I STATE EFFECTIVE DATE PAGE**

**EXHIBIT J RECEIPT**

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

### We and Our Affiliates

To simplify the language in this Disclosure Document, “we” or “us” means Weichert Real Estate Affiliates, Inc., the franchisor. “You” means the individual, corporation or partnership who buys the franchise. If the franchise will operate through a corporation, partnership or other business entity, “you” also includes the franchisee’s owners or partners.

We are a Delaware corporation incorporated in June, 2001. We do business under the names “WEICHERT®” and “WEICHERT, REALTORS®.” Our principal business address is 225 Littleton Road, Morris Plains, New Jersey 07950, and our telephone number is (973) 359-8377. Our agents for service of process in the states whose franchise laws require us to name a state agency as agent for service are shown on Exhibit D.

We franchise businesses (“Weichert Businesses”) that operate from offices (the “Weichert Offices” or the “Offices”) from which licensed real estate brokerages provide residential real estate brokerage services and limited non-residential real estate brokerage services to customers located in the state(s) in which the brokerages are licensed. We have no predecessors.

Our founder, James M. Weichert, has operated a real estate brokerage business since 1969. In 1975, he founded our affiliate Weichert Co., which does business as “Weichert, Realtors®.” We have no parent companies or predecessors.

The principal business address of Weichert Co. is 1625 State Route 10 East, Morris Plains, New Jersey 07950 and its telephone number is (973) 267-7777. As of December 31, 2021, Weichert Co. and its affiliates operated one hundred and thirteen (112) residential and two (2) commercial “Weichert, Realtors” real estate brokerage offices in New Jersey, New York, Pennsylvania, Delaware, Maryland, Virginia, and the District of Columbia.

While our founder and affiliates together have over forty years of experience in the real estate brokerage business, we – the franchisor – have not operated a real estate brokerage business. We have offered and sold franchises for Weichert Businesses since August, 2001. Neither we nor our affiliates have previously offered and sold franchises for any other type of business, but key members of our management have considerable experience in real estate franchising.

In a Cross-License Agreement dated as of July 31, 2001, Weichert Co. granted us the right to use the “WEICHERT” name, marks and system and to sublicense them to our franchisees.

The following affiliates may offer and sell you services and products, or they may provide real estate-related services, programs and products – such as relocation services, title searches, title insurance homeowners’ insurance, home protection plans and various financial services – that you may offer and sell to your customers:

Affiliate	Date of Incorporation	State of Incorporation	Address
Aureus Property Management, Inc. d/b/a Weichert Property Management	9/10/2015	New Jersey	1625 State Route 10 East, Morris Plains, New Jersey 07950

<b>Affiliate</b>	<b>Date of Incorporation</b>	<b>State of Incorporation</b>	<b>Address</b>
Franconia Real Estate Services, Inc. d/b/a Allegiance Government Relocation	06/24/1988	Virginia	13580 Groupe Drive, Suite 400, Woodbridge, Virginia 22192
JMWEICHERTGROUP CO. (d/b/a Weichert Properties)	5/2/2007	New Jersey	1625 State Route 10 East, Morris Plains, New Jersey 07950
Mortgage Access Corp. (d/b/a Weichert Financial Services)	5/12/1980	New Jersey	225 Littleton Road, Morris Plains, New Jersey 07950
Settlement Express Of PA, LLC	12/14/2005	Pennsylvania	587 Skippack Pike, Suite 100, Blue Bell, PA 19422
Southeastern Abstract Company, Inc. (d/b/a Weichert Closing Services)	9/11/1987	Pennsylvania	587 Skippack Pike, Suite 100, Blue Bell, PA 19422
Synergy Title Agency LLC	7/25/2013	New Jersey	16 Madison Avenue, Building 1, Suite 1C, Toms River, New Jersey 08753
Title Closing Services LLC (d/b/a Weichert Title Agency; Democracy Title Agency)	1/12/2002	Delaware	1909 Rt. 70 East, Cherry Hill, NJ 08003
Virtual Endeavors, Limited Liability Company	9/19/2007	New Jersey	16 Madison Avenue, Building 1, Suite 1C, Toms River, New Jersey 08753
Weichert Co. (d/b/a Weichert, Realtors)	9/12/1975	New Jersey	1625 State Route 10 East, Morris Plains, New Jersey 07950
Weichert Co. of Maryland, Inc. (d/b/a Weichert Realtors, Weichert Real Estate School, Inc.)	3/19/1993	Maryland	1625 State Route, 10 East, Morris Plains, New Jersey 07950
Weichert Commercial Brokerage, Inc.	12/11/1985	New Jersey	225 Littleton Road, Morris Plains, New Jersey 07950
Weichert Insurance Agency, Inc. (d/b/a Weichert Insurance)	12/11/1985	New Jersey	225 Littleton Road, Morris Plains, New Jersey 07950
Weichert Lead Network, Inc. (d/b/a Weichert Rental Network, Inc.)	10/1/2002	New Jersey	225 Littleton Road, Morris Plains, New Jersey 07950



<b>Affiliate</b>	<b>Date of Incorporation</b>	<b>State of Incorporation</b>	<b>Address</b>
Weichert National Title Services, LLC	12/9/2009	Delaware	220 Commerce Drive, Ft. Washington, PA 19034
Weichert New Homes Co., Inc.	10/20/1986	New Jersey	225 Littleton Road, Morris Plains, New Jersey 07950
Weichert Referral Associates Co., Inc. (d/b/a Weichert Referral)	5/7/1982	New Jersey	1625 State Route 10 East, Morris Plains, New Jersey 07950
Weichert Workforce Mobility, Inc. (f/k/a Weichert Relocation Resources Inc.)	1/15/1986	New Jersey	1625 State Route 10 East, Morris Plains, New Jersey 07950
Weichert Title Agency of Maryland, LLC (d/b/a Weichert Title Agency)	3/10/2005	Maryland	438 No. Frederick Ave., Suite 303, Gaithersburg, MD 20877
Weichert Title Agency, LLC (d/b/a Weichert Title Agency)	2/6/2004	Virginia	438 No. Frederick Ave., Suite 303, Gaithersburg, MD 20877
Weichert of North America, Inc.	1/23/2007	Delaware	225 Littleton Road, Morris Plains, New Jersey 07950

### **Description of the Franchise**

**General.** You will operate one or more Weichert Offices providing residential real estate brokerage services and related services, programs and products. If you wish, you may also provide non-residential real estate brokerage services and related services, programs and products.

We expect that most of our franchisees will have existing real estate brokerage offices which they convert to Weichert Offices. When you sign the Franchise Agreement, you or a person you designate must be a real estate broker duly licensed under all applicable laws, rules and regulations of the Territory (your "Responsible Broker").

The Initial Franchise Fee will entitle you to operate one Weichert Office.

If you wish to convert an Additional Office in the Territory to a Weichert Office or open an Additional Office in the Territory, and you receive our approval before you and we sign the Franchise Agreement, then you pay us an Additional Office Fee of \$12,500 for each additional Office. If you wish to open any Additional Offices which we have not approved before you and we sign the Franchise Agreement, then, if we approve the Additional Office you propose, you must sign our then-current form of Franchise Agreement for the Additional Office, and you must pay us our then-current Additional Office Fee when you sign the Franchise Agreement for the Additional Office. If you wish to open a "Seasonal Office", which by definition is an Additional Office which may be closed no more than six months per calendar year with our prior written approval, you must sign our then-current form of Franchise Agreement for the Seasonal Office, and you must pay us our then-current Additional Office Fee when you sign the Franchise Agreement for the Seasonal Office.

**The Services.** The Franchise Agreement authorizes you to offer, sell and perform the “Services,” which means acting as a broker or agent for another in connection with the listing, offering, selling, exchanging, purchasing, transferring, hypothecating, licensing, auctioning, managing, leasing or renting of any interest in real property of any kind and in any ancillary personal property (and all other services and property we may identify and provide for in our Operations Manual) for which a real estate broker license is required under applicable law.

IMPORTANT: While we will permit you to perform Services for non-residential property, we will have no obligation to furnish any training, support, promotion or other assistance to you in connection with any non-residential real estate brokerage activities, and we can operate and franchise offices selling non-residential real estate Services in your Territory in competition with you.

The COVID-19 pandemic is ongoing and fluctuating in severity, which may impact local, regional and global economies and therefore impact your franchised business. You must, at all times, comply with all applicable laws, rules and orders of any government authority concerning the outbreak and your response. We reserve the right to make any adjustments to our services as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually. **The Ancillary Services and Products.** The “Ancillary Services and Products” consist of the ancillary real estate-related services, programs and products that we authorize you to offer, sell, use and/or furnish. The Ancillary Services and/or Products available to you may vary between markets. The Ancillary Services and/or Products available to you may vary during the term of your Franchise Agreement. Ancillary Services and/or Products available in your market when you enter into your Franchise Agreement may not be available for the entire term of your Franchise Agreement. The decision whether to make certain Ancillary Services and/or Products available in your market is in our sole judgment.

Unless our Operations Manual specifically states otherwise, you may also offer, sell, use and/or furnish the services and products classified “Ancillary Services and Products” from any other sources we have approved. Your decision to offer Ancillary Services and Products does not prevent you from offering similar competitive services and/or products of other companies, if they are offered and sold on a non-exclusive basis along with the Ancillary Services and/or Products.

**Conversion Package.** We will provide you with a Franchisee “Conversion Package” of goods and services, the cost of which will be included in the Initial Franchise Fee. The current Conversion Package includes tuition, economy travel and lodging for one person to attend the Weichert Management Academy, press releases, three (3) listing presentation portfolios, and the ability to place your listings on our Weichert.com site. We may add or subtract products or services from the Conversion Package at any time in our sole judgment.

**Weichert Incentive Bonus Program.** Under the Weichert Incentive Bonus Program, you may be eligible for an annual bonus. To qualify for a Weichert Incentive Bonus, you must achieve certain levels of paid Continuing Royalties on your Gross Revenues, and comply with other criteria described in Item 11.

### **Competition and the Market**

Today’s real estate business faces fierce competition, changing consumers, industry consolidation, changing business practices, new regulations and constantly-changing technology, which have transformed many former local, one-owner real estate offices into members of complex, full-service real estate and financial services institutions. We believe that the Weichert, Realtors system and business strategy will permit our family of company-owned and franchised offices to lead in this ever-changing marketplace.

You will compete with other real estate brokerages, either independent “unaffiliated” offices or those affiliated with regional and national real estate franchise organizations. In addition, the real estate industry as a whole is increasingly influenced by competition from Internet-based organizations providing real estate information and some related services. You may also compete with us and our affiliates.

Residential real estate brokerage offices provide services in large cities and small towns. Many of these areas are developing, while others are already very mature. Although there are few age restrictions on customers utilizing residential real estate services (except for majority laws regarding the legality of contracts), your services will generally be marketed to adults ranging in age from 21 to 59. Whatever your area, your sales may be affected by minor seasonality factors. In certain areas of the country, usually recreational areas, sales may be significantly more seasonal.

### **Laws, Rules and Regulations**

You or a person you have designated before you sign the Franchise Agreement must be a licensed real estate broker under the applicable law of your territory. That person will be identified as the “Responsible Real Estate Broker” on Exhibit A to your Franchise Agreement. Your Weichert Business must comply with the rules and regulations of the real estate commission in your state. In addition, your Weichert Business must comply with federal statutes concerning settlement (closing) procedures, as well as regulations pertaining to truth in advertising and lending. The laws, rules and regulations which apply to businesses in general will also affect you. Consult your lawyer about them.

In addition, you must be and remain a member in good standing of the National Association of Realtors.<sup>®</sup> Your Business must comply with the Code of Ethics of the National Association of Realtors<sup>®</sup> at all times. Your Business operations will also be governed by rules and regulations of state and local boards of realtors.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Director: James M. Weichert**

Mr. Weichert has been our sole Director since our incorporation in June, 2001. Mr. Weichert has been the President of Weichert Co. in Morris Plains, New Jersey since 1969.

### **Chief Executive Officer: Denise Smith**

Ms. Smith was appointed as our Chief Executive Officer (“CEO”) on March 21, 2016. She is also serving as President of Real Estate Services, a division of Weichert Co., in Morris Plains, New Jersey, a role she has held since June 14, 2018. In addition, Ms. Smith has served as Senior Vice President for Weichert Co. since January 27, 2003, in Morris Plains, New Jersey. Previously, from November 4, 2015 through June 14, 2018, Mrs. Smith served as the President of Weichert Affiliated Companies, a division of Weichert Co., in Morris Plains, New Jersey.

### **President and Chief Operating Officer: William A. Scavone**

Mr. Scavone has served as our President since November 25, 2016 and as our Chief Operating Officer since September, 2008. Prior to assuming his current role as President, Mr. Scavone served as our Senior Vice President – Franchise Development between March, 2005 and November 25, 2016.

### **Senior Vice President of Operations: Leslie D. Shoaf**

Mr. Shoaf has served as our Senior Vice President of Operations since July 1, 2001. Mr. Shoaf has also served as a Director of Fairport Financial Resources, Ltd. in Grapevine, Texas since September,

2000, and as a Director of Castlerock Management Group, Inc. in Grapevine, Texas since August, 1999.

**Chief Financial Officer and Treasurer: Michael Cadematori**

Mr. Cadematori was appointed as our Chief Financial Officer and Treasurer on March 21, 2017. Mr. Cadematori served as Regional Vice President and Chief Financial Officer, Eastern Seaboard Region, of NRT LLC, a subsidiary of Realogy Holdings Corp., from September 2008 through December 2015, in Madison, New Jersey.

**ITEM 3 LITIGATION**

**Pending Actions**

None.

**Concluded Actions**

*In Re: Franchise No Poaching Provisions (Weichert Real Estate Affiliates, Inc.)*, State of Washington, King County Superior Court, Case No. 19-2-33643-9 SEA.

On or about September 13, 2019, the Attorney General of the State of Washington (the “Attorney General”) initiated an investigation into our use of Franchise Agreement provisions that restrict our franchisees’ ability to solicit or hire the certain personnel from each other. This investigation was part of the Attorney General’s broader investigation (which was not targeted towards or against us) into the use of such provisions in the franchising industry. The Attorney General asserted that such provisions to constitute a contract, combination or conspiracy in restraint of trade in violation of the Consumer Protection Act, RCW 19.86.030. Although we expressly denied such assertion, on or about December 20, 2019, we entered into an Assurance of Discontinuance (the “AOD”) with the Attorney General - - agreeing to, in pertinent part, remove such provisions from our future Franchise Agreements with franchisees; to not enforce such provisions in any of our existing Franchise Agreements; to notify our franchisees about the entry of the AOD; and, to amend all existing Franchise Agreements with entities in Washington State to remove such provisions - - in order to avoid protracted and expensive litigation. Neither the AOD nor its terms were construed as an admission of law, fact, liability, misconduct or wrongdoing by us or any of our representatives. The AOD was not a holding of liability in any civil action and was not an injunctive or restrictive order or decree resulting from an action brought by a public agency. Nearly 200 other franchisors have been compelled to enter into similar AODs with the Attorney General.

*First Champion Realty, Inc., on behalf of itself and all others similarly situated v. Weichert Real Estate Affiliates, Inc., and Weichert Lead Network, Inc.*, United States District Court, District of New Jersey, Case No. 2:14-cv-05214-FSH-MAH.

On August 20, 2014, First Champion Realty, Inc., a current franchisee, filed a five count complaint against us and our affiliate, Weichert Lead Network, Inc. Plaintiff, on behalf of its proposed class of all Weichert® franchisees since September 1, 2008, alleged that we improperly handled and diverted leads through the Weichert Lead Network, and in doing so, breached the implied covenant of good faith and fair dealing (Count 1); violated the New Jersey Consumer Fraud Act (Count 2); engaged in conversion (Count 3); and, engaged in tortious interference with prospective economic advantage (Count 4). Plaintiff sought (i) an injunction (Count 5) to enjoin us from engaging in certain allegedly tortious conduct, (ii) an undetermined amount of contract damages; (iii) treble damages; and, (iv) attorneys’ fees and legal costs.

We filed a motion to dismiss on November 24, 2014, and on December 5, 2014, the plaintiff filed a

motion for injunctive relief in which it sought an injunction prohibiting the removal of its contact information from its listings on weichert.com and third party websites on which Weichert Lead Network provides listing information.

On April 7, 2015, after hearing oral arguments, the court denied the plaintiff's motion for a preliminary injunction, and granted our motion to dismiss the complaint by dismissing three of the counts in the complaint without prejudice and the remaining counts with prejudice. The three (3) counts dismissed without prejudice relate to claims that we and Weichert Lead Network, Inc. removed plaintiff's contact information from its listings on third party websites on which Weichert Lead Network provides listing information. Although we believed that we acted lawfully and properly in all respects, we settled the remaining claims on July 23, 2015. The settlement included releases from all the parties along with a Consent Order Of Dismissal with Prejudice filed with the court on July 31, 2015 dismissing with prejudice of the relevant claims; the termination of the Weichert Office Franchise Agreement, and any and all agreements ancillary to the Weichert Office Franchise Agreement, including, but not limited to, the Weichert Lead Program Agreement dated February 18, 2010.

*DJA Enterprises, LLC d/b/a Weichert Realtors® - Coastal v. Weichert Real Estate Affiliates, Inc., and Michael Mavromates*, Superior Court of New Jersey, Law Division Cape May County, Case No. CPM-L-049-13-2946-06; Morris County, Case No. MRS-L-1296-13.

On January 28, 2013, DJA Enterprises, LLC, a current franchisee, filed a four count complaint against us and Michael Mavromates, who is a former Weichert licensed agent and sales associate that was employed as an independent contractor by a Weichert company-owned real estate sales office. DJA Enterprises claimed that Mavromates operated a "de facto" office in DJA Enterprises' territory and as a result of this alleged "de facto" office, we infringed upon DJA Enterprises' territorial rights, which, according to DJA Enterprises, violated the New Jersey Franchise Practices Act, N.J.S.A. § 56:10-1 *et seq.* (Count 1), breached the Franchise Agreement (Count 2), breached the implied covenant of good faith and fair dealing (Count 3) and tortiously interfered with contractual relations and prospective contractual relations of DJA Enterprises (Count 4). Our February 25, 2013 motion to dismiss the complaint or, in the alternative, for a change of venue was granted, and the case was thereafter transferred to Morris County. On December 13, 2013, we filed a motion for partial summary judgment. On April 16, 2014, DJA Enterprises filed an amended complaint against us, Michael Mavromates, Weichert South Jersey, Inc. and Weichert Lead Network, Inc. Although we believed that we acted lawfully and properly in all respects, we settled the dispute on August 15, 2014. The settlement included releases from all the parties along with a stipulation of dismissal with prejudice of the relevant claims and counterclaims, a payment of \$35,000 by us to DJA Enterprises, DJA Enterprises' agreement to sign and deliver to us an amendment to its Weichert Franchise Agreement and DJA Enterprises' agreement to sign and deliver to Weichert Lead Network, Inc. an amendment to its Weichert Lead Network Lead Program Agreement.

*Weichert Real Estate Affiliates, Inc. vs. Debbie C. Foust*, Superior Court of New Jersey, Law Division, Morris County, Docket No. MRS-L-3510-09.

On June 4, 2009, we filed a six count complaint against Debbie Foust ("Foust"). Vision 21, LLC is a former Weichert franchisee and Foust guaranteed all of the franchisee's obligations under Vision 21, LLC's franchise agreement. In our complaint, we sought damages against Foust for, among other things, breach of her obligations under the franchise agreement. The damages we sought against Foust included liquidated damages, damages for unpaid royalties and advertising fees, and an accounting. On January 29, 2010, Foust filed an answer and counterclaim against us for misrepresentations. Foust claimed that we made misrepresentations about additional Weichert franchises coming into her area and about the amount of advertising dollars that would be spent in her market. On February 4, 2011 the Court granted our motion to strike Foust's answer with

prejudice for her failure to provide discovery. Foust's counterclaim was also struck with prejudice. On May 2, 2011, a judgment was entered in our favor in the amount of \$143,261.

*Weichert Real Estate Affiliates, Inc. v. Excel Real Estate Services, LLC, Mark D. Farchione and Stephen S. Bowman, and Excel Real Estate Services, LLC v. Weichert Lead Network, Inc.*, Superior Court of New Jersey, Law Division, Morris County, Docket No. MRS-L-2562-11.

On May 26, 2011, we filed a six count complaint against Excel Real Estate Services, LLC, Mark D. Farchione and Stephen S. Bowman, and Excel Real Estate Services (collectively, "Excel"). Excel is a former Weichert franchisee and Mark D. Farchione and Stephen S. Bowman guaranteed all of the franchisee's obligations under Excel Real Estate Services, LLC's franchise agreement. In our complaint, we sought damages against the defendants for, among other things, breach of Excel's obligations under the franchise agreement. We sought liquidated damages, damages for unpaid royalties and advertising fees, and an accounting. On August 31, 2011, Excel filed an answer, counterclaim and third-party complaint against us and Weichert Lead Network, Inc. alleging that we and Weichert Lead Network, Inc. improperly posted listings on [www.weichert.com](http://www.weichert.com) and failed to properly refer leads from Weichert Lead Network, Inc. Excel's sought damages for breach of contract, set-off, tortious interference with contractual relations, breach of duty of good faith and fair dealing and unjust enrichment. On May 1, 2012, the parties settled the matter, with Excel agreeing to dismiss its counterclaim and pay us \$75,000 in exchange for our agreement to voluntarily dismiss our complaint against Excel. We did not pay any money to Excel as part of the settlement.

*Weichert Real Estate Affiliates, Inc. v. Castles Unlimited Inc. d/b/a Weichert, Realtors - Castles Unlimited and Jim Lowenstern*, United States District Court for the District of New Jersey, Case No: 2:11-cv-06203-JLL-MAH.

On September 12, 2011, we filed a seven count complaint in the Superior Court of New Jersey against former Weichert franchisee, *Castles Unlimited Inc.*, and Jim Lowenstein, the guarantor of the franchisee's obligations under Castles Unlimited Inc.'s franchise agreement. In our complaint, we sought damages for, among other things, breach of obligations under the franchise agreement and unauthorized use of the Weichert trademark. We sought liquidated damages, damages for unpaid royalties and advertising fees, and an accounting. On October 21, 2011, the defendants removed the lawsuit to the United States District Court for the District of New Jersey and on November 7, 2011, the defendants filed an Answer and Counterclaim against Weichert seeking damages for alleged fraud, intentional misrepresentation, negligent misrepresentation in connection with the sale of the franchise, including profitability of our franchises, breach of contract related to referrals, support and assistance and advertising fund contributions, breach of the covenant of good faith and fair dealing, unjust enrichment and violation of Mass Gen. Laws as well a declaration that the Franchise Agreement is void. On or about December 19, 2011, we filed a motion to dismiss the Counterclaims. The Court denied our motion to dismiss Castles Unlimited Inc.'s counterclaims without prejudice because we were amending our complaint and the Court found that our motion to dismiss was premature at that time. On October 8, 2012, the parties settled the case, with Castles Unlimited Inc. agreeing to dismiss its counterclaim and pay us \$35,000 in exchange for our agreement to voluntarily dismiss our complaint against Castles Unlimited Inc. We did not pay any money to Castles Unlimited Inc. as part of the settlement.

## **Franchisor Initiated Litigation Involving the Franchise Relationship in the Last Fiscal Year**

None.

Other than the above actions, there is no litigation that must be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

There are no bankruptcies that are required to be disclosed in this Item.

## **ITEM 5 INITIAL FEES**

The Initial Franchise Fee for your first Weichert Office will be \$25,000.

Generally, we do not waive or reduce the amount of the Initial Franchise Fee. However, under rare and extraordinary circumstances which probably do not apply to you, we may waive or reduce the Initial Franchise Fee. During the fiscal year that ended December 31, 2021, we did not waive or reduce the Initial Franchise Fee for any franchisees.

The Initial Franchise Fee entitles you to operate your first Weichert Office (the "Initial Office"). You must pay the Initial Franchise Fee in full on the date you sign the Franchise Agreement. However, we may permit you to pay the Initial Franchise Fee in installments.

### **Refund of Initial Franchise Fee**

The Initial Franchise Fee is nonrefundable, except as described below.

We will refund the Initial Franchise Fee within 60 days after the expiration of 14 months after you commence operations of the Initial Office as a Weichert Office, if, at the end of that 14-month period, you have paid us at least \$60,000 in Continuing Royalties based on the Gross Revenues of your Initial Office. To qualify for the refund, we must have verified your Gross Revenues and Continuing Royalties by reviewing the operations reports (each, an "Operations Report") of your franchised Weichert Business (your "Franchised Business") and your payment of Continuing Royalties. There will be no partial refund if the Continuing Royalties you paid us based on the Gross Revenues of your Initial Office during the 14 months after you commence operations of your Initial Office as a Weichert Office is less than \$60,000. Nothing in this paragraph or the Franchise Agreement should be construed in any way as a representation or guarantee that your Franchised Business will earn any specific level of Gross Revenues. "Continuing Royalties" and "Gross Revenues" are defined in Item 6, below.

**Additional Offices.** If you wish to convert an office within the Territory to a Weichert Office in addition to the Initial Office (each, an "Additional Office") which we have approved before you and we sign the Franchise Agreement, then you must pay us a non-refundable Additional Office Fee of \$12,500 for each of these additional Offices when you sign the Franchise Agreement. The Additional Office Location(s) will be shown on Exhibit A to the Franchise Agreement.

If you wish to open any Additional Offices which we have not approved before you and we sign the Franchise Agreement, then, if we approve the Additional Office you propose, you must sign our then-current form of Franchise Agreement for the Additional Office, and you must pay us our then-current Additional Office Fee when you sign the Franchise Agreement for the Additional Office.

You pay us no other fees or payments for services or goods before your Business opens.

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## ITEM 6 OTHER FEES

(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
Continuing Royalty	6% of Gross Revenues or the Minimum Monthly Royalty, whichever is greater. See Note 1.	We electronically debit your Bank Account for the Continuing Royalty as frequently as specified in the Operations Manual and any additional amounts necessary to meet the Minimum Monthly Continuing Royalty at the end of each month. See Note 1.	"Gross Revenues" includes all revenues from the Franchised Business with exceptions described in Note 1. Continuing Royalty percentage will not change during term of Franchise Agreement, but we can increase the Minimum Monthly Royalty by increases to CPI. See Note 1.
Marketing Fee	2% of Gross Revenues or the Minimum Monthly Marketing Fee, whichever is greater. See Note 2.	We electronically debit your Bank Account for the Marketing Fee as frequently as specified in the Operations Manual and any additional amounts necessary to meet the Minimum Monthly Marketing Fee at the end of each month. See Notes 1 and 2.	Contribution percentage will not change during term of Franchise Agreement, but we can increase Minimum and Maximum Monthly Marketing Fees by increases to CPI. See Notes 1 and 2.
Local Brokers Council	When Local Brokers Council is formed for your territory, dues will be at least \$300 per year and no more than \$3,000 per year, unless increased by Council. Special assessments will be no more than \$500 per Office per month, unless increased by Council.	Established by Council.	We will form Local Brokers Councils, which will establish dues and assessments to be spent on marketing, advertising and promotion. No company owned Offices will participate. Any Council changes in dues or special assessments must comply with Council By-Laws (see By-Laws in Exhibit A and the Manual).
Administrative Offices	See remarks column.	When we or affiliate request.	If you provide any Services or Ancillary Services or Products to clients from an Administrative Office, then that Office becomes an Additional Office, and you must pay us the Additional Office Fee of \$12,500.



(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
Payments for Products and Services You Buy from Us or Affiliates		When we or affiliate require.	We and our affiliates may serve as non-exclusive Approved Suppliers. If you choose to buy from us or affiliates, you must pay the prices we or our affiliates set.
Initial Training at Weichert Management Academy.	Additional and subsequent trainee charge: \$950 per person. See remarks.	Fee for additional or subsequent trainees due before beginning of training; expenses as incurred.	The cost of training one person – you or your Business Manager – including ground or air transportation, hotel accommodations for 4 nights, certain meals and training materials is included in Initial Franchise Fee as part of our Conversion Package. You must pay for any other expenses and your trainee's salary. All Business Managers you appoint later must also complete the Initial Training Program. The \$950 charge for training these and any other additional and subsequent trainees includes tuition and training materials, and you must pay all other expenses, such as salaries, transportation costs, meals, lodging and other living expenses.
Fast Track Training	Up to \$199 per person for each new sales associate that you hire and we require to participate in the training. See Remarks.	Fee for training is due before beginning of training of each new sales associate or other employee; expenses due as incurred.	All new sales associates hired by you must participate in and complete Fast Track Training (as required in the Operations Manual). The cost will not be more than \$199 per person, including training materials. You must pay all other expenses such as salaries, transportation costs, meals, lodging and other living expenses, if any.
Optional Sales Training Classes	Reasonable reimbursement for training materials, equipment leasing and/or meeting room expenses.	Upon enrollment in class.	We will provide optional, regularly scheduled training classes for both new and experienced sales associates. You must pay for all expenses of your trainees, such as salaries, transportation costs, meals, lodging and other living expenses.
Conventions and Conferences	We may charge you a reasonable fee to cover our costs and expenses of organizing and conducting each Management Retreat or Convention you attend - - provided, such charge will not exceed \$999 (plus travel and lodging expenses) per attendee for each Management Retreat or Convention (subject to an annual adjustment for inflation as it affects our associated costs and expenses).	As incurred.	If we hold a Management Retreat or Convention, or both, you and your Business Manager must attend. You may send other attendees as well. You pay all transportation and lodging expenses. We will deduct the fee for the Management Retreat or Convention from your Bank Account (See Note 1).
Additional Seat Licenses for Intranet Services (Optional)	There is a recurring monthly seat license fee of \$5.00 to \$7.50 (per seat license) for Basic Level Services (not including the first license which will be provided at no	We electronically debit your Bank Account monthly for the recurring fee.	We have developed proprietary communications, marketing and management systems software available through the intranet for you and your sales associates. The Gold Level Services of this Intranet system can provide access to industry and company-specific information, related real

(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
	<p>charge) and \$10.00 to \$13.50 (per seat license) for Gold Level Services for the greater of (i) each person in your office as determined monthly by either the total number of people you have reported to us or (ii) for each separate seat license you order.</p> <p>There also is a one-time set up fee per Office ranging from \$250 to \$350 if you elect to purchase Gold Level Services.</p> <p>These fees are subject to change in the future.</p>	<p>The one-time set up fee for Gold Services is due when incurred.</p>	<p>estate web links, calendar program, transaction management services, document management services, lead management services, and a marketing center. We will provide, at no charge, one seat license for the Basic Services to allow you to complete operations and other required reports to us. You may, at your option, purchase additional seat licenses for Basic Services or seat licenses for Gold Services. If you purchase seat licenses for Gold Services, you will be required to convert all seat licenses from Basic Services to seat licenses for Gold Services.</p>
Optional Materials and Services	Optional programs – not established.	Optional programs – not established.	<p>If we offer to sell you any optional materials and services (directly, or through an affiliate), and you decide to purchase any of them, then you must pay us (or our affiliate) the prices that we determine. These prices will be subject to change at any time.</p>
Referral Fees and Commissions	See Note 7.	Within 48 hours after closing of the transaction.	<p>We or our affiliates may require you to pay a referral fee for each lead which we or our affiliates refer to you. All fees and commissions for referrals from or to franchisee-owned and company-owned Weichert Offices are governed by the Operations Manual. You must pay all applicable referral fees and commissions we require. We will state our policies for allocating leads and referrals to franchised and company-owned Offices in our Manual.</p>
Software Costs	Required proprietary software is provided free of cost. You pay for any optional enhancements. See Note 6.	See Note 6.	See Note 6.
Insurance	Estimated premium for one year – \$0 (if you already maintain sufficient insurance) to \$6,500.	As insurance company requires.	<p>See Note 3. If you fail to buy required insurance, we may pay premiums and charge you for them. Premiums are set by the insurance company and will depend in part on your claims experience. We expect that companies may raise premiums due to inflation, natural disasters, strikes, Acts of God, etc.).</p>
Taxes		Promptly when due.	<p>You must pay us all taxes we pay on account of services or goods we furnish to you, or the Initial Franchise Fee or Continuing Royalties you pay (not including any corporate income taxes imposed on us or our affiliates).</p>

(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
Advances		When we request.	You must pay us all amounts we advance to third parties for you.
Late Charge	Maximum law allows, or if no legal maximum, then 4% above prime rate.	When we request.	Late charge on any past due amounts owed to us. We will not increase charge beyond formula in column 2 during term of Franchise Agreement.
Administrative Fee	\$35	When we request.	In addition to the Late Charge, we will charge you an Administrative Fee in the amount of \$35 per occurrence if (i) you have insufficient funds in your Bank Account to make any payments due under the Franchise Agreement; (ii) you fail to make any payments due under the Franchise Agreement; or, (ii) before any regularly scheduled payment is due, you request a postponement of the payment due date.
Audit Expenses	See Note 4.	When we request	
Transfer Fee	\$7,500/\$750	Before we approve the transfer.	The transfer fee is \$7,500. However, if the transfer (i) is to a corporation that you form; (ii) is completed within 12 months from the date of your Franchise Agreement; and, (iii) you continue to maintain 100% ownership and control of the franchisee entity after the transfer, then instead of the \$7,500 transfer fee, you will be required to pay us \$750 for our legal and administrative expenses in connection with the transfer.
Indemnification			You indemnify us from certain losses and expenses – see Sections 7.17 and 14.04 (c) of the Franchise Agreement.
Management Fee on Death or Disability	Greater of (a) two times the salary paid to individual(s) we assign to operate Business, or (b) 10% of Business's weekly Gross Revenues.	See Remarks.	From date of your death or disability (or of your last surviving principal, partner or shareholder if you are an entity) until Business Manager assumes control, we may operate Business, but will have no obligation to do so. If we do, then we will deduct our expenses from the Business's Gross Revenues and pay ourselves the management fee in column 2. Management fee will be in addition to Continuing Royalties and Marketing Fees. We will remit any remaining funds to your Estate. Estate must pay us any deficiency due us under Franchise Agreement within 10 days of our notifying Estate of deficiency.
Attorneys' Fees			See Note 5.
Liquidated Damages	The lesser of (i) the number of months remaining in the term or (ii) 60 months for terminations before the 3 <sup>rd</sup> anniversary of the Start Date or 24 months for terminations after the 3 <sup>rd</sup> anniversary of the Start Date, times the monthly average amount of Continuing Royalties and Marketing Fees you owed for	Within 10 days after termination.	If you terminate the Franchise Agreement without our agreement, or we terminate the Franchise Agreement for your default, or you terminate the Franchise Agreement by failing to pay money owed us, then you must pay us liquidated damages using the formula in column 2.

(1) Type of fee	(2) Amount	(3) Due Date	(4) Remarks
	the 12 months before termination based on actual Gross Revenues, but not less than the Minimum Monthly Continuing Royalty and Minimum aggregate Monthly Marketing Fee for the 12 months in question (based on CPI-increase), then reduced by a discount of 8% to produce the present value of our lost profits.		
Administrative Office Fee	Up to \$1,000	When you open your Administrative Office.	After you open your Initial Office, we may permit you to open an Administrative Office in your Territory. You may operate your approved Administrative Office without paying us an Additional Office Fee, but you must pay us an Administrative Office Fee up to \$1,000.
Temporary Office	Administrative Fee up to \$2,000 per year See Note 1.	When you open your Temporary Office.	After you open your Initial Office, we may permit you to open a Temporary Office in your Territory. You may operate your approved Temporary Office without paying us an Additional Office Fee, but you must pay us an annual Administrative Fee up to \$2,000 per year.
Satellite Office	\$199 per month for a minimum of 12 months	When you open your Satellite Office.	After you open your Initial Office, we may permit you to open a Satellite Office in your Territory. You may operate your approved Satellite Office without paying us an Additional Office Fee, but you must pay us a monthly Satellite Office Fee of \$199 for a minimum of 12 months.
Processing Fee	\$250	When you request a change to your franchise Agreement.	We may charge a Processing Fee if we agree to make any changes you requested to your Franchise Agreement.

### NOTES

Unless otherwise stated, all fees on the table above are nonrefundable and the fee or its formula is uniformly imposed (except with respect to Satellite Offices, which may be subject to lower fees/requirements than those set forth in this Item 6 – See Section 3 of the Satellite Office Addendum).

[1] **Continuing Royalty.** You agree to pay us the greater of 6% of the Gross Revenues (as defined below) of your Franchised Business (the “Continuing Royalty”) or the “Minimum Monthly Continuing Royalty.”

**Minimum Monthly Continuing Royalty.** There is no Minimum Monthly Continuing Royalty for your 1<sup>st</sup> and 2<sup>nd</sup> calendar months after your Start Date but you still must pay the 6% Continuing Royalty during those first two calendar months. Beginning in your 3<sup>rd</sup> month until the end of your 24<sup>th</sup> month after your Start Date, the Minimum Monthly Continuing Royalty will be \$1,000 per Office per month. Beginning the 25<sup>th</sup> month following your Start Date and for the rest of the Term, the Minimum Monthly Continuing Royalty will be \$1,500 per Office per month. However, if in any calendar year, you have paid a cumulative Minimum Monthly Continuing Royalty in an amount greater than the total Minimum

Monthly Continuing Royalty due for the year (calculated by adding the applicable Minimum Monthly Continuing Royalty due for the entire calendar year), then you are no longer required to make any Minimum Monthly Continuing Royalty payments for the remainder of calendar year but you still must pay the 6% Continuing Royalty for the remainder of that year.

We can increase the Minimum Monthly Continuing Royalty each year, effective January 1 of each year, by the percentage of increase in the Consumer Price Index or "CPI" (as defined in the Franchise Agreement).

**Start Date.** The Continuing Royalty, Marketing Fee and all other payments and fees will begin to accrue either on the date you actually begin operation of the Franchised Business under the Franchise Agreement or the Initial Office Impact Date, whichever is earlier (the "Start Date"). The "Initial Office Impact Date" is the date by which you must start operating your Franchised Business from your Initial Office (see Exhibit A to your Franchise Agreement). Calculation of the Minimum Monthly Continuing Royalty will also begin on the third month after your Start Date.

**Reduction in Royalty Rate.** Under rare and extraordinary circumstances which probably do not apply to you, we may agree to waive or reduce the Continuing Royalty rate for all (or a portion of) the term of the Franchise Agreement.

**Definition of Gross Revenues.** "Gross Revenues" include all revenues from the Franchised Business, including your Initial Office, any Additional Offices and any Administrative, Temporary and/or Satellite Offices (more fully defined in the Franchise Agreement, with the exceptions described below and in the Franchise Agreement). You may exclude from Gross Revenues reasonable referral fees paid by your Business to WLN (in connection with your participation in the Weichert Lead Network Lead Program), other real estate brokers unaffiliated with you and/or to legitimate referral agencies unaffiliated with you, such as relocation companies and referral networks, if you state the name and location of the brokers and/or referral agencies in your required Operations Reports. You may deduct from Gross Revenues all reimbursements received by your Franchised Business from auction sellers for auction advertising and marketing expenses which you have advanced on behalf of the auction sellers, if you include those reimbursement payments and the expenses to which they related in the required Operations Report. You may exclude from Gross Revenues any fees you receive for mortgages or loans referred to one of our Affiliates, for insurance business referred to one of our Affiliates (or its licensees) or for title search or insurance business referred to one of our Affiliates (or its licensees). If your Business receives a commission in the form of a promissory note, then you may include the commission in Gross Revenues on an installment basis, including each payment when you receive it under the note.

**Pendings.** "Pendings" are transactions that are subject to a previous binding written agreement but which have not yet closed, settled or funded before your Start Date. No Continuing Royalties will be payable on Gross Revenues that your Business may receive in connection with Pendings as of the Start Date of the Franchise Agreement. Continuing Royalties will be payable on any Gross Revenues you receive following the Initial Office Impact Date from transactions subject to a binding written agreement where the transaction arose from listings which you secured before commencing operations as a Weichert business (whether you secured the listings before or after signing the Franchise Agreement). Following the termination or expiration of the Franchise Agreement, you must pay us Continuing Royalties on any Gross Revenues you receive in connection with Pendings as of the date of termination or expiration.

**The Bank Account.** Within 30 days after we sign the Franchise Agreement, you must establish and maintain a segregated bank account at a bank or other financial institution which we designate (the "Bank Account"). The Bank Account must have the capacity to make payments and receive credits through electronic debiting. We can debit the Bank Account for Continuing Royalties, Marketing Fees

and all other amounts you owe us or our affiliates under the Franchise Agreement. You agree to continuously maintain enough money in the Bank Account so as to allow us to make electronic debits as frequently as (e.g., daily, weekly, monthly or at some other interval), and in the form and manner, we specify in our Operations Manual (as it may be amended from time to time). Notwithstanding the foregoing, you agree to continuously maintain a minimum balance in the Bank Account of at least \$1,500 or whatever higher minimum balance that we consider reasonably necessary. You must reimburse us for any extraordinary costs we incur in collecting or attempting to collect funds due to us or our affiliates from the Bank Account (for example, charges for insufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Bank Account balance). We will notify you of the date and amount of each debit we make from your Bank Account as and when we specify in our Operations Manual.

**Operations Report and Payments.** You must electronically submit an Operations Report to us, as frequently as (e.g., daily, weekly, monthly or at some other interval), and in the form and manner, we specify in our Operations Manual (as it may be amended from time to time). We may require, either in the Operations Manual or elsewhere, that the Operations Report contain some or all of the following information: a statement reporting all Gross Revenues received for the applicable time period; information regarding listings and sales; information regarding other income; information regarding allowable deductions; and/or information regarding staff changes. Notwithstanding the deadlines for submitting the Operations Reports specified in our Operations Manual, you may submit listing data to us as frequently as you desire, so that we can make it accessible to other Weichert Offices. We will electronically debit your Bank Account for the Continuing Royalty and Marketing Fee as frequently as (e.g., daily, weekly, monthly or at some other interval), and in the form and manner, we specify in our Operations Manual (as it may be amended from time to time).

[2] **Marketing Fee.** You agree to pay us a “Marketing Fee” of 2% of the Gross Revenues (as defined above) of your Franchised Business, subject to the “Minimum Monthly Marketing Fee” and “Maximum Monthly Marketing Fee” defined below.

**Minimum and Maximum Monthly Marketing Fee.** The Marketing Fee of 2% of Gross Revenues will be subject to a minimum of \$454.74 per month per Office (the “Minimum Monthly Marketing Fee”) and a maximum of \$1,268.29 per month per Office (the “Maximum Monthly Marketing Fee”). You may not aggregate Marketing Fees from more than one Office for the purpose of calculating the Minimum or Maximum Monthly Marketing Fee. We can increase the Minimum and Maximum Monthly Marketing Fees, effective January 1 of each year, by the percentage of increase in the CPI since January 1 of the calendar year in which we signed the Franchise Agreement.

**Marketing Fees on Pendings.** No Marketing Fees will be payable on Gross Revenues that your Business may receive in connection with Pendings before the Start Date, but following the termination or expiration of the Franchise Agreement, Marketing Fees will be payable based on any Gross Revenues received in connection with Pendings as of the date of termination or expiration.

[3] **Insurance.** You, as a franchisee, must maintain the following insurance:

1. Broad form comprehensive general liability coverage, and broad form contractual liability coverage of at least \$1,000,000 aggregate. This insurance may not have a deductible or self-insured retention of more than \$5,000;
2. Professional liability (real estate brokers’ errors and omissions) insurance in the amount of at least \$1,000,000 per occurrence. You may purchase this insurance on an annual-premium or per transaction basis.
3. Fire and Extended Coverage Insurance on your Office and property in an amount adequate to replace them in case of an insured loss.

4. Business Interruption Insurance in sufficient amounts to cover the rental or mortgage payment of the Offices, previous profit margins (so we receive the Continuing Royalty and Marketing Fees which would have been due were it not for the interruption), maintenance of competent personnel and other fixed expenses during the life of the business interruption.

5. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with minimum limits of liability in the greater of (a) the amount required by all applicable state and federal laws, or (b) \$1,000,000 for each person killed or injured, and, subject to that limit for each person, a total minimum liability of \$2,000,000 for any number of persons injured or killed in one accident, and a minimum limit of \$300,000 for injury, destruction or loss of use of property of third persons as the result of any one accident.

6. Worker's Compensation and Employer's Liability Insurance (in statutory amounts), Unemployment Insurance and State Disability Insurance (as governing law requires), for your employees.

7. In connection with any construction, refurbishment or remodeling of any of the Offices, builders' and/or contractors' insurance and performance and completion bonds in forms and amounts acceptable to us.

8. Insurance coverage sufficient to satisfy your indemnification obligations under the Franchise Agreement.

You must name us and our present and future affiliates, and the present and future corporate affiliates, subsidiaries, successors, assigns and designees of each, and the respective directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each as additional insureds under your insurance policies. If you do not purchase the required insurance, we may obtain the insurance for you, but we have no obligation to do so. If we obtain insurance for you, then you must pay for this insurance and immediately pay the required premiums, or we will debit the Bank Account to reimburse ourselves for the premiums.

[4] **Audits.** If we audit your Business, and you understated the Gross Revenues on the Operations Reports you submitted to us by 2% percent or more for the entire period of examination, when compared with your actual Gross Revenues, then you must immediately pay us the cost of the audit and the additional amounts owing, plus interest at the highest legal rate or, if there is no maximum legal rate, then 4% percent above the prime rate. If you understated your Gross Revenues by 8% or more for the entire period, we can terminate the Franchise Agreement and you must pay the amount due, plus interest, the cost of the audit and liquidated damages (see "Liquidated Damages" on table). The percentages described in this footnote will not change during the term of the Franchise Agreement. If you cancel or reschedule an audit, you must pay us an administrative fee of \$500.

[5] **Attorneys' Fees.** If we prevail in any arbitration or action against you to secure or protect our rights under the Franchise Agreement, or to enforce the terms of the Franchise Agreement, we will be entitled to recover from you reasonable attorneys' fees, experts' fees, arbitrator's fees, court costs and all other expenses of arbitration or litigation. You will be liable for our reasonable attorneys' fees, experts' fees, arbitrator's fees and court costs if we become a party to a proceeding concerning an agreement between us and you (and we win) or to a proceeding concerning the Franchised Business, as a result of an act, error or omission of yours, because of statutory, "vicarious," "principal/agent" or other liabilities imposed on us as your franchisor, or if we become a party to bankruptcy, arbitration, litigation or insolvency proceedings regarding your franchise. If we terminate the Franchise Agreement for your default, or if you terminate the Agreement through non-payment, you must pay us our expenses from your default or termination, including reasonable attorneys' fees, experts' fees arbitrator's fees and court costs.

[6] **Proprietary Software.** You must install and use our current proprietary reporting system, the base version of which we will provide to you at no charge. Required modifications, upgrades or new versions of the base version of our reporting system will be provided to you without charge. We may, however, charge you our then-current fees for any optional enhancements to the base version of the system.

You must also install and use a proprietary internet-based intranet system called WeichertWorks.Net. WeichertWorks.Net provides functional features to be used in the operation of your Business and acts as a gateway between your reporting system and us with respect to reporting listings, pending and completed sales, Gross Revenues, information on staff members, and other required information. You must sign our standard form Software License Agreement for WeichertWorks.Net (in Exhibit A to this disclosure document).

WeichertWorks.Net is available in two (2) service levels – “Basic” and “Gold”. The Basic level helps consolidate access to real estate related and company specific information, outside web links, calendars, email accounts, training, and marketing resources. The Gold level is an enhanced version of the system which includes all of the features and services of the Basic level plus additional features and services such as transaction and document management. These features are described in our Software License Agreement included in Exhibit A.

We provide your Business with one license for the Basic Level, at no charge, in order for your Business to send us required Operations Reports. Required modifications, upgrades or new versions of the Basic Level will be provided to your Business without charge. We may, however, charge you our then-current fees for any optional enhancements to the Basic Level. In addition, if you wish to provide access to WeichertWorks.Net to your staff and sales associates, you may do so on a “company” level; meaning all people in your company will all be on the same service level. There is a monthly fee of \$5.00 per person for access to the Basic level. The Gold Service level is \$10.00 per person per month plus a onetime set up fee of \$250.00 per office. Additional “Add On” features and/or services are options for the Gold level, and additional fees may apply for these features and/or services.

In the future, we may develop or have developed other proprietary software. If we determine that the proprietary software should be used by all Weichert franchisees, then we will provide the base version of the proprietary software to you at no charge; you must install and use the proprietary software; and, you must sign our standard, then-current form of Software License Agreement when we notify you to do so. If we develop modified, upgraded or new versions of the proprietary software that you are required to implement upon our notice to you, we will provide it to you without charge. We may charge you our then-current fees for any optional enhancements to the base version of the proprietary software.

In addition, you must implement and use a proprietary internet-based technology tool called myWeichert. You must sign our standard form Software License Agreement for myWeichert (in Exhibit A to this disclosure document). We provide your Business with access to the base level of myWeichert, at no charge, subject to our designated limits. The base level of myWeichert includes, subject to availability, components for CRM, website integration and CORE BackOffice (formerly Brokersumo). Other features may be made available to you for an additional cost (“add-ons”). If your Business exceeds the aggregate Contact Limit (2,000 contacts per Authorized User), we reserve the right to bill you at our then-current rate (currently, \$2 per 1,000 contacts exceeding the Contact Limit). If your Business exceeds the aggregate Communication Limit (750 e-mails, 25 texts and 30 phone minutes, per Authorized User per month), we reserve the right to bill you at our then-current rate (currently, \$2 per 1,000 emails, \$2 per 100 text messages and/or \$2 per 30 phone minutes, exceeding the Communication Limit). Further, MyWeichert also makes available to you optional CORE Listing Machine and CORE Social features at a fee equal to the greater of \$199 per



month per company or \$7 per user (agent) per month (the company must be fully opted in and the per agent fee will apply to all agents). Add-ons are optional. Upon the availability of any add-ons, we will identify those add-ons which we recommend to assist you with operating your Business. These add-ons are not yet determined and, although not mandatory, we reserve the right to charge you a fee for using any add-ons. In addition, if you and/or any of your Authorized Users' access to myWeichert is suspended or terminated, and thereafter reinstated, then as a condition to reinstatement, we reserve the right to charge a reinstatement fee equal to \$399 (in addition to all past due charges and fees).

We do not have independent access to any information or data that you store on your computer system. If we develop additional proprietary computer software in the future, you must use it and you may be required to sign our standard form of Software License Agreement.

[7] **Referral Fees and Commissions.** The fees for leads referred by one franchised or company-owned Office to another are generally negotiated between the parties and they will vary. Below is a list of referral fees that our affiliates currently charge our franchisees.

If Weichert Workforce Mobility, Inc. ("WWM") refers a corporate lead to you, you pay it between 37.5% and 45% of your Gross Revenues from any transaction arising from the referred lead, as established in the individual WWM contract.

If Weichert Referral Associates, Inc. refers a lead to you, you pay it 37.5% of your Gross Revenues from any transaction arising from the referred lead.

Weichert Lead Network, Inc. ("WLN") has a program for company-owned and franchised Weichert Offices and qualified third party real estate brokerages in which it refers leads generated from listings on [www.weichert.com](http://www.weichert.com) to participating qualified third party real estate brokerages, franchised Weichert offices and company-owned offices. If you decide to participate in the Weichert Lead Network Lead Program, you must sign our WLN Lead Program Membership Agreement (Exhibit H) before you are eligible to participate in the WLN Lead program. If WLN refers a lead to you, you pay it 37.5% of your Gross Revenues from any transaction arising from the referred lead. We can change these referral fees on 30 days written notice to you.

In 2007, WWM formed the Weichert Broker Network ("WBN") comprised of company-owned and franchised Weichert Offices and qualified third party real estate brokerages in select markets in the United States and Canada. This corporate relocation network is voluntary and participation is based on a selection process to determine whether a particular office is qualified to effectively service specialized corporate relocation customers and clients. If you apply to participate in the WBN and WBN determines in its sole judgment that you meet its requirements and are otherwise qualified to participate in the WBN then you will be invited to participate in the WBN. If you are selected to participate in the WBN, you must follow its specific training and ongoing performance requirements. The annual WBN membership fee varies based on your market. Annual fees will not exceed \$3,000 and are reviewed and adjusted annually. For each lead that results in a completed transaction, WWM will charge its referral fee equal to an amount between 37.5% and 45% of your Gross Revenue from that transaction. WWM may negotiate alternative fee arrangements for certain members on a case-by-case basis.

Referral fees payable to these respective affiliates may change following 30 days' written notice.

During the term of your franchise, you may not receive any leads. We make no guarantees or representations about the total number or quality of the leads that you may receive. In addition to the criteria and other conditions described above, the referral of any lead to you is based on a number of other factors, including, whether the lead consents to the referral to be made to you, the number of lead opportunities in your market, and competition in your market from other participating

members, including other members of WBN and the WLN Lead Program who may be third party real estate brokerages that compete directly with you.

**ITEM 7 ESTIMATED INITIAL INVESTMENT\***  
**YOUR ESTIMATED INITIAL INVESTMENT**

(1) Type of expenditure	(2) Amount	(3) Method of payment	(4) When due	(5) To whom payment is to be made
Initial Franchise Fee	\$25,000 See Note 1	Lump Sum	At signing of Franchise Agreement (See Note 1)	Us
Real Property	See Note 2			
Construction/Remodeling/ Leasehold Improvement	0 - \$75,000 See Note 3	As contractor or landlord requires	As contractor or landlord requires	Contractor or landlord
Inventory (yard signs, riders, etc.)	\$7,500 - \$15,000	Lump sum	When incurred	Seller
Office Equipment & Supplies;Decor, Fixtures & Furnishings	0 - \$60,000 See Note 4	As seller requires	As supplier requires	Seller
Computer Hardware And Software	0 - \$12,000 See Note 5	As seller requires	As supplier requires	Seller
Signs	0 - \$20,000 See Note 6	As seller requires	As supplier requires	Seller
Organizational Expense	0 - \$5,000 See Note 7	As you agree with accountant/attorney	As you agree with accountant/attorney	Accountant/Attorney
Permits and Licenses	0 - \$2,000 See Note 8	As agency requires	As agency requires	Agency
Insurance	0 - \$5,000 See Note 9	As Agent requires	Before opening	Agent
Security Deposits	0 - \$7,200	As sellers require	As suppliers require	Sellers
Additional Funds (3 Months)	\$30,000 - \$100,000 See Note 10	As expenses occur	Payroll weekly, other purchases according to agreed-on terms	Employees, sellers of goods and services
<b>TOTAL:</b>	<b>\$62,500 to \$326,200</b> (Excludes real property. See Note 11)			

\* The expenses on the chart above are for your Initial Office. If you open an Additional Office at the same time that you open your Initial Office, your expenses will likely be higher. We expect that most of our franchisees will have at least one existing real estate brokerage office which they will convert to a Weichert Initial Office. None of the expenses described in this chart is fully refundable. We do not expect the costs of items you purchase from third parties to rise faster than general inflation, but cannot guarantee this, since a third party's costs will go up with inflation in its industry segment and

## NOTES

[1] The Initial Franchise Fee for your first Weichert Office will be: \$25,000. See Item 5 for the conditions for a refund of the Initial Franchise Fee. The Additional Office Fee for additional Weichert Offices in your territory which we have approved before you and we sign the Franchise Agreement is \$12,500 per additional office. (See Item 5 for definitions of the terms in this paragraph.) See Item 10 for expenses we may finance.

We may permit you to pay the Initial Franchise Fee in installments, with the first payment due on the date you sign the Franchise Agreement and the balance due on or before your Initial Office Impact Date.

[2] We expect that most of our franchisees will have existing real estate brokerage offices which they convert to Weichert Offices. If you do not have acceptable space for your initial Office, you will have to lease at least 1200 square feet in a suitable building for an Office. Since real estate values vary dramatically from region to region, we cannot accurately estimate your rent, but monthly rental costs range from approximately \$1,200 to \$7,200 or more per month for an Office. To estimate the rental expense for an Office, apply the above square footage requirements to the local real estate rental costs in the area in your Territory where there are suitable buildings.

Each Office must have a screened lobby area; a private manager's office; a minimum of one conference room; and, a storage area and sales associates' work stations screened from public view. There must also be restrooms available to customers which they can access without going through restricted areas, such as the sales associate work area.

[3] You may already have an appropriate Initial Office, or your cost of construction or leasehold improvement for your Office may be minimal. The cost of construction or leasehold improvements will vary depending on your construction and renovation costs and how many of those costs the landlord will pay (if any). You must employ architects, designers, engineers or others as necessary to complete, adapt, modify or substitute the layout, plans and specifications for the Office, including any changes required by the landlord. Typically, you and the contractor you employ will negotiate a payment schedule. The contractor will install the leasehold improvements.

[4] The amount estimated for office equipment and supplies includes decor, fixtures and furnishings, desks, chairs, copying machine, typewriter, desk-top calculators, file cabinets, reception room seating, telephone system, waste baskets and other equipment and supplies necessary to operate the Weichert Business.

[5] Before you commence operation of your Initial Office and any Additional Offices under the Franchise Agreement, you must procure and install the computer system we require at that time at each Office.

[6] Depending on location, type and size of sign. Your signs must conform to specifications.

[7] Actual cost dependent on work done by accountant and attorney, and standard regional rates.

[8] As states and localities require.

[9] Annual premium for required insurance coverage.

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because of material shortages, natural catastrophes, strikes, Acts of God, and other causes beyond its control.

[10] The estimate of additional funds for the initial period of your Business is based on your staff salaries and operating expenses for the first three months of operation. The additional funds required will vary by your area; how much you follow our methods and procedures; your experience, management skill and business acumen; the relative effectiveness of your staff; local economic conditions; the local market for your services; the prevailing wage rate; competition; and the sales level reached during the initial period.

[11] We and our affiliates do not finance your initial investment. In compiling these estimates, we rely on our affiliates' experience in operating real estate brokerage businesses and our management's experience in franchising real estate brokerage businesses. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

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

We have established an Approved Supplier Program. The qualifications and responsibilities of Approved Suppliers are in the Operations Manual. Examples of products which you must obtain from Approved Suppliers include exterior signage, yard signs and riders, ad specialties, stationery, brochures and apparel bearing our logo.

We and our Affiliates may serve as non-exclusive Approved Suppliers. We reserve the right to earn a profit from selling you goods and services. Unless the Franchise Agreement or the Operations Manual provide otherwise, you will be under no obligation to purchase any goods or services from us or our affiliates. At this time, there are no products or services which you must purchase from us or our affiliates as the only approved supplier.

We have developed a proprietary internet-based intranet reporting system called WeichertWorks.Net which all Weichert franchisees are required to use for reporting listings, pending and completed sales, Gross Revenues, information on staff members, and other required information to us. We will provide this reporting system to you at no charge. We are the only approved supplier of the WeichertWorks.Net system. You must install and use this system in connection with your operation of your Franchised Business, and sign our standard form Software License Agreements (in Exhibit A to this disclosure document). If in the future we develop modified, upgraded or new versions of our reporting system, we will provide it to you without charge and you must implement it when we notify you to do so.

In the future, we or our Affiliates may develop other proprietary software, and if we do, you must install it and use it in the operation of your business. We will provide the base version of other proprietary software to you at no charge. You pay for any future updates or revisions. We do not expect to increase our fees for updates and revisions beyond inflation in the applicable industry segment unless our costs increase due to shortages, catastrophes, strikes, Acts of God, etc. You must procure and install the computer system we require at each Office.

We receive revenues from our franchisees from sales of goods and services. Our total revenues for the fiscal year which ended December 31, 2021 were \$19,851,123; our total revenues from franchisee purchases of goods or services from us for the fiscal year which ended December 31, 2021 were \$1,128,390, or 5.7% of total revenues.

During the fiscal year that ended December 31, 2021, our affiliate, Weichert Workforce Mobility, Inc. received \$4,300,349 from franchisee purchases of goods or services.

During the fiscal year that ended December 31, 2021, our affiliate, Weichert Lead Network, Inc. received \$842,544 from franchisee purchases of goods or services.

During the fiscal year that ended December 31, 2021, our affiliate, Weichert Referral Associates Co., Inc. received \$240,403 from franchisee purchases of goods or services.

There are no approved suppliers in which any of our officers owns an interest.

All products and services you procure or purchase through sources other than Approved Suppliers must conform to the same standards and specifications (including proper use of the Proprietary Marks), that we require of Approved Suppliers or that we provide in the Franchise Agreement, the Manual, or otherwise. If you propose a supplier that is not an Approved Supplier, you must provide us reasonable notice of the name of the proposed supplier and the products and/or services you will obtain from the proposed supplier. We may test, analyze, inspect or randomly sample the product or service of the proposed supplier and we may require you to immediately discontinue the use of any product or service not meeting the minimum standards and specifications in the Manual. We will give you notice of our approval or disapproval of a supplier you propose within approximately three to six weeks, depending on the processing of the supplier's application and the timing of the next Supplier Committee meeting. If we disapprove of any product or service offered by your proposed supplier, we will provide you with written notice. We only require your proposed supplier to join the Approved Supplier Program and pay Program fees if it wishes to use our name or marks in promoting itself to prospective customers or it wishes us to add its name to the materials we provide to franchisees listing Approved Suppliers.

We may require our Approved Suppliers to pay us initial and annual fees to participate in our Approved Supplier Program. We may also require some Approved Suppliers to pay us a percentage of the revenues they generate from franchisees and/or furnish us with sample products or services as additional compensation to us for marketing and administrative assistance. We or our affiliates may also receive discounts or rebates from Approved Suppliers. We (or our affiliates) can retain these fees, payments, discounts and rebates. During the fiscal year ended December 31, 2021, we received no discounts from suppliers due to transactions between suppliers and our franchisees; but we did receive \$81,288 in initial, annual, and event fees from Approved Suppliers. In addition, in the fiscal year that ended December 31, 2021, we received \$44,804 in rebates (ranging from approximately four cents per jumbo card to 10% of sales, depending on the particular arrangement) from Approved Suppliers based on optional, non-mandatory, franchisee purchases.

We may provide you with specifications governing the minimum standards of non-proprietary products, services or equipment you procure from a third party (that is, from any party other than us or our affiliates, or the designees of either), in our Operations Manual or in other written notices we transmit to you. We may modify our specifications in writing, and may add new specifications in writing.

We do not expect the prices you pay for purchases from third party suppliers to increase beyond inflation in the applicable industry segment unless the supplier's costs increase due to shortages, catastrophes, strikes, Acts of God, and other causes beyond its control.

We will attempt to negotiate additional purchase arrangements with Approved Suppliers for the benefit of franchisees. There are no purchasing or distribution cooperatives. We provide you with no material benefits (such as granting additional franchises) based on your use of designated or approved sources.

We estimate that the required purchases described above are 3% to 10% of the cost to establish a franchised Weichert Business and approximately 5% of operating expenses.

## ITEM 9      FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the Franchise Agreement 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	Item in Disclosure Document
a.      Site selection and acquisition/lease	Article 5 of Franchise Agreement	Items 7 and 11
b.      Pre-opening purchases/leases	Sections 7.07 and 7.08 of Franchise Agreement	Items 6, 7, 8 and 11
c.      Site development and other pre-opening requirements	Article 5 of Franchise Agreement	Item 7
d.      Initial and ongoing training	Sections 6.02, 6.03, 6.07 and 6.08 of Franchise Agreement	Item 11
e.      Opening	Section 7.01 of Franchise Agreement	Item 11
f.      Fees	Article 4, Sections 14.02(E), 14.03, 14.04 (A) and 14.05 of Franchise Agreement	Items 5 and 6
g.      Compliance with standards and policies/Operations Manual	Article 7, Section 6.01 of Franchise Agreement	Items 7, 8, 11, 14, 15 and 16
h.      Trademarks and proprietary information	Articles 11, 15 and 18 of Franchise Agreement; Articles 1, 3, 4, 5 and 8 of Weichert Works Software License Agreement; Articles 1, 3, 4, 5, 6 and 9 of MyWeichert Software License Agreement	Items 13 and 14
i.      Restrictions on products/services offered	Section 1.06 of Franchise Agreement	Item 16
j.      Warranty and customer service requirements	Section 7.11 of Franchise Agreement.	Item 16
k.      Territorial development and sales quotas	Article 2 of Franchise Agreement	Item 12
l.      Ongoing product/service purchases	Section 7.07 of Franchise Agreement	Items 6 and 8
m.      Maintenance, appearance and remodeling requirements	Sections 7.12 of Franchise Agreement	Item 11
n.      Insurance	Article 8 of Franchise Agreement	Item 6
o.      Advertising	Article 9 of Franchise Agreement	Item 11
p.      Indemnification	Sections 7.17 and 14.04 (C) of Franchise Agreement	Item 6
q.      Owner's participation/management/staffing	Sections 7.06 and 7.07 of Franchise Agreement	Item 15
r.      Records and reports	Article 10 and Section 4.07 of Franchise Agreement	Item 6

Obligation	Section in Agreement	Item in Disclosure Document
s. Inspections and audits	Sections 7.18, 10.02 and 18.02(B)(3) of Franchise Agreement; Article 6 of Weichert Works Software License Agreement; Article 7 of the MyWeichert Software License Agreement	Item 6
t. Transfer	Article 14 of Franchise Agreement Article 7 of Weichert Works Software License Agreement; Article 8 of the MyWeichert Software License Agreement	Item 17
u. Renewal	Article 13 of Franchise Agreement	Item 17
v. Post-termination obligations	Article 18 of Franchise Agreement; Article 9 of Weichert Works Software License Agreement; Article 10 of MyWeichert Software License Agreement	Item 17
w. Non-competition covenants	Article 12 of Franchise Agreement	Item 17
x. Dispute resolution	Articles 20-25 and 28, Sections 12.05 and 18.01 (D) of Franchise Agreement; Articles 8, 11, 12, 13, 14, 16 and 17 of Weichert Works Software License Agreement; Articles 9, 12, 13, 14, 15, 19, 20 and 21 of MyWeichert Software License Agreement	Item 17
y. Other (personal guaranty)	Article 29 and Exhibit D of the Franchise Agreement	Item 15

## ITEM 10 FINANCING

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

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

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

### Pre-Opening Obligations

Before you open your Office, we will:

- (1) Designate your Territory. (Franchise Agreement, Section 2.01 and Exhibit A to the Franchise Agreement)
- (2) Provide you with a Franchisee "Conversion Package" of goods and services, the cost of which will be included in the Initial Franchise Fee. The current Conversion Package includes tuition, economy travel and lodging for one person to attend the Weichert Management Academy, press releases, three (3) listing presentation portfolios, and the ability to place your listings on our Weichert.com site. We may add or subtract products or services from the Conversion Package at any time in our sole judgment. The specific contents of the Conversion Package that we will provide to you will be listed on Exhibit A to your Franchise Agreement. (Franchise Agreement, Section 6.04). We may suspend or rescind all or any part of your Conversion Package if you do not pay us (or our

Affiliates) money that you owe us (or our Affiliates) on time or if you have received a Notice of Default under this Agreement, even if the default was timely cured.

(3) Lend you a copy of our Confidential Operations Manual (the "Manual"). You must strictly comply with the Manual in operating your Weichert Business. We can change the Manual, and you must comply with these changes when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement.

Under certain circumstances, we may decide to lend you a copy of the Manual before you sign the Franchise Agreement. If we do lend you a copy of the Manual, you must sign a Receipt (in Exhibit A to this disclosure document). By signing the Receipt, you acknowledge that we own all proprietary rights in the Confidential Operations Manual, and that you are acquiring no proprietary or other rights to them. You must treat the Confidential Operations Manual and the information contained in it as confidential. If you or we decide not to enter into a Franchise Agreement, then you must immediately return the Confidential Operations Manual to us and you may not use the information contained in the Confidential Operations Manual for any purpose.

The following is the Table of Contents of the Manual as of the date of this disclosure document:

TOPIC	NUMBER OF PAGES
<b>Policies &amp; Procedures:</b> Understanding your franchise, your legal obligations, operating your real estate office, business reporting, guidelines for advertising, sample by-laws of local broker councils, referrals and relocation	50
<b>The Logo Book:</b> The proprietary marks, signage, stationery, name badges, advertising	70
<b>Training:</b> Weichert® training, core courses, advanced courses, specialty courses and other educational events, training policies & procedures	9
<b>Forms:</b> Customer satisfaction survey, list of exempt pending transactions form, in bound referral form, out bound referral form, Weichert® training registration form	6
TOTAL PAGES	135

(4) Provide you with a list of our Approved Suppliers. (Franchise Agreement, Sections 6.05 and 7.07.)

(5) Furnish you with any specifications for required products and services. (Franchise Agreement, Section 7.07.)

(6) Furnish you with our proprietary reporting and business management system. See below in this Item 11. (Franchise Agreement, Section 7.08.)

(7) Approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within ten (10) business days, the material is approved. (Franchise Agreement, Section 9.02.)

(8) We may supply you, at no cost, with one or more brochures and marketing kits containing information about the Ancillary Services and Products offered through our affiliates that are available in your area. If we do so, you must prominently display these materials in areas of your Office that are highly visible to visitors, such as the public lobby and/or client conference areas, as we require. (Franchise Agreement, Section 1.06 (C).)



## Training

**Initial Training Program.** Before the Initial Office Impact Date or the next scheduled training program after the Initial Office Impact Date, we will provide classroom training for you (if the “franchisee” is an individual) or your Business Manager (if the “franchisee” is a business entity) at the Weichert Management Academy, as follows:

### TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
<b>Weichert Philosophy on Operating a Real Estate Business</b>	4.0	0.0	Morris Plains, New Jersey or another location that we designate
<b>Recruiting &amp; Retention</b>	12.0	0.0	Morris Plains, New Jersey or another location that we designate
<b>Listing Mastery</b>	5.0	0.0	Morris Plains, New Jersey or another location that we designate
<b>Marketing</b>	2.0	0.0	Morris Plains, New Jersey or another location that we designate
<b>Technology</b>	2.0	0.0	Morris Plains, New Jersey or another location that we designate
<b>Career Development</b>	2.0	0.0	Morris Plains, New Jersey or another location that we designate
<b>Financial Management</b>	3.0	0.0	Morris Plains, New Jersey or another location that we designate

We intend to conduct the Initial Training Program approximately two (2) times a year (or more frequently, if needed) in Morris Plains, New Jersey. However, we may determine from time to time, in our sole judgement, to suspend in-person gatherings such as the Initial Training Program and instead conduct them virtually. The instructional material consists of lectures, group discussions, role playing and case studies. Leslie Shoaf, our Senior Vice President of Operations, is in charge of the Initial Training Program. The minimum experience of the instructors that is relevant to the subject taught and our operations is from four (4) to thirty-eight (38) years.

The Initial Franchise Fee includes the cost of the Initial Training Program for you (if the “franchisee” is an individual) or your Business Manager (if the “franchisee” is a business entity), and that person must attend the training and complete it to our satisfaction. The Initial Franchise Fee also includes ground or air transportation, hotel accommodations for four nights, certain meals and training materials for that person. You must pay any other expenses, and you must pay your trainee’s salary.

If you or your Business Manager fails to complete the Initial Training Program to our satisfaction, we can terminate the Franchise Agreement. If we do so, we will not refund any portion of the Initial Franchise Fee.

If you would like additional personnel to attend the Weichert Management Academy, you must pay us a fee no greater than \$950 per person for tuition and training materials, and you must pay all expenses incurred by your additional trainees in connection with training including their salaries, transportation costs, hotel accommodations, meals and other expenses.

Any Business Managers you appoint after the opening of your Weichert Business must attend and complete our next scheduled Initial Training Program. You must pay us a fee no greater than \$950 per person for tuition and training materials, and you must pay all expenses incurred by your additional trainees in connection with training including their salaries, transportation costs, hotel accommodations, meals and other expenses. (Franchise Agreement, Section 6.02)

**Initial Support Services.** For a period of 90 days following the opening of your Franchised Business, we will provide initial business support services (Orientation Services) to help implement the Weichert System at your Office(s). These services may include training, administrative assistance and consultation concerning programs, procedures, guidelines, systems, specifications or techniques relating to the operation of your Weichert Business. The timing of Orientation Services will be subject to the availability of our personnel. Orientation Services may be available on-site, off-site, by telephone; or, through other communication formats or devices. (Franchise Agreement, Section 6.08)

**Ongoing Field Support Services.** Following the Orientation Services, we may, at our option, provide ongoing support services at locations of our choosing. The field support services may include management training, business planning and consultation relating to your Weichert Business. We will not charge a fee for this training, but you must reimburse us for the costs for any training materials, equipment leasing and/or meeting room expenses. You must also pay all related expenses of your trainees including, transportation costs, meals, lodging and living expenses. (Franchise Agreement, Section 6.09)

**Sales Training Classes.** We will provide regularly scheduled initial sales training classes (Fast Track Training) for your sales associates at local or regional locations or through webinar formats, subject to our scheduling, notification, enrollment and cancellation policies. All new sales associates hired by you must attend and complete Fast Track Training to our satisfaction. The cost is currently up to \$169 per person for webinar classes and up to \$199 per person for on-site classroom training, including training materials. You must pay all other expenses such as salaries, transportation costs, meals, lodging and other living expenses, if any. (Franchise Agreement, Section 6.03)

We may also provide optional training classes for sales associates or staff members at local or regional locations or through webinars, and subject to our scheduling, notification, enrollment and cancellation policies. The cost for this training to you or your sales associates will be limited to reasonable reimbursement for any required and/or optional training materials, equipment leasing and/or meeting room expenses. You must pay all other expenses of your trainees, including their salaries, transportation costs, meals, lodging and other living expenses. (Franchise Agreement, Section 6.03)

**Conventions and Business Conferences.** We may conduct system-wide business conferences or conventions. We will determine the duration, agenda and location of these. You (if the “franchisee” is an individual) and/or your Business Manager(s) must attend, and you may send other attendees if you wish. We may charge you a reasonable fee to cover our costs and expenses of organizing and conducting each Management Retreat or Convention you attend - - provided, such charge will not exceed \$999 per attendee for each Management Retreat or Convention (subject to an annual adjustment for inflation as it affects our associated costs and expenses). You must also pay all related expenses of your attendees including, transportation costs, meals, lodging and living expenses. (Franchise Agreement, Section 6.07)

**Deviations in In-Person Gatherings.** We reserve the right to make any adjustments to our services offered to you as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

### **Obligations After Opening**

During the operation of the franchised business, we will:

- (1) Provide you with all updates and revisions to our Operations Manual. (Franchise Agreement, Section 6.01.)
- (2) Furnish you with initial business support services (Orientation Services) we consider advisable. (See above.) We may provide these services on-site, off-site, by telephone or through other means. Timing will depend on the availability of our personnel. (Franchise Agreement, Section 6.08.)
- (3) Continue to approve or disapprove any advertising, direct mail, identification and promotional materials and programs you propose within 10 business days of receipt. If we do not respond within 10 business days, the material is approved. (Franchise Agreement, Section 9.02.)
- (4) Continue to furnish you with any specifications for required products and services. (Franchise Agreement, Section 7.07.)
- (5) Continue to furnish requirements for the selection, training and duties of your personnel, Business Manager and Office Managers. (Franchise Agreement, Section 7.07.)
- (6) If you are eligible, pay you Weichert Incentive Bonuses as described below in this Item 11. (Franchise Agreement, Section 6.06.)
- (7) Notify you in writing of the Local Broker Council to which we assign you. We may change the boundaries and the membership of Local Broker Councils. (Although we wish to avoid this, you may have Offices which we assign to different Local Broker Councils, particularly if you add Additional Offices under a subsequent Franchise Agreement.) You must join and participate in the Local Broker Council(s) to which we assign you and pay all dues and assessments that your Local Broker Council(s) requires. Each Local Broker Council will be governed by Bylaws which will be included in the Manual and are included in Exhibit A to this disclosure document, except as modified to conform with the laws of any specific jurisdiction. The Local Broker Council may adopt further rules and procedures, including attendance requirements imposed on you or your designated representative, but these rules and/or procedures will not materially and unreasonably increase your obligations under the Franchise Agreement. (Franchise Agreement, Section 7.09 (A).)

Your dues to each Local Broker Council will not be less than \$300 per year or more than \$3,000 per year, unless franchisee Council members change the dues in accordance with the Bylaws of the Council. In addition to the Council dues, a Local Broker Council may impose special

assessments for marketing, advertising and promotional purposes, in amounts no greater than \$500 per Office per month, unless franchisee Council members change this maximum assessment in accordance with the terms of the Bylaws of the Council. If you do not make required payments of dues or assessments to your Local Broker Council, we can terminate the Franchise Agreement.

The Local Broker Council may expend the funds derived from franchisee dues and assessments (and any funds we transfer to the Council from the Local Marketing Fund, as described in (9) below) for the following purposes: developing advertising ideas and concepts; developing market research and merchandising programs; preparing advertising campaigns; developing promotional ideas and strategies; preparing collateral creative materials; preparing advertisements; placing and paying for marketing and advertising by the Local Broker Council; planning, negotiating, contracting and trafficking all media programs; employing advertising agencies to assist in the above activities and securing other technical and professional advice in connection with the above; other public relations; sales rallies, awards banquets, special promotions and other marketing and promotional activities; reimbursement of reasonable travel and lodging costs of the Council's elected or appointed representative to any Regional Advisory Councils; and, administering the Council, including legal and accounting services. It will not be a requirement that expenditures made by a Local Broker Council be proportionate to your contributions or those of any other franchisee.

Each Local Broker Council will order an audit following the end of each fiscal year. The auditors will present their audit report to the Board of the Council as soon as practicable, and the Board will then present the report to you and the other members of the Council at the next regular meeting or at a special meeting. The sample Bylaws will be included in the Manual and are included in Exhibit A to this disclosure document.

A representative of ours must attend all meetings of any Local Broker Council and of any subgroup of its members. We will not have a vote in these meetings, but we will have the right to veto any Council action. No company-owned Offices will participate in or contribute to any Local Broker Council.

(8) Notify you of any Regional Advisory Councils, National Councils or International Councils that we may form and which affect you. We may establish Regional Advisory Councils of franchisee representatives in each Local Broker Council or other regional area we determine. We may also establish a National or International Advisory Council of franchisee representatives within boundaries or other groups we establish. Each Regional Advisory Council, National Advisory Council or International Advisory Council will operate in accordance with policies and procedures we establish and specify. Actions of the Regional, National or International Councils are advisory only and will not be binding upon us or individual franchisees. Regional, National and International Councils will be composed of Weichert franchisees elected or appointed on a representative basis by members of Local Broker Councils and/or Regional Advisory Councils, or by us. Representatives to Regional, National and International Councils will have voting power in proportion to the number of Weichert franchisees in the area or region they represent. A representative of ours must attend all meetings of any franchisee council and of any subgroup of its members. We will not have a vote in any franchisee council, but we will have the right to veto any council action.

(9) Administer the Weichert Marketing Fund as follows (Franchise Agreement, Section 9.03). We will combine your Marketing Fees with the Marketing Fees paid by all other Weichert franchisees and our contributions to constitute the Weichert Marketing Fund. The Fund will not be used to solicit the sale of franchises. You must pay a Marketing Fee of 2% of Gross Revenues per Office as frequently as (e.g., daily, weekly, monthly or at some other interval) we specify in our Operations Manual (as it may be amended from time to time), but the aggregate Marketing Fees you pay us each month will not be less than \$454.74 per month per Office (the "Minimum Monthly Marketing Fee") or more than \$1,268.29 per month per Office (the "Maximum Monthly Marketing Fee"). We can

increase the Minimum and Maximum Monthly Marketing Fees, effective January 1 of each year, by the percentage of increase in the CPI since January 1 of the calendar year in which we signed the Franchise Agreement. If we sign the Franchise Agreement on or after January 1, 2022, the applicable Minimum or Maximum Monthly Marketing Fee will be increased by the percentage of increase in the CPI from the period January 1, 2021 through December 31, 2021. All franchisees are required to contribute to the Weichert Marketing Fund in accordance with the same formula.

***Our Contributions to the Fund.*** On or before the fifteenth business day of each month, we will contribute to the Marketing Fund an amount equal to 5% of the Continuing Royalty payments we have received from our franchisees during the previous month (less any Weichert Incentive Bonuses we may have paid, or which have accrued, to you and other franchisees). We are not obligated to contribute to the Fund any portion of the Initial Franchise Fees, Marketing Fees or any payments other than Continuing Royalties that we receive from franchisees.

***Expenditure of Local Marketing Fees.*** We will spend approximately 50% of the Weichert Marketing Fund, less reasonable administrative costs, production costs and advertising agency commissions (the "Local Marketing Fund"), on marketing, advertising and promotion within our franchisees' local areas, using programs and media that we select. These local areas may cover the Territories of two or more Weichert franchisees. We may transmit some or all of the Local Marketing Fund to Local Broker Councils for the Council to spend on marketing, advertising and promotion within the geographic area covered by each Council (see above).

***The Regional/National Marketing Fund.*** The remaining portion of the Fund (the "Regional/National Marketing Fund") is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the Weichert System. We and our designees have no obligation in administering the Regional/National Marketing Fund to make all expenditures equivalent or proportionate to your contributions, to ensure that any other particular franchisee benefits directly or proportionately from the placement of all advertising or to ensure that all marketing and advertising impacts or penetrates your Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund or any portion of the Fund.

***The Weichert Marketing Fund Advisory Council.*** We established a Weichert Marketing Fund Advisory Council. As of the date of this disclosure document, the Council had five franchisee representatives and one representative of ours. We can vary the composition of the Council. All Weichert franchisees in good standing will elect the franchisee representatives, on the basis of one Office, one vote, except that no franchisee (or group of commonly-controlled franchisees) may have more than 25% of the vote regardless of the number of Offices owned by the franchisee or group of commonly-controlled franchisees. The functions of the Council will be solely advisory, and we will have sole control and direction of all marketing, advertising and promotional programs, the creative concepts, materials and media used in the programs, and the placement and allocation of advertising.

***Use of Regional/National Marketing Fund.*** We may use the Regional/National Marketing Fund to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or localized marketing and advertising (including, for example, the cost of preparing and conducting television, radio, magazine, newspaper and World Wide Web/Internet advertising campaigns and other public relations activities) and employing advertising agencies to assist in these activities, including fees to have print, broadcast and/or World Wide Web/Internet advertising placed by an agency and all other advertising agency fees. We may use advertising agencies affiliated with us. We will maintain the sums paid by franchisees to the Fund or income earned from the Fund in a separate account (except for any Local Marketing Fees we may transmit to Local Broker Councils as described above), and we may not use these amounts for any purposes other than those provided for in the Franchise Agreement. We can spend up to 15% of the annual expenditures of the Fund

(including both the Regional/National Marketing Fund and franchisee Local Marketing Fees) for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including (for example) conducting market research; preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing and maintaining, and paying third parties for, the preparation and maintenance of World Wide Web pages and sites; other activities related to advertising and promotion via the Internet and/or other public computer networks; and, collecting and accounting for assessments for the Fund and preparing audits of the Fund. This charge of up to 15% does not include any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print or broadcast advertising placed by an agency. In making expenditures from the Regional/National Marketing Fund, we can use any media, create any programs and allocate advertising funds to any regions or localities as we consider appropriate.

**Audit of Fund.** Within one hundred twenty (120) days following the end of each fiscal year, we will prepare an audited statement detailing Fund income and expenses for the fiscal year just ended. The audit will be available to Weichert franchisees upon request.

**Fund Surpluses and Deficits.** We expect to expend most contributions to the Fund for advertising purposes during the fiscal year when the contributions are made. If we expend less than the total sum available in the Fund during any fiscal year, we may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for expenditure on local advertising (as specified in our Manual). We may cause the Fund to invest any surplus for future use by the Fund. If we expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. The Fund may borrow from us or other lenders to cover deficits of the Fund.

**Fund Expenditures.** During our most recently concluded fiscal year which ended on December 31, 2021, we spent 1.6% of the Fund on production, 92.2% of the Fund on media placement, and 6.2% of the Fund on administrative expenses.

**Termination of Fund.** Although we intend the Fund to be of perpetual duration, we can terminate the Fund and if we do so, then our obligation to contribute a percentage of Continuing Royalty payments for marketing purposes will also terminate. We will not terminate the Fund, however, until we have expended all money in the Fund for advertising and promotional purposes.

**No Contributions to Fund or Councils by Company-Owned Offices.** While we will contribute to the Fund a portion of the Continuing Royalty payments we receive from franchisees as described above, no Weichert Office which we or our affiliates own or operate will be required to participate in or contribute to the Weichert Marketing Fund or to any Local Broker Council. However, company-owned Offices may decide to participate in a regional or joint franchise advertisement or advertising program listing the names, addresses and/or telephone numbers of individual Weichert Offices, including company-owned Offices, or in other newspaper print programs which have a greater geographic base. If we or our affiliate decide to participate in any joint or regional advertising of this type, then we or our affiliate will contribute our (or its) proportionate share of the cost of the advertisement.

### **Other Advertising Information**

You must participate in all marketing programs through third party Web sites that we consider in the best interests of all Weichert franchisees. You must pay your share of any participation fees to us,

our Affiliate or the third party provider. We or our Affiliates may also charge you reasonable administration fees in connection with the programs.

Except as described above, there is no obligation for us to maintain any advertising program. We currently advertise using outdoor advertising mediums (e.g. billboards, taxi toppers and bus stop signage), print, radio and television, with local and regional coverage. We currently employ both an in-house advertising department and national or regional advertising agencies. The Franchise Agreement does not give us the power to require cooperatives to be formed, changed, dissolved or merged and you are not required to participate in a local or regional advertising cooperative. However, our Local Brokers Councils perform many of the same functions as a franchise advertising cooperative – see the discussion of Local Brokers Councils above.

You may develop advertising materials for your own use, at your own cost. As stated above, we must approve these advertising materials in advance and in writing, but if we do not respond within ten business days after receiving your proposed advertising material, the material is approved.

### **Web Sites**

We, either our self or through a designee, have the right to post your real estate listings and other information about your Office and/or sales associates on internet Web Site(s) and intranet Web Site(s) maintained by us or one of our designees, without restriction. You may maintain one or more separate and distinct World Wide Web sites in connection with the Franchised Business, but you have no obligation to do so. If you maintain a Web site, you must comply with the following requirements and all our other Web site requirements (Franchise Agreement, Section 7.10).

You must obtain our advance written approval for each Internet domain name and/or home page address. We will be and remain the sole owner of the domain name for the Web site (except for any pre-existing active Web sites of yours listed on Exhibit A to the Franchise Agreement – see below). You must arrange for the centralized registration of the domain name for each Web site in our name. We may furnish you with materials for your Web site, which you must adapt, localize and use, but we will be and at all times remain the sole owner of the copyrights for all material which appears on your Web site. The requirement for our advance approval will apply to all activities on the Internet or other computer communications network you will engage in, except that you may maintain e-mail addresses and conduct e-mail communications without our advance written approval. You may not use any of the Proprietary Marks (in whole or in part) as part of your e-mail address without our advance written approval, which we can withhold for any or no reason. Any e-mail address which we permit you to use that contains any of the Proprietary Marks (in whole or in part) will be our intellectual property, and will be considered assigned to us by virtue of your use.

All information gathered by use of your Web site (including, for example, client lists) will be our property. All material and information which appears on any Web sites you maintain in connection with the Franchised Business will constitute “Confidential Information” as defined in Article 11 of the Franchise Agreement.

All revenues (for example, any advertising-related revenues) from any Web site which you establish or maintain will be included in Gross Revenues for the purpose of calculating Continuing Royalties and Marketing Fees.

You will provide us with a list of active Web site domain names and e-mail addresses which you represent that you have continuously utilized preceding your signing of the Franchise Agreement in promoting your Office and real estate business. We will identify these Web site domain names and e-mail addresses on Exhibit A to your Franchise Agreement. Upon the expiration or termination for any reason of the Franchise Agreement, you may retain ownership and use of the domain names and email addresses identified on Exhibit A to your Franchise Agreement, if you remove (and do not

add) our Proprietary Marks, references to your Weichert Office and your previous affiliation as a Weichert franchisee. Upon the expiration or termination of the Franchise Agreement, you must irrevocably assign and transfer to us (or to another franchisee or other designee of ours) any and all interests you may have in any and all Web site domain names and e-mail addresses not identified on Exhibit A to the Franchise Agreement that you maintain in connection with the Franchised Business. You must sign any documents and perform any other actions we require to effectuate this assignment, and you must ensure that all rights in these Web sites and e-mail addresses revert to us (or to another franchisee or other designee of ours). Following the expiration or termination of the Franchise Agreement, you may not establish any Web site using any similar or confusing domain names and/or e-mail addresses, you may not identify yourself on any Web site as a former franchisee of ours, and you may not use the Proprietary Marks or any colorable imitation of any of them in any metatag.

### **Computer System**

You must install and use our current proprietary reporting system, the base version of which we will provide to you at no charge. Required modifications, upgrades or new versions of the base version of our reporting system will be provided to you without charge. We may, however, charge you our then-current fees for any optional enhancements to the base version of the system.

You must also install and use a proprietary internet-based intranet system called WeichertWorks.Net. WeichertWorks.Net provides functional features to be used in the operation of your Business and acts as a gateway between your reporting system and us with respect to reporting listings, pending and completed sales, Gross Revenues, information on staff members, and other required information. You must sign our standard form Software License Agreement for WeichertWorks.Net (in Exhibit A to this disclosure document).

WeichertWorks.Net is available in two (2) service levels – “Basic” and “Gold”. The Basic level helps consolidate access to real estate related and company specific information, outside web links, calendars, email accounts, training, and marketing resources. The Gold level is an enhanced version of the system which includes all of the features and services of the Basic level plus additional features and services such as transaction and document management. These features are described in our Software License Agreement included in Exhibit A.

We provide your Business with one license for the Basic Level, at no charge, in order for your Business to send us required Operations Reports. Required modifications, upgrades or new versions of the Basic Level will be provided to your Business without charge. We may, however, charge you our then-current fees for any optional enhancements to the Basic Level. In addition, if you wish to provide access to WeichertWorks.Net to your staff and sales associates, you may do so on a “company” level; meaning all people in your company will all be on the same service level. There is a monthly fee of \$5.00 per person for access to the Basic level. The Gold Service level is \$10.00 per person per month plus a onetime set up fee of \$250.00 per office. Additional “Add On” features and/or services are options for the Gold level, and additional fees may apply for these features and/or services.

In addition, you must implement and use a proprietary internet-based technology tool called myWeichert. You must sign our standard form Software License Agreement for myWeichert (in Exhibit A to this disclosure document). We provide your Business with access to the base level of myWeichert, at no charge, subject to our designated limits. The base level of myWeichert includes, subject to availability, components for CRM, website integration and CORE BackOffice (formerly Brokersumo). Other features may be made available to you for an additional cost (“add-ons”). If your Business exceeds the aggregate Contact Limit (2,000 contacts per Authorized User), we reserve the right to bill you at our then-current rate (currently, \$2 per 1,000 contacts exceeding the



Contact Limit). If your Business exceeds the aggregate Communication Limit (750 e-mails, 25 texts and 30 phone minutes, per Authorized User per month), we reserve the right to bill you at our then-current rate (currently, \$2 per 1,000 emails, \$2 per 100 text messages and/or \$2 per 30 phone minutes, exceeding the Communication Limit). Further, MyWeichert also makes available to you optional CORE Listing Machine and CORE Social features at a fee equal to the greater of \$199 per month per company or \$7 per user (agent) per month (the company must be fully opted in and the per agent fee will apply to all agents). Add-ons are optional. Upon the availability of any add-ons, we will identify those add-ons which we recommend to assist you with operating your Business. These add-ons are not yet determined and, although not mandatory, we reserve the right to charge you a fee for using any add-ons. In addition, if you and/or any of your Authorized Users' access to myWeichert is suspended or terminated, and thereafter reinstated, then as a condition to reinstatement, we reserve the right to charge a reinstatement fee equal to \$399 (in addition to all past due charges and fees).

In the future, we may develop or have developed other proprietary software. If we determine that the proprietary software should be used by all Weichert franchisees, then we will provide the base version of the proprietary software to you at no charge; you must install and use the proprietary software; and, you must sign our standard, then-current form of Software License Agreement when we notify you to do so. If we develop modified, upgraded or new versions of the proprietary software that you are required to implement upon our notice to you, we will provide it to you without charge. We may charge you our then-current fees for any optional enhancements to the base version of the proprietary software.

We do not have independent access to any information or data that you store on your computer system.

Before your Initial Office and any Additional Office begin operations, you must procure and install at the Office in question, at your expense, the computer system we require at that time, consisting of the computer hardware, software, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment that we then specify. You may purchase computer hardware and software from any supplier so long as it meets our specifications. Our current minimum computer specifications for the hardware and software you must purchase are as follows: Intel Core I5 (dual core), or equivalent AMD processor, with minimum 2.4 ghz speed, 500 gigabyte hard disk drive or 256 gigabyte solid state drive, 4 gigabytes of RAM, Visual Display capability of at least 1024x768 pixels, a typical desktop display size and Windows 10 Professional (or later version) operating system, with Microsoft Office 365 (or later version), including PowerPoint, Excel, Outlook and Word, plus Adobe Reader and Windows Media Player or its equivalent, and Google Chrome as a recommended web browser. The computer system will be used for generating and storing letters, documents, slide presentations, spreadsheets, accessing websites and the Internet, CRMs, transaction management, financial applications, and e-mail.

We will provide you with our current minimum computer specifications for the hardware and software you must purchase. We estimate that the required computer hardware and software will cost \$3,000 to \$12,000 unless you already have an adequate computer system, in which case you will incur no further cost. You can purchase computer hardware and software from any supplier if it meets our specifications.

We also require that you obtain high speed internet access (via cable modem, DSL, fiber optic or broadband) to facilitate your access to our computer systems.

You must, at your expense, keep your computer systems in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or

systemically beneficial to you and to us, you must install at your own expense the additions, modifications, substitutions and/or replacements to your computer hardware, software, telephone and power lines and other computer facilities as we direct, on the dates and within the times we specify. There is no contractual limit on our ability to require you to upgrade, add components and replace components. We estimate that on average the cost of maintenance, upgrading and support for your computer system will range, approximately, between \$500 and \$2,000 annually.

Upon termination or expiration of the Franchise Agreement, you must return all computer software, disks, backup tapes and other magnetic storage media to us in good condition, allowing for normal wear and tear.

In addition to the requirements above, each of your Business Managers, Office Managers and sales associates must have an active business e-mail address enabling us to send general announcements, referrals and/or other business communication regarding the Weichert System or your particular Weichert Office.

### **Weichert Incentive Bonus Program**

**Definitions.** Under the Weichert Incentive Bonus Program, you may be eligible to receive an annual bonus. To qualify for a Weichert Incentive Bonus, you must achieve certain levels of Continuing Royalties timely paid to us, and comply with operational criteria, as described below (Franchise Agreement, Section 6.06.)

The following definitions apply to the Weichert Incentive Bonus Program:

A "Calculation Year" means any whole or partial calendar year during which you are operating the Franchised Business under the Franchise Agreement.

The "Award Date" means March 31<sup>st</sup> of the calendar year immediately following the Calculation Year. During the year in which the Franchise Agreement expires, if we agree to enter into a Successor Franchise Agreement with you, then the Award Date will be the later of March 31<sup>st</sup> of that year or the fourteenth day after the date on which we deliver to you a Successor Franchise Agreement which we have countersigned (see requirement below).

**Conditions.** Our obligation to pay you a Weichert Incentive Bonus will depend on your fulfilling the conditions we state in our Operations Manual, including the following conditions:

You and your Franchised Business must be in compliance with the Franchise Agreement, with the Operations Manual and all with other agreements between you and us or our affiliates.

You must have satisfied all monetary obligations to us or our affiliates and must have timely met these obligations throughout the Calculation Year.

You must not have received more than two Notices of Default under the Franchise Agreement, even if the defaults were timely cured, within the Calculation Year.

During the calendar year during which the Franchise Agreement expires, if your Franchise Agreement expires between January 1<sup>st</sup> and March 31<sup>st</sup> of that year, then you will only be eligible for a Weichert Incentive Bonus for the preceding Calculation Year if we agree to enter into a Successor Franchise Agreement and you and we have signed a Successor Franchise Agreement by March 31<sup>st</sup>. If your Franchise Agreement expires between January 1<sup>st</sup> and March 31<sup>st</sup> and we have not signed a Successor Franchise Agreement by March 31<sup>st</sup> of that year, then we will have no obligation to pay you a Weichert Incentive Bonus for the Calculation Year before the calendar year during which the Franchise Agreement expires.

We may modify the conditions for the award of a Weichert Incentive Bonus and establish new

conditions. We will communicate any modification or new condition to you in writing no later than February 15th of any Calculation Year to which the adjustment applies.

**Payment of Bonus.** If you have met all the conditions for the award of a Weichert Incentive Bonus during the preceding Calculation Year (or part of a Calendar Year), then we will pay to you, on or before the Award Date in question, a Weichert Incentive Bonus (subject to the limitations described above for the calendar year during which the Franchise Agreement expires).

The Weichert Incentive Bonus for each Calculation Year under the Franchise Agreement will be calculated in accordance with the table below, as follows: We will first calculate the Bonus for each range (starting with Range 2) by multiplying your Annual Continuing Royalties you timely pay us on Gross Revenues you received in the Calculation Year (“Qualifying Royalties”) within the Range by the Percentage Multiplier for that Range, crediting you with the Maximum Award per Range, and we will then add the Bonuses you are entitled to for each Range to arrive at your total Weichert Incentive Bonus for a Calculation Year. The calculation of Weichert Incentive Bonuses will be based on the aggregate Annual Continuing Royalties you timely paid us on Gross Revenues you received in the Calculation Year for all your Weichert Offices.

**CALCULATION OF WEICHERT INCENTIVE BONUS**

Range	Annual Qualifying Royalties paid		Percentage Multiplier	Maximum Award Per Range	Cumulative Maximum Award
	From	To			
1	\$0	\$120,000	n/a	\$0	\$0
2	\$120,001	\$180,000	16.6667%	\$10,000	\$10,000
3	\$180,001	\$240,000	33.3333%	\$20,000	\$30,000
4	\$240,001 and above		50.0000%	No Maximum	No Maximum

**Examples.**

If you paid aggregate Qualifying Royalties of \$135,000, your Weichert Incentive Bonus would be \$2,500.00 as the calculation chart below shows:

Range	Annual Qualifying Royalties paid		Amount of qualifying Continuing Royalty in each Range	Percentage Multiplier	Award per Range
1	\$0	\$120,000.00	\$120,000.00	0.0000%	\$0
2	\$120,001.00	\$180,000.00	\$15,000.00	16.6667%	\$2,500.00
3	\$180,001.00	\$240,000.00	\$0	33.3333%	\$0
4	\$240,001.00		\$0	50.0000%	\$0
			\$135,000.00	TOTAL AWARD	\$2,500.00

If you paid aggregate Qualifying Royalties of \$310,000, your Weichert Incentive Bonus would be

\$55,000.00 as the calculation chart below shows:

Range	Annual Qualifying Royalties paid		Amount of qualifying Continuing Royalty in each Range	Percentage Multiplier	Award per Range
1	\$0	\$120,000.00	\$120,000.00	0.0000%	\$0
2	\$120,001.00	\$180,000.00	\$60,000.00	16.6667%	\$10,000.00
3	\$180,001.00	\$240,000.00	\$60,000.00	33.3333%	\$10,000.00
4	\$240,001.00		\$70,000.00	50.0000%	\$35,000.00
			\$310,000.00	TOTAL AWARD	\$55,000.00

**Default.** If we deliver a notice of default to you, then we will exclude the Continuing Royalties of your Franchised Business during the calendar quarter in which the notice is delivered to you and each calendar quarter (or partial quarter) during which the default remains uncured at the end of the calendar quarter from the calculation of Continuing Royalties for the Calculation Year in question, whether or not you cure the default on a timely basis.

**Assignment.** If the Franchise Agreement is assigned in compliance with the Franchise Agreement, then we will prorate the Weichert Incentive Bonus on a monthly basis, with any Weichert Incentive Bonus earned before the calendar month in which the effective date of the assignment occurs accruing to the assignor, and any Weichert Incentive Bonus earned following the calendar month in which the effective date of the assignment occurs accruing to the assignee.

**General.** So there is no misunderstanding, we will deduct from any Weichert Incentive Bonus all Continuing Royalties and Marketing Fees and other payments, obligations and amounts that you owe to us or any of our affiliates and which have not been timely paid. We will construe and interpret the Weichert Incentive Bonus program. If there is any dispute with regard to the payment of the Weichert Incentive Bonus or the interpretation of any aspect of the Weichert Incentive Bonus, our decision will be final and binding on you and us. The Weichert Incentive Bonus is not a refund of Continuing Royalties or other amounts you pay to us, but rather a separate incentive designed to reward outstanding performance as well as full compliance with the Franchise Agreement and the Operations Manual.

#### **No Training, Support, Promotion or Assistance Obligations for Non-Residential Property**

While we will permit you to perform Services for non-residential property under our name and marks, we will have no obligation to furnish you with any training, support, promotion or other assistance in connection with any non-residential real estate brokerage activities. Under the terms of the Franchise Agreement, you waive, release and discharge any claim to the contrary. For example, we will have no obligation to list any non-residential property you may be offering on our Web site. You must comply with any regulations, standards or policies governing the furnishing of brokerage services for non-residential property by our franchisees which we may adopt. You must also pay Continuing Royalties on Gross Revenues generated from Services you perform for non-residential property. (Franchise Agreement, Section 1.06)

#### **Site Selection**

We expect that most of our franchisees will have an existing real estate brokerage office which they will convert to a Weichert Initial Office. If you do not have an acceptable existing real estate brokerage office which you will convert, you will select the site of your Initial Office Location before you and we

sign the Franchise Agreement and we will not sign the Franchise Agreement unless we have approved your proposed site. There is therefore no contractual time limit for us to approve or disapprove a site. We consider the following factors in approving sites: the general location and neighborhood and proximity to customers; traffic patterns; size of the space; age and condition of the building in which the proposed Location is situated; ingress and egress; the availability of locations and necessary zoning; the location of competitors; and, expected overhead.

### **Time to Open**

You must start operating your franchised Weichert Business from your Initial Office no later than the date specified in Exhibit A to the Franchise Agreement (the "Initial Office Impact Date").

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening as a Weichert Business for a franchisee who has a real estate brokerage office being converted to a Weichert Initial Office will be thirty (30) to sixty (60) days. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Weichert business for a franchisee who does not already have a real estate brokerage office to convert will be sixty (60) to one hundred twenty (120) days. Factors affecting time include attendance at and satisfactory completion of the Weichert Management Academy, obtaining a satisfactory Office site (if applicable), arranging for any financing, complying with local ordinances, completing delivery and installation of equipment and signs and procuring opening inventory.

## **ITEM 12 TERRITORY**

**The Territory.** We will grant you a geographic area (the "Territory"). In most suburban and rural areas and in most urban areas that are not downtown, the Territory we grant you will generally be between one and three square miles surrounding your Office. In downtown urban areas and in resort areas, the Territory we grant you will generally consist of one square city block (approximately 0.10 [1/10<sup>th</sup>] mile squared). We will describe your Territory in detail in Exhibit A to your Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

**Offices.** Your Weichert Business will operate from a Weichert Office from which your licensed real estate brokerage will provide residential real estate brokerage services and limited non-residential real estate brokerage services to customers located in the state(s) in which the brokerage is licensed. You must operate your Weichert Office solely from your Office Location. An "Office" means the business premises from which you conduct your franchised Weichert Business. An "Office Location" means the location for your Office in the Territory which you select and we approve. Unless this Disclosure Document or the Franchise Agreement indicates otherwise, whenever we refer to the "Office" in the singular, we mean all of the Weichert Offices you operate within the Territory under the Franchise Agreement, and whenever we refer to the "Office Location" in the singular, we mean all of your Office Locations.

**Relocation.** You may not relocate any of your Weichert Offices to another location without first obtaining our written approval for the new location. We may charge you for any costs we incur in connection with the relocation. Our approval of any relocation will not change the Territory granted by the Franchise Agreement, unless we also change the Territory in writing.

***Administrative, Temporary and Satellite Offices.*** The following definitions apply:

An Administrative Office is an office you operate within the Territory for purely administrative purposes and from which you do not provide any Services to clients. If you operate an Administrative Office, you need not pay us an Additional Office Fee, but you must pay us an administrative fee of up to \$1,000. If you provide any Services (or Ancillary Services or Products) to clients from any Administrative Office, then that Office becomes an Additional Office, you must immediately pay us the Additional Office Fee, and all other Office requirements will apply to that Office.

A Temporary Office is an Office that you may operate only for a limited time (further defined in our Operations Manual). Examples of Temporary Offices include sales offices located in or near a new housing tract or subdivision, sales offices that you use while your Initial Office is temporarily unavailable, and other arrangements, where there are facts and circumstances that we determine, in our sole judgment, warrant a Temporary Office, and, from which Services are provided to clients. You may operate each Temporary Office for no longer than the period we agree upon in writing. You may operate approved Temporary Offices without paying us an Additional Office Fee, but you must pay us an annual administrative fee of up to \$2,000.

A Satellite Office is an office that you may operate only for a limited time (further defined in our Operations Manual). Examples of Satellite Offices include sales offices operated located within 10 miles of your main Initial Office in the Territory that you use when you are determining whether to open a new additional Initial Office and other arrangements, where there are facts and circumstances that we determine, in our sole judgment, warrant a Satellite Office, and, from which Services are provided to clients. You may operate each Satellite Office for no longer than the period we agree upon in writing. Your right to operate a Satellite Office may be terminated by you any time after the first 12 months of operation, for any or no reason, so long as you provide us with at least 60 days prior written notice. You may operate Satellite Offices without paying us an Additional Office Fee, but you must pay us a monthly satellite fee of \$199 per month for a minimum of twelve (12) months. We may decide on additional pre-requisites for our approval of a Satellite Office and may change those pre-requisites from time to time. Such pre-requisites currently include: that you have at least one full-fledged Office (that is, in the typical format for an Initial Office); that you be in good standing and have no defaults under your Franchise Agreement within the prior 12 months; that the average Gross Revenues of all your existing full-fledged Offices (excluding any Satellite Office) be at least \$500,000 per year; that the average Gross Revenues of all your existing Satellite Offices be at least \$150,000 per year; and, that your existing Offices have all required Weichert systems well entrenched, as determined in our sole judgment.

You must obtain our advance written approval for any Administrative, Temporary or Satellite Office. We may deny your request for approval to open any Administrative, Temporary or Satellite Office for any reason or no reason. If we permit you to open an Administrative, Temporary or Satellite Office, you must sign an Administrative, Temporary or Satellite Office Addendum depending on the type or types of offices that you will be opening. (See Exhibit A to this disclosure document.) All Administrative, Temporary and Satellite Offices that we permit you to operate must comply with all requirements we may establish for the applicable Office type. We may prohibit you from engaging in certain activities from an Administrative, Temporary and/or Satellite Office. You must report to us all Gross Revenues from your Administrative, Temporary and/or Satellite Offices. All revenues from any Administrative, Temporary and/or Satellite Offices will be included with the Gross Revenues of your Initial Office for the purpose of calculating your Continuing Royalties and Marketing Fees.

***Your Territorial Rights.*** While the Franchise Agreement is in effect, within your Territory, neither we, nor our present or future affiliates, subsidiaries and designees (together, our "affiliates" – not to be confused with "Weichert affiliates," who are our franchisees) will operate an Office identified by the Proprietary Mark "Weichert" which engages in the residential real estate brokerage business, nor

will we or our affiliates license or franchise another to do so, so long as you are not in default under the Franchise Agreement and all other related agreements, and except as described below under "Rights We Reserve" and "Annual Minimum Performance Increase Requirement". These restrictions on us and our affiliates will terminate immediately upon the expiration or termination of the Franchise Agreement for any reason.

We do not restrict you from soliciting any customers, no matter who they are or where they are located. You have no marketing exclusivity in your Territory. All Weichert Offices (including those that are franchised, company or affiliated owned and operated) can solicit, service, advertise and offer their services to any person anywhere, including your Territory. While we can post your real estate listings and other information about your Office and/or sales associates on our Web Site(s), you also have the right to maintain a separate and distinct World Wide Web site(s) in connection with the Franchised Business, subject to the requirements described in Item 11. Nothing in the Franchise Agreement prohibits you from using other channels of distribution to solicit customers for your services.

***Rights We Reserve.*** You may only operate the franchised business under the terms and conditions of the Franchise Agreement, and we reserve all other rights to ourselves and our affiliates. We and our affiliates have the right:

To operate Weichert Businesses and Offices outside your Territory, and to grant franchises, licenses, contracts and/or enter into joint venture agreements for Weichert Businesses outside your Territory. The territories and locations of these Businesses and Offices may be near, adjacent to or abutting the boundary of your Territory.

To sell any products or services under the Proprietary Marks, or under any other similar trademarks, service marks or trade dress, through other channels of distribution.

To operate, and grant franchises, licenses, contracts and/or enter into joint venture agreements for, offices within the Territory offering, selling and performing services other than residential brokerage services under the Proprietary Marks, including (for example) non-residential and/or industrial real estate brokerage services; relocation management services; financial services; title search and related services; escrow; insurance; and, pre-license and post-license training in real estate brokerage and related services. You are entitled to receive no compensation from these sales.

To own and operate, and/or grant franchises, licenses, contracts and/or enter into joint venture agreements for, offices within your Territory providing real estate brokerage and other services in connection with the sale of undeveloped land (including, for example, land on which one or more homes will be constructed) and/or of tracts of newly-constructed homes. You are entitled to receive no compensation from these sales.

To offer and sell services, programs and products within the Territory that we do not explicitly authorize your Franchised Business to offer and sell (under the Franchise Agreement or the Operations Manual) through any means, under any names, marks, logotypes, signs, symbols and intellectual property, including the Proprietary Marks, and using our and our affiliates' name, reputation and know-how. You are entitled to receive no compensation from these sales.

To purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive real estate brokerage franchise network, chain or any other business regardless of the location of that network's, chain's or business's offices, and to operate, franchise or license those businesses and/or offices as Weichert Businesses and/or Offices under the Proprietary Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Territory, and near your Office Location. However, we will

not operate, franchise or license any of these businesses and/or offices under the Proprietary Marks within your Territory. You are entitled to receive no compensation from these sales.

When the Franchise Agreement expires or terminates, to establish within the Territory Businesses and Offices (either directly or through franchises, licenses, joint ventures or any other business combination) which will offer and sell those services, programs and products which you offered and sold under the Franchise Agreement.

The essence of this provision is that the boundary of the Territory conferred under the Franchise Agreement and the business activities we authorize you to perform under the Franchise Agreement, are to be considered for all purposes strictly delineated and not subject to further judicial or other construction, implication or attempts to expand the boundary of the Territory or your authorized business activities, directly or indirectly, and that we and/or our affiliates may engage in any business activity whatsoever outside of the Territory (or within the Territory, as described above).

Except for the posting of your listings on our web sites as described above – we and our affiliates have the right to use other channels of distribution, such as the Internet, telemarketing, or other direct marketing sales, to make sales of services other than residential real estate brokerage services within your Territory using our principal trademarks anywhere, including in your Territory. We will not pay you any compensation for sales made through alternative channels of distribution.

**Annual Minimum Performance Increase Requirement.** To retain the territorial rights described above and granted by the Franchise Agreement, for each Calendar Year starting with Calendar Year 2 (defined below), your annual Gross Revenues must increase by 5% each Calendar Year (the “Annual Minimum Performance Increase Requirement”). “Calendar Year 2” is defined as the year between December 31<sup>st</sup> of the year in which your Initial Office commences operations under the Franchise Agreement and December 31<sup>st</sup> of the following year. Each Calendar Year after that starts on January 1 of that year.

If you fail to satisfy the Annual Minimum Performance Increase Requirement for any Calendar Year this will not be grounds for the termination of the Franchise Agreement, but we will have the right to cancel your rights of territorial exclusivity granted by the Franchise Agreement. If we do not cancel your rights of territorial exclusivity after you fail to satisfy the Annual Minimum Performance Increase Requirement for a Calendar Year, this does not mean we waive our rights to cancel them for any future failure.

If we cancel your rights of territorial exclusivity for failure to satisfy the Annual Minimum Performance Increase Requirement, we and our Affiliates will have the right to operate Weichert Offices under the Proprietary Marks within your Territory (either directly or through other franchisees or licensees). Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the foregoing activities engaged in by us or our Affiliates following the cancellation of your territorial rights for your failure to satisfy the Annual Minimum Performance Increase Requirement for any Calendar Year, including, for example, any claim of divided loyalty; breach of fiduciary duty; fraud; unfair competition; tortious interference; unjust enrichment; breach of contract; and/or breach of the implied covenant of good faith and fair dealing. Under the terms of the Franchise Agreement, you also agree and covenant never to commence or join in any legal action or proceeding or arbitration, or register a complaint with any governmental entity, directly or indirectly contending otherwise or in any way complaining of these activities. These provisions are not to be subject to further judicial or other construction, implication or attempts to provide you with any territorial rights following your failure to satisfy the Annual Minimum Performance Increase Requirement for any Calendar Year. However, we may waive, suspend or modify these requirements (in our sole judgment) if unfavorable economic or business conditions or



other unavoidable circumstances adversely affect the specific real estate market serviced by your Office(s).

**General.** We and our affiliates have not established and do not intend to establish any other franchises, company-owned outlets or other distribution channels offering similar services under a different trademark anywhere in the United States but we may do so in the future. The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories.

### ITEM 13 TRADEMARKS

The principal Weichert commercial symbol which we will license to you appears on the cover of this disclosure document. "Proprietary Marks" means the symbols, trademarks, service marks, logotypes and trade names that we will license to you. In a Cross-License Agreement dated as of July 31, 2001, Weichert Co. granted us the right to use the Weichert Proprietary Marks and system and to sublicense them to our franchisees.

The following is a description of the principal service mark which we will license to you.

#### FEDERAL REGISTRATIONS

REGISTRATION NUMBER	DESCRIPTION OF MARK	PRINCIPAL OR SUPPLEMENTAL REGISTER	REGISTRATION DATE
1,454,583	Weichert	Principal	8/25/87

**Determinations and Agreements.** There are presently no effective determinations of the U.S. Patent and Trademark Office, any trademark trial and appeal board, the Trademark Administrator of any state or any court, any pending infringement, opposition, or cancellation proceeding, or any pending material litigation involving any of the above-referenced Proprietary Marks which is relevant to your use. There are no agreements other than the Cross-License Agreement described above which significantly limit our rights to use or license the Proprietary Marks. There are no infringing uses or superior prior rights known to us that can materially affect your use of the Proprietary Marks in this state or any other state in which the Franchised Business is to be located. All required affidavits and renewals have been filed.

**Claims Against You.** If you learn of any claim against you for alleged infringement, unfair competition, or similar claims about the Proprietary Marks, you must promptly notify us. We will promptly take the action we consider necessary to defend you. We have the right to control any administrative proceedings or litigation involving a trademark licensed by us to you. We must indemnify you for any action against you by a third party based solely on alleged infringement, unfair competition, or similar claims about the Proprietary Marks. You may not settle or compromise any of these claims without our previous written consent. We will have the right to defend and settle any claim at our sole expense, using our own counsel. You must cooperate with us in the defense. Under the Franchise Agreement, you irrevocably grant us authority to defend or settle these claims. You may participate at your own expense, but our decisions with regard to the defense or settlement will be final. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

**Infringement.** If you learn that any third party whom you believe is not authorized to use the Proprietary Marks is using the Marks or any variant of the Marks, you must promptly notify us. We will determine whether or not we wish to take any action against the third party. You will have no right to make any demand or to prosecute any claim against the alleged infringer for the infringement.

**Your Assumed Business Name.** You must conduct your Weichert Business under an assumed business name that we have approved in advance. At your expense, you must perform all filings and procure all required or necessary governmental approvals or registrations required to do business under that assumed business name. You may not change this assumed business name, or use another assumed business name in connection with your Weichert Business, without our advance written permission. You must identify yourself as a franchisee, but not an agent, of ours.

**Modification and Discontinuance.** You must comply with any instruction by us to modify or discontinue use of any Proprietary Mark or to adopt or use additional or substituted Proprietary Marks. We will not be liable to you for any resulting expenses. Under the terms of the Franchise Agreement, you promise in the Franchise Agreement not to start or join any proceeding against us for any resulting expenses.

## ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

**Copyrights.** We do not own rights in, or licenses to, any patents and have no pending patent applications. We claim copyrights on certain software, forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in the Weichert Confidential Operations Manual.

There are no agreements currently in effect which significantly limit your right to use any of our copyrights. Also, there are no currently effective determinations of the U.S. Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our copyrights discussed above. Finally, as of the date of this disclosure document, we are unaware of any infringing uses of or superior prior rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the franchised Weichert Business will be located.

Your and our obligations to protect your rights to use our copyrights are the same as the obligations for Proprietary Marks described in Item 13 of this disclosure document.

**Confidential Information.** You may never – during the Term or after the Franchise Agreement expires or is terminated – reveal any of our confidential information to another person or use it for any other person or business. You may not copy any of our confidential information or give it to a third party except as we authorize. The following persons affiliated with you must sign our Confidentiality/Non-Competition Agreement (Exhibit C to the Franchise Agreement).

Your Responsible Brokers, at the same time as the signing of the Franchise Agreement or at the later time they assume this status.

Before employment or any promotion, all your Business Managers and Office Managers, any personnel you employ who have received or will receive training from us or from you, and all your other employees.

If you are a corporation or limited liability company, all your officers, directors, shareholders and members and those of any corporation or limited liability company directly or indirectly controlling you, at the same time as the signing of the Franchise Agreement (or at the later time they assume this status).

If you are a partnership, all partners, at the same time as the signing of the Franchise Agreement or at the later time they assume this status.

All owners of a proprietorship interest in you, at the same time as the signing of the Franchise Agreement (or at the later time they assume this status).

All of the persons enumerated in the covenants not to compete set forth in the Franchise Agreement as intended to be embraced by them.

***Your Developments.*** You must irrevocably license to us any real-estate related services, programs, products, equipment, and intellectual property you develop and all sales, marketing, advertising and promotional programs and campaigns you develop. We will not be liable to you in any way because of this license.

***Our Right to Use Information We Obtain from You.*** We can use all information concerning your clients that you report to us or which we learn due to your status as a Weichert franchisee (the "Client Information"). During the term of the Franchise Agreement, we can use the Client Information for business purposes, including (for example), public relations, advertising and direct mail solicitations; statistical compilations; investigations and resolutions of complaints; inclusion on our Web site; and, inspections, operational audits, financial audits and quality surveys. If the Franchise Agreement expires or terminates, we can continue to use the Client Information as described above, and we can also make the Client Information available to our affiliates and franchisees for whatever purposes we consider appropriate.

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

***Your Participation Requirements.*** You must personally supervise the operation of the Franchised Business, unless we permit in writing. You must devote the necessary time and your best efforts for the proper and effective operation of the Business.

***Responsible Broker.*** When you sign the Franchise Agreement, you or a person you designate must be a real estate broker duly licensed under all applicable laws, rules and regulations of the Territory (your "Responsible Broker"). The name of your initial Responsible Broker will be on Exhibit A to your Franchise Agreement. Your Responsible Broker must personally and directly supervise the operation of the Franchised Business; and, unless we permit otherwise, must also be your Business Manager (see below). You must immediately notify us of the death, disability or termination of employment of your Responsible Broker or the loss or suspension of your Responsible Broker's real estate brokerage license. You must designate a successor or acting Responsible Broker no later than 10 days following the death, disability, termination of a Responsible Broker or the loss or suspension of your Responsible Broker's real estate brokerage license. Each successor or acting Responsible Broker must be a licensed real estate broker under applicable law in the Territory, must receive our approval and must possess any required credentials in our Operations Manual. You must provide us with written notice of any changes to your designated Responsible Broker.

***Business Manager.*** If an individual, you must either serve as or designate a Business Manager. An entity franchisee must designate a Business Manager. Unless we permit otherwise, your Business Manager must be your Responsible Broker (see above). You must inform us in writing as to the identity of your Business Manager and any successor Business Managers. Each Business Manager must receive our advance written approval. You agree immediately to notify us of the death, disability or termination of employment of your Business Manager. You must designate a successor or acting Business Manager no later than 10 days following the death, disability or termination of the predecessor Business Manager.

***Office Managers.*** You must designate an Office Manager for each Office. Your Business Manager may serve as the Office Manager for one of your Offices. If you have only one Office, your Office Manager, Business Manager and Responsible Broker may be the same person. You must inform us in writing as to the identity of your Office Manager(s) and any successor Office Manager(s). You

must immediately to notify us of the death, disability or termination of employment of any of your Office Managers. You must designate a successor or acting Office Manager no later than 10 days following the death, disability or termination of an Office Manager.

We strongly recommend that your Office Managers attend the Weichert Management Academy and participate in other local or regional management training that we provide, but we do not require this. We recommend, but do not require, that you send your Office Managers to our annual business conferences or conventions.

**Employment Agreements.** You must enter into a written agreement with each Responsible Broker, Business Manager and Office Manager (unless you are an individual franchisee serving in this capacity), setting forth the terms and conditions of his or her employment with you. Your attorney should prepare and/or review this employment agreement to ensure its consistency with local or state law and your Franchise Agreement. The Employment Agreement signed by each Responsible Broker, Business Manager and Office Manager must include our "Confidentiality and Non-Competition Agreement" (Exhibit C to the Franchise Agreement). You alone have the ability to hire, control, discipline and terminate your employees and we have no such authority or ability. You agree that your employees are exclusively employed by you and that in no fashion is any such employee either employed, jointly employed or co-employed by us.

**No Required Equity Interest.** If the franchisee is a business entity, the Responsible Broker, Business Manager and Office Managers need not have any equity interest in the franchisee entity.

**Guarantee and Confidentiality/Non-Competition Agreement.** If the "franchisee" is a business entity, then when you sign the Franchise Agreement, the persons and/or entities we list on Exhibit A to your Franchise Agreement must sign our Guarantee (Exhibit D to the Franchise Agreement). The persons listed in Item 14 must sign our confidentiality/non-competition agreement (Exhibit C to the Franchise Agreement) and must keep our confidential and proprietary information confidential.

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

**General.** Except as otherwise described below, you must offer, sell and furnish all current and future Services, Ancillary Services and Products, and all programs and products which are part of the Weichert System and which we designate as mandatory in the Franchise Agreement or in our Operations Manual. You may not use the Weichert name or the Proprietary Marks for the benefit of any business other than the Franchised Business. You are prohibited from offering or selling any service, program or product which is not a part of the Weichert System or which we delete from the System without our advance written approval.

You may not conduct (or permit anyone else to conduct) any business other than the business contemplated by the Franchise Agreement at or from any of your Offices without first obtaining our written consent. If we permit you to furnish, offer or sell any service, program or product which is not a part of the Weichert System at or from any of your Offices, then we can set conditions for this approval including, for example, requirements that you inform the public in the way we require that the services, programs or products are not associated with the Proprietary Marks and are not endorsed or offered by us, our affiliates or our franchisees.

We may add to, delete from or modify the services, products and programs which you can and must offer, alter the System or abandon the System altogether in favor of another system. You must abide by any additions, deletions and modifications, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no contractual limits on our right to make these changes.

**The Services.** The Franchise Agreement authorizes you to offer, sell and perform the “Services,” which means acting as a broker or agent for another in connection with the listing, offering, selling, exchanging, purchasing, transferring, hypothecating, licensing, auctioning, managing, leasing or renting of any interest in real property of any kind and in any ancillary personal property (and all other services and property we may identify and provide for in our Operations Manual) for which a real estate broker license is required under applicable law.

We do not restrict you from soliciting any customers, no matter who they are or where they are located. All Weichert Offices can solicit, service, advertise and offer their services to any person anywhere.

While we will permit you to perform Services for non-residential property under the Proprietary Marks and under the Franchise Agreement, we will have absolutely no obligation of any sort to furnish any training, support, promotion or other assistance to you in connection with any non-residential real estate brokerage activities. Under the terms of the Franchise Agreement, you waive, release and discharge any claim to the contrary. For example, we will have no obligation to list any non-residential property you may be offering on our Web site. You must pay Continuing Royalties and Marketing Fees on all Gross Revenues from Services for non-residential property. You must adopt any regulations, standards or policies governing the furnishing of brokerage services for non-residential property by our franchisees which we may adopt. As Item 12 describes, we may open or franchise Weichert Offices within your Territory offering, selling and performing non-residential real estate brokerage services under the Proprietary Marks.

**The Ancillary Services and Products.** The “Ancillary Services and Products” consist of the ancillary real estate-related services, programs and products that we authorize and/or require you to offer, sell, use and/or furnish. Ancillary Services and/or Products available for you to offer vary between markets. The Ancillary Services and/or Products available to you may vary during the term of your Franchise Agreement. Ancillary Services and/or Products available in your market when you enter into your Franchise Agreement may not be available for the entire term of your Franchise Agreement. The decision whether to make certain Ancillary Services and/or Products available in your market is in our sole judgment.

Unless our Operations Manual specifically states otherwise, you may also offer, sell, use and/or furnish the services and products classified “Ancillary Services and Products” from any other sources we have approved. Your decision to offer Ancillary Services and Products does not in any way prevent you from offering similar competitive services and products of other companies, if you offer and sell them on a non-exclusive basis along with the Ancillary Services and Products.

You may offer the optional Ancillary Services and Products if available in your Territory, including:

Title searches performed by Weichert affiliated and/or licensed companies.

Title insurance policies issued by Weichert affiliated and/or licensed companies.

Homeowners insurance, condominium insurance, renter’s protection insurance, automobile insurance and other types of insurance furnished through Weichert affiliated and/or licensed companies.

Relocation services provided by our affiliates.

Home protection plan services furnished through our affiliates.

Mortgage and loan origination services furnished through our affiliates.

We may advise you of any new Ancillary Services and/or Products which we will authorize. If we notify you of new Ancillary Services or Products which are optional, then you must promptly advise

us whether you will offer and sell the new Ancillary Services or Products.

If we advise you that a new Ancillary Service or Product is available in your Territory, and you notify us that you wish to offer, sell, use and/or furnish it, then, at your own expense, you must obtain all necessary products, services, promotional materials and equipment which we advise you are necessary for the Ancillary Service or Product, and you must begin offering, selling, using and/or furnishing the new Ancillary Service or Product no later than 90 days after you receive our notice (or at whatever later time our notice directs).

## ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

**This table lists certain important provisions of the Franchise Agreement and related agreements pertaining to renewal, termination, transfer and dispute resolution. You should read these provisions in the agreements attached to this disclosure document. (Unless otherwise indicated, references are to the Franchise Agreement. "WWSLA" refers to the form WeichertWorks Software License Agreement that you must sign if we develop proprietary software in the future. "MWSLA" refers to the form MyWeichert Software License Agreement that you must sign in connection with your use of the myWeichert platform. Each of these agreements are in Exhibit A to this disclosure document.)**

Provisions	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.01; WWSLA Section 2(a); MWSLA Article 2	Approximately 10 years. The term of the Franchise Agreement begins on the date we sign the agreement and ends 10 years from the Initial Office Impact Date, which is defined in the Franchise Agreement as the date that you are scheduled to commence operations of the Franchised Business.
b. Renewal or extension of the term	Article 13	No renewal rights.
c. Requirements for you to renew or extend	Article 13	No renewal rights. If you sign a new Franchise Agreement with us, you may be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you	Sections 17.02, 17.04	a. You may terminate the Franchise Agreement if you and we agree in writing. b. Your failure to pay any Continuing Royalties, Marketing Fees or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongful breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement. (subject to state law)
e. Termination by us without cause	Not applicable	Not applicable
f. Termination by us with cause	Article 17; WWSLA Article 9; MWSLA Article 10	We may terminate only if you default – see g. and h. below. We can terminate the SLA immediately if you breach it or the Franchise Agreement

Provisions	Section in Franchise Agreement	Summary
g. "Cause" defined - defaults which can be cured	Section 17.03	Except as described in h. below, you have 15 days to cure if you do not comply with requirements or carry out the terms of the Franchise Agreement in good faith.
h. "Cause" defined - non-curable defaults	Sections 17.01 and 17.02	<p>Automatic, without notice: bankruptcy, insolvency, receivership, dissolution or levy.</p> <p>On notice to you:</p> <p>a. You do not commence operation of your Franchised Business on or before the Initial Office Impact Date set forth on Exhibit A of your Franchise Agreement; at any time cease to operate the Franchised Business; abandon the franchise relationship; or, abandon the franchise by failing to operate the Business for five (5) consecutive days during which you are required to operate the Business unless due to causes beyond your control.</p> <p>b. You omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign Franchise Agreement.</p> <p>c. You and we agree in writing to terminate.</p> <p>d. You operate only one Office and you lose the right to possess the Office Location. But if the loss is due to eminent domain, or if, through no fault of yours, the premises are damaged or destroyed, you have 30 days to apply for our approval to relocate and reconstruct. We may not unreasonably withhold approval. It will be reasonable for us to withhold approval if the Office will not re-open in 90 days.</p> <p>e. You (or any principal of a corporation, partnership or proprietorship franchisee) are convicted of a felony, fraud, etc.</p> <p>f. A threat or danger to public health or safety results from your continued operation of the Business.</p> <p>g. You conceal revenues, knowingly maintain false books or records, or submit any false report to us.</p> <p>h. You take for your own use any funds for employees' taxes, FICA, insurance or benefits; take for your own use any of our property; fail to deal fairly or honestly with your employees or clients; or knowingly permit or fail to act against or discharge any agent or employee who has embezzled.</p> <p>i. After curing a default, you commit the same default again within 6 months.</p> <p>j. You make a willful misrepresentation or fail to make a material disclosure required by any governmental authority affecting your Business.</p> <p>k. You fail to cure a default which materially impairs the goodwill associated with our Proprietary Marks after at least 72 hours' written notice to cure.</p> <p>l. You fail for 10 days after notice to comply with any law or regulation applicable to the Business.</p> <p>m. You fail to obtain our previous written approval where required.</p> <p>n. You offer or sell any unapproved program, service or product, or fail to continue offering and selling all programs, services and products which are a part of the System, or fail to use all materials, notices and procedures we specify.</p> <p>o. You use or duplicate our System, services, programs or products in an unauthorized way.</p>
i. Your obligations on termination/non-renewal	Article 18; WWSLA Section 9(a); MWSLA Article 10	<p>a. If you terminate the Franchise Agreement without our agreement, or we terminate the Franchise Agreement for your default, or you terminate the Franchise Agreement by failing to pay money owed us (see above), pay us liquidated damages calculated with the formula in Item 6 within 10 days of termination. See Item 6.</p> <p>b. Immediately give us a list of all Pendlings (defined in Item 6) as of the date of termination or expiration. When you receive Gross Revenues for these Pendlings, you must immediately notify us and either pay us the 6% Continuing Royalty and the 2% Marketing Fee on the Gross Revenues or permit us to debit the Bank Account for the Continuing Royalty and Marketing Fee.</p> <p>c. Cooperate with our audit if we request an audit at any time between the effective date of termination or expiration and the 90th day after the effective date, with or without written notice, during regular hours. If audit finds the Gross Revenues in</p>

Provisions	Section in Franchise Agreement	Summary
		<p>statements you submitted understated by 2% or more, you must pay us the full cost of the audit and additional amounts payable as shown by the audit, plus interest.</p> <p>d. Stop using our Proprietary Marks, including signs displaying our unique logo, colors, color patterns and designs (or anything confusingly similar to our signs, color patterns or designs), confidential information, trade secrets and Manual. When you sign Franchise Agreement, you must also sign a Power of Attorney (Exhibit G), by which you irrevocably appoint us as your attorney-in-fact to do so.</p> <p>e. Cancel assumed name or equivalent registration which contains "Weichert", or any other Proprietary Marks of ours, or any variant. Or we will do so for you – when you signed Franchise Agreement, you signed Power of Attorney – Exh. I – authorizing this.</p> <p>f. If we terminate the Franchise Agreement for your default or you terminate through failure to make payment following notice to cure (see section d. above), pay us all expenses incurred as a result of your default or termination.</p> <p>g. Immediately deliver to us all training or other manuals (including the Confidential Operations Manual), all computer software and database material, customer lists, records and files, forms, advertising and promotional material, signs and related items which bear our Proprietary Marks.</p> <p>h. Immediately sign agreements necessary for termination.</p> <p>i. Except as described below, stop using the telephone numbers listed in directories under the name "Weichert" or any confusingly similar name. If we request, direct the telephone company to transfer these telephone numbers to us or to another person or location we direct. When you sign Franchise Agreement, you must also sign a Power of Attorney (Exhibit G), by which you irrevocably appoint us as your attorney-in-fact to do so. Before you sign the Franchise Agreement you will give us a list of telephone numbers which you represent that you have continuously used preceding your signing of the Franchise Agreement in the operation of your Office and real estate business. We will list these telephone numbers on Exhibit A to your Franchise Agreement. Upon the expiration or termination for any reason of the Franchise Agreement, you may retain ownership and use of the telephone numbers that were listed on Exhibit A, if you direct the telephone company to remove from the listings all references to the name "Weichert" or any other confusingly similar name.</p> <p>j. Continue to abide by restrictions on the use of our confidential information, trade secrets and know-how.</p> <p>k. Redecorate and remodel Offices to distinguish from a Weichert Offices.</p> <p>l. Keep Bank Account open and continue our ability to debit the Bank Account until satisfaction of all financial obligations to us and our affiliates, such as payment of Continuing Royalties on Gross Revenues you receive after date of termination or expiration from Pendings before that date.</p> <p>On termination or expiration of SLA or Franchise Agreement, immediately return Weichert Software.</p> <p>m. Allow us to contact and communicate personally with your sales associates 180 days before the Agreement expires or immediately after the Agreement is terminated to solicit and or discuss with them the option to continue to work with us or another Weichert Office.</p>
j. Assignment of contract by us	Section 14.01; WWSLA Section 7(a); MWSLA Article 8	We can assign the Franchise Agreement or SLA if the assignee is financially responsible and economically capable of performing our obligations under the agreement in question, and agrees to perform these obligations. We may sell our assets, Proprietary Marks, or System, go public, etc. Also, our affiliates can sell their businesses, company-owned offices, assets, Proprietary Marks or System, go public, etc. (see Franchise Agreement)
k. "Transfer" by you – definition	Section 14.02	The transfer or redemption of: more than 25% of the stock or voting power of a corporate franchisee; more than 25% of a partnership or proprietorship interest in a partnership or proprietorship franchisee; or, more than 25% of a general partner's



Provisions	Section in Franchise Agreement	Summary
		interest in a limited partnership franchisee, to any person not already a shareholder, partner or proprietor, the spouse of any of those persons, etc. (see Franchise Agreement). You must immediately report to us all transfers of ownership, even if less than 25%.
I. Our approval of transfer by you	Sections 14.02, 14.03, 14.04; WWSLA Section 7(b); MWSLA Article 8	No transfer without our consent except as provided in Franchise Agreement – for example, transfer to a corporation you form for convenience. If you assign any interest in the Franchise Agreement, there is a \$7,500 transfer fee except, if you assign all of your interest to a corporation you form within 12 months of the date of your Franchise Agreement and you maintain sole ownership and control of the franchisee entity the first year, there is a \$750 administrative fee and the right of first refusal does not apply (see n. below). No assignment of SLA without our consent.
m. Conditions for our approval of transfer	Section 14.04	<p>a. You must comply with our right of first refusal.</p> <p>b. The person to whom you propose to transfer (the "transferee") must apply to us for acceptance.</p> <p>c. Transferee must come to a personal interview.</p> <p>d. Transferee (or officers, shareholders and directors, if a corporation) must demonstrate the qualifications, ethics, economic resources, etc. necessary, in our reasonable judgment, to conduct the business and to fulfill obligations to you.</p> <p>e. Transferee and proposed Business Manager(s) must attend and complete Initial Training Program before assignment (and other training if we wish), at transferee's expense.</p> <p>f. If you operate more than one Office under the Franchise Agreement, you must transfer all your Offices to transferee together with Franchise Agreement, unless we give our specific advance written consent.</p> <p>g. The landlord(s) of the Office Location(s) must consent in writing to the assignment of lease.</p> <p>h. You must fully comply with all obligations to us and satisfy your outstanding monetary obligations to third parties, including trade debts.</p> <p>i. Transferee must sign new Franchise Agreement on our then current form Franchise Agreement (but need not pay another Initial Franchise Fee or Additional Office Fee for Offices operating under Agreement at time of transfer). The transferee's Territory under the new Franchise Agreement will remain the same, unless we decide that the transferee should be granted a more limited Territory that we offer to other prospective franchisees similarly situated at the time of the transfer.</p> <p>j. Total Sales Price (defined in Franchise Agreement) must not jeopardize the continued economic viability and future operations of the franchise.</p> <p>k. If transferee is purchasing part of an interest in a corporate franchisee, he must sign a Confidentiality Agreement/Covenant Not to Compete (Exhibit C) and a Guarantee (Exhibit D).</p> <p>l. You must sign a General Release (Exhibit F).</p> <p>m. You must pay us a transfer fee of \$7,500.</p> <p>n. If transferee is a corporation, partnership or proprietorship, there are various requirements, including guarantees by shareholders.</p> <p>o. You must give us copies of the proposed assignment contract and signed assignment contract.</p> <p>p. Transferee must upgrade Offices to conform to then-current standards.</p> <p>q. You must remain liable for all Franchise Agreement obligations to us before the effective date of the transfer, and sign all documents we reasonably request to demonstrate this liability.</p> <p>r. You must comply with a covenant not to compete, starting with the effective date of the assignment.</p>

Provisions	Section in Franchise Agreement	Summary
		q. We may withhold our consent to your request for a transfer for any reason or no reason.
n. Our right of first refusal to purchase your business	Section 14.06	We can match any offer for your Business.
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Section 14.05	On your death or disability your rights pass to your "Estate". Your Estate may continue operating the Business if it provides an acceptable Business Manager. This Business Manager must complete our next Initial Training Program and assume full-time operation of the franchise within 1 month of your death or disability. From the date of your death or disability until a Business Manager assumes full-time control, we can operate your Business, but need not do so. Instead of the Business Manager's assuming control, the Estate may sell the franchise in accordance with requirements described in m. above, and if it does, there will be no transfer fee.
q. Non-competition covenants during the term of the franchise	Section 12.01	No involvement in competing business anywhere in U.S. without our advance written permission.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	None, except after assignment.
s. Modification of the agreement	Sections 25.01 and 25.02; WWSLA Section 12(a); MWSLA Section 13(b)	No oral modifications generally, but we may change the Manual. Any Manual change will not unreasonably increase your obligations in the Franchise Agreement.
t. Integration/merger clause	Section 25.01	Only the terms of the Franchise Agreement and all agreements signed with it are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 28.01	Except for certain claims, all disputes are subject to arbitration in the state and county where we have our principal place of business at the time the arbitration proceeding is commenced.
v. Choice of forum	Section 28.05; WWSLA Section 16(b); MWSLA Section 13(b)	Subject to state laws, you may bring suit for those certain claims that are not subject to binding arbitration only in a New Jersey State Court in Morristown, New Jersey or the U.S. District Court for the District of New Jersey In Newark, New Jersey and we may bring suit against you for those certain claims that are not subject to binding arbitration in any court we select.

Provisions	Section in Franchise Agreement	Summary
w. Choice of law	Section 28.04; WWSLA Section 16(a); MWSLA Section 19(a)	All matters relating to arbitration or the enforcement of this Agreement to arbitrate will be governed exclusively by the Federal Arbitration Act and all matters involving the Proprietary Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 et seq.). New Jersey law applies (subject to state laws) with respect to all other matters.

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

See the state addenda to the Franchise Agreement and Disclosure Document for special state disclosures.

### **ITEM 18 PUBLIC FIGURES**

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

### **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Leslie D. Shoaf at 225 Littleton Road, Morris Plains, New Jersey 07950, (973) 359-8377, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

**Systemwide Outlet Summary\*  
For Years 2019 to 2021**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2019	329	339	10
	2020	339	335	- 4
	2021	335	332	-3
Company-Owned	2019	130	122	- 8
	2020	122	113	- 9
	2021	113	112	-1
Total Outlets	2019	459	461	2
	2020	461	448	-13
	2021	448	444	-4

**Table No. 2**

**Transfers of Franchised Outlets to New Owners (Other than the Franchisor)  
For Years 2019 to 2021**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Arizona	2019	0
	2020	0
	2021	1
California	2019	0

\* The franchisee outlet information contained in this Item 20 refers only to Initial and Additional Offices. Historical information about secondary offices such as Administrative, Kiosk (which are no longer offered), Temporary or Satellite Offices are not included.

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2020	0
	2021	0
Florida	2019	1
	2020	1
	2021	0
Georgia	2019	0
	2020	1
	2021	0
Illinois	2019	0
	2020	1
	2021	0
Maryland	2019	0
	2020	0
	2021	0
Michigan	2019	0
	2020	0
	2021	0
Minnesota	2019	0
	2020	0
	2021	0
Oklahoma	2019	0
	2020	0
	2021	1
South Carolina	2019	0
	2020	0
	2021	2
Texas	2019	0
	2020	2
	2021	0

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
All other states	2019	1
	2020	0
	2021	0
Total	2019	2
	2020	5
	2021	4

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2019 to 2021**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>	<b>Column 6</b>	<b>Column 7</b>	<b>Column 8</b>	<b>Column 9</b>
<b>State</b>	<b>Year</b>	<b>Outlets at Start of Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired by Franchisor</b>	<b>Ceased Operations - Other Reasons</b>	<b>Outlets at End of the Year</b>
Alabama	2019	9	1	3	0	0	0	7
	2020	7	0	0	0	0	0	7
	2021	7	0	1	0	0	0	6
Arizona	2019	6	1	0	0	0	0	7
	2020	7	0	1	0	0	0	6
	2021	6	0	0	0	0	0	6
Arkansas	2019	5	1	0	0	0	0	6
	2020	6	0	0	0	0	0	6
	2021	6	0	0	0	0	0	6
California	2019	10	3	1	0	0	0	12
	2020	12	1	1	0	0	0	12
	2021	12	1	0	0	0	0	13
Colorado	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	1	0	0	0	2
Connecticut	2019	11	2	1	0	0	0	12

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2020	12	0	1	0	0	0	11
	2021	11	0	1	1	0	0	9
Florida	2019	42	3	0	0	0	0	45
	2020	45	1	5	0	0	0	41
	2021	41	0	0	1	0	0	40
Georgia	2019	12	0	0	0	0	0	12
	2020	12	0	0	0	0	0	12
	2021	12	0	1	0	0	0	11
Idaho	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Illinois	2019	14	2	2	0	0	0	14
	2020	14	0	2	0	0	0	12
	2021	12	0	1	0	0	0	11
Indiana	2019	10	3	0	0	0	0	13
	2020	13	0	0	0	0	0	13
	2021	13	0	0	0	0	0	13
Iowa	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
Kansas	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Kentucky	2019	13	0	3	0	0	0	10
	2020	10	0	0	0	0	0	10
	2021	10	1	0	0	0	0	11
Louisiana	2019	4	2	0	0	0	0	6
	2020	6	1	0	1	0	0	6
	2021	6	1	1	0	0	0	6
Maryland	2019	5	0	1	0	0	0	4
	2020	4	0	1	0	0	0	3
	2021	3	0	0	0	0	0	3
Massachusetts	2019	12	1	2	1	0	0	10

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2020	10	0	1	0	0	0	9
	2021	9	0	1	0	0	0	8
Michigan	2019	13	1	1	0	0	0	13
	2020	13	1	2	0	0	0	12
	2021	12	0	1	0	0	0	11
Minnesota	2019	17	1	3	0	0	0	15
	2020	15	0	1	0	0	0	14
	2021	14	0	1	0	0	0	13
Mississippi	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	1	0	0	0	0	3
Missouri	2019	3	1	1	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	1	0	0	0	0	4
Nevada	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New Hampshire	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New Jersey	2019	6	0	0	0	0	0	6
	2020	6	1	0	0	0	0	7
	2021	7	1	0	0	0	0	8
New Mexico	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
New York	2019	15	3	3	1	0	0	14
	2020	14	2	0	0	0	0	16
	2021	16	3	1	0	0	0	18
North Carolina	2019	16	2	2	0	0	0	16
	2020	16	0	2	0	0	0	14
	2021	14	1	0	2	0	0	13
Ohio	2019	2	1	0	0	0	0	3



Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2020	3	3	0	0	0	0	6
	2021	6	0	0	0	0	0	6
Oklahoma	2019	2	1	0	0	0	0	3
	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
Oregon	2019	4	0	0	0	0	0	4
	2020	4	0	0	0	0	0	4
	2021	4	0	1	0	0	0	3
Pennsylvania	2019	12	0	0	0	0	0	12
	2020	12	1	2	1	0	0	10
	2021	10	1	0	0	0	0	11
Rhode Island	2019	3	0	0	0	0	0	3
	2020	3	2	0	0	0	0	5
	2021	5	1	0	0	0	0	6
South Carolina	2019	15	2	1	0	0	0	16
	2020	16	2	0	0	0	0	18
	2021	18	0	2	0	0	0	16
South Dakota	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Tennessee	2019	20	0	0	0	0	0	20
	2020	20	0	0	0	0	0	20
	2021	20	0	1	0	0	0	19
Texas	2019	19	1	0	0	0	0	20
	2020	20	0	0	1	0	0	19
	2021	19	1	0	0	0	0	20
Utah	2019	2	0	1	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Virginia	2019	10	0	1	0	0	0	9
	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	0	9
Washington	2019	7	1	0	0	0	0	8

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
West Virginia	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Wisconsin	2019	1	1	0	0	0	0	2
	2020	2	2	0	0	0	0	4
	2021	4	2	1	0	0	0	5
All other states	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
Total	2019	329	39	27	2	0	0	339
	2020	339	19	20	3	0	0	335
	2021	335	16	15	4	0	0	332

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2019 to 2021**

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Delaware	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Maryland	2019	6	0	0	0	0	6
	2020	6	0	0	0	0	6
	2021	6	0	0	0	0	6
New Jersey	2019	82	1	0	6	0	77
	2020	77	0	0	2	0	75
	2021	75	0	0	0	0	75
New York	2019	9	0	0	1	0	8

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2020	8	0	0	1	0	7
	2021	7	0	0	1	0	6
Pennsylvania	2019	15	0	0	2	0	13
	2020	13	0	0	2	0	11
	2021	11	0	0	0	0	11
Virginia	2019	15	0	0	0	0	15
	2020	15	0	0	3	0	12
	2021	12	0	0	0	0	12
District of Columbia	2019	2	0	0	0	0	2
	2020	2	0	0	1	0	1
	2021	1	0	0	0	0	1
All other states	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Total	2019	130	1	0	9	0	122
	2020	122	0	0	9	0	113
	2021	113	0	0	1	0	112

**Table No. 5  
Projected Openings as of December 31, 2021**

Column 1	Column 2	Column 3	Column 4
State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
California	1	3	0
Florida	0	3	0
Illinois	0	2	0
Indiana	0	2	0
Michigan	0	2	0
Minnesota	0	3	0

Montana	1	0	0
New York	1	2	0
North Carolina	0	1	0
North Dakota	1	0	0
Ohio	2	1	0
Texas	0	2	0
Washington	0	1	0
All Other States	0	0	0
Total	6	22	0

The names, addresses and telephone numbers for all franchisees currently operating under a Franchise Agreement with us, as well as franchisees who have signed a Franchise Agreement with us but who have not yet opened an outlet, as of December 31, 2021 are set forth in Exhibit F.

The name, city, state and current business telephone number (or, if the business telephone number is unknown, the last-known home telephone number) of every franchisee whose franchise has, during our most recent fiscal year (which ended December 31, 2021), been terminated, canceled or not renewed; who has, during the same period, otherwise voluntarily or involuntarily ceased to do business under a Weichert Franchise Agreement; or, who has not communicated with us within 10 weeks of the issuance date of this disclosure document is set forth in Exhibit G.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We are not selling any outlets previously owned by franchisees that are now under our control. There are no trademark-specific franchisee organizations associated with the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three fiscal years, a total of 2 current and former franchisees signed agreements with us that include confidentiality clauses.

## **ITEM 21 FINANCIAL STATEMENTS**

Our audited financial statements for the fiscal years ended December 31, 2021, 2020 and 2019, are in Exhibit B.

## **ITEM 22      CONTRACTS**

Copies of our Franchise Agreement and the following exhibits to it are included in Exhibit A: Initial Franchise Fee; Additional Office Fee; Franchised Territory; Minimum Monthly Continuing Royalty; Minimum and Maximum Monthly Marketing Fees; Responsible Real Estate Broker; Initial Office Location; Additional Office Locations; Initial Office Impact Date(s); Franchisee Conversion Package; Guarantors; Active Domain Names and E-Mail Addresses; Active Telephone Numbers; Annual Minimum Performance Increase Requirement; and, Assumed Business Name (Exhibit A); Proprietary Marks (Exhibit B); Confidentiality/Non-Competition Agreement (Exhibit C); Guarantee (Exhibit D); General Release - Successor Franchise Agreement (Exhibit E); General Release - Assignment (Exhibit F); Power of Attorney (Exhibit G); and, WLN Membership Agreement (Exhibit H). The Sample Bylaws of Weichert Brokers Council, the Software License Agreements, the Receipt for the Confidential Operations Manual, the Administrative Office Addendum, Temporary Office Addendum, and Satellite Office Addendum are also included in Exhibit A.

## **ITEM 23      RECEIPT**

Exhibit J is a detachable receipt.

**EXHIBIT A**  
**FRANCHISE AGREEMENT**  
**AND RELATED MATERIALS**

**Weichert**

**WEICHERT REAL ESTATE AFFILIATES, INC.  
OFFICE FRANCHISE AGREEMENT**

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# **Weichert**

## **EXHIBITS**

- A. INITIAL FRANCHISE FEE; ADDITIONAL OFFICE FEE; FRANCHISED TERRITORY; MINIMUM MONTHLY CONTINUING ROYALTY; MINIMUM AND MAXIMUM MONTHLY MARKETING FEES; RESPONSIBLE REAL ESTATE BROKER; INITIAL OFFICE LOCATION; ADDITIONAL OFFICE LOCATIONS; INITIAL OFFICE IMPACT DATE(S); FRANCHISEE CONVERSION PACKAGE; GUARANTORS; ACTIVE DOMAIN NAMES AND E-MAIL ADDRESSES; ACTIVE TELEPHONE NUMBERS; ANNUAL MINIMUM PERFORMANCE INCREASE REQUIREMENT; ASSUMED BUSINESS NAME**
- B. PROPRIETARY MARKS**
- C. CONFIDENTIALITY/NON-COMPETITION AGREEMENT**
- D. GUARANTEE**
- E. GENERAL RELEASE – SUCCESSOR FRANCHISE AGREEMENT**
- F. GENERAL RELEASE – ASSIGNMENT**
- G. POWER OF ATTORNEY**

**WEICHERT REAL ESTATE AFFILIATES, INC.**  
**OFFICE FRANCHISE AGREEMENT**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date"), between WEICHERT REAL ESTATE AFFILIATES, INC., a Delaware corporation, with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 ("we," "us," "our," "Franchisor" or "the Company") and

\_\_\_\_\_, ("you," "your" or "Franchisee").  
(Print/Type Name of Franchisee)

a \_\_\_\_\_,  
(Print/Type state of formation/organization and entity type)

with its principal address at: \_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City  
\_\_\_\_\_  
State and Zip Code

**1. INTRODUCTION; GRANT OF FRANCHISE AND LICENSE**

**1.01 The Weichert Businesses, Offices and System**

A. As a result of the expenditure of time, skill, effort and money, we and our affiliates have developed a proprietary business system for opening and operating businesses ("Weichert Businesses" or the "Businesses") which operate from offices (the "Weichert Offices" or the "Offices") from which licensed real estate brokerages provide residential real estate brokerage services and limited non-residential real estate brokerage services (collectively, the "Services," as more fully defined in Section 1.06 [B] below) and other real estate-related services, programs and products to customers located in the state(s) in which the brokerages are licensed (the "Weichert System" or the "System").

B. The Weichert System includes (without limitation) systems, techniques, tools, procedures and guidelines for operating a real estate brokerage business; referral programs; marketing systems and materials; standards of interior and exterior design and decor; staff recruiting and training techniques; and, in general, a style, system and technique of business operation and procedure developed through our business experience.

C. We continue to expend time, skill and money to investigate new or substitute procedures, systems, services, products, programs and activities and, if we consider it desirable, to develop and integrate them into the Weichert System.

**1.02 The Proprietary Marks.** We own (or are licensed to use) the trademark, service mark and trade name "WEICHERT" and related logotypes, displays, designs, signs and symbols appearing on or used in connection with a Weichert Business and its Office(s). Under Section 1.05 of this Agreement, you are granted a limited and nonexclusive license to use the "WEICHERT" trademark, service mark and trade name and certain logotypes, signs, symbols and related intellectual property, to the extent they are identified either in Exhibit B to this Agreement or in the Operations Manual (as described in Section 6.01 below). The names, marks, logotypes and related intellectual property which you are licensed to use are referred to in this Agreement as the "Proprietary Marks". We continue to develop, use and control the use of the Proprietary Marks to identify for the public the source of services, programs and products marketed under the Proprietary Marks and to represent the high standard of quality associated with these services, programs and products.

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**1.03 The Franchise.** You wish to obtain a franchise to operate one Weichert Business (“Franchised Business”) under the Proprietary Marks and the Weichert System from the Office Location described in Section 2.01 below. We wish to grant you this franchise, on the terms and subject to the conditions of this Agreement. You are, or your designee is, a licensed real estate broker under the applicable law of the Territory (as defined in Section 2.01 below), and that person is identified as the “Responsible Real Estate Broker” on Exhibit A to this Agreement.

**1.04 Grant of Franchise.** We grant you, and you accept, the right and obligation to operate one Weichert Business that operates from a Weichert Office from which your licensed real estate brokerage will offer, sell and provide the Services (as defined in this Agreement) to customers located in the state(s) in which the brokerage is licensed subject to the terms and provisions of this Agreement and all related agreements. We also grant you the right to use the Weichert System, as we may change, improve, modify or further develop it from time to time.

**1.05 Grant of License to Proprietary Marks.** We grant you, and you accept, a limited, non-exclusive license to use and display the Proprietary Mark(s) shown on Exhibit B at the Office Location described in Section 2.01 below and set forth on Exhibit A and at residential and non-residential properties listed by your Business (so long as we do not subsequently designate them as being withdrawn from use), together with those additional or substitute Proprietary Marks which we may later designate in writing, subject to the terms and provisions of this Agreement and all related agreements. This license applies solely to the operation of the Franchised Business and the services, programs and products offered and sold at and from the Business.

## **1.06 Services You Offer Under the Franchise**

A. **General Requirements.** Except to the extent otherwise provided in this Section 1.06, you agree to offer, sell and furnish all current and future Services, Ancillary Services and Products (as these terms are defined in subsections [B] and [C] below), programs and products which are part of the Weichert System and which we designate as mandatory in this Agreement or in our Operations Manual. You may not use the Weichert name or the Proprietary Marks for the benefit of any business other than the Franchised Business. You are prohibited from offering or selling any service, program or product which is not a part of the Weichert System or which we delete from the System without our specific prior written approval. You may not conduct (or permit anyone else to conduct) any business other than the business contemplated by this Agreement at or from any of your Offices without first obtaining our written consent. If we permit you to furnish, offer or sell any service, program or product which is not a part of the Weichert System at or from any of your Offices, then we have the right to set conditions for this approval including, without limitation, requirements that you inform the public (in the manner that we require) that such services, programs or products are not associated with the Proprietary Marks and/or are not endorsed or offered by us, our Affiliates or our franchisees.

### **B. The Services.**

1. This Agreement authorizes you to offer, sell and perform the “Services,” which means acting as a broker or agent for another in connection with the listing, offering, selling, exchanging, purchasing, transferring, hypothecating, licensing, auctioning, managing, leasing or renting of any interest in real property of any kind and in any ancillary personal property (and all other services and property as may be identified and provided in our Operations Manual) for which a real estate broker license is required under applicable law.

2. While we permit you to perform Services for non-residential property under the Proprietary Marks and pursuant to this Agreement, and require you to pay Continuing Royalties and Marketing Fees on all Gross Revenues from such Services (see Article 4), you understand and agree that we have absolutely no obligation of any sort to furnish any training, support, promotion or other assistance to you in connection with such non-residential real estate brokerage activities, and you waive, release and discharge any claim to the contrary. By way of example, and without limitation, we will have no obligation to list any non-residential property you may be offering on our Web site. You agree to adopt any regulations, standards or policies governing the furnishing of brokerage services for non-residential property by our franchisees which we may set forth in our Operations Manual or otherwise.

## C. **Ancillary Services and Products.**

1. The “Ancillary Services and Products” consist of those ancillary real estate-related services, programs and products that we authorize and/or require you to offer, sell, utilize and/or furnish (as applicable) in this Agreement or in our Operations Manual. Unless our Operations Manual specifically states otherwise, you may, if you wish, also offer, sell, utilize and/or furnish the services and products classified “Ancillary Services and Products” from any other sources approved by us as provided in Section 7.07 below.

2. You may offer optional Ancillary Services and/or Products if available in your Territory, including:

- (i) Title searches performed by Weichert affiliated and/or licensed companies.
- (ii) Title insurance policies issued by Weichert affiliated and/or licensed companies.
- (iii) Homeowners insurance, condominium insurance, renter’s protection insurance, automobile insurance and other types of insurance furnished through Weichert affiliated and/or licensed companies.
- (iv) Relocation services provided by our Affiliates.
- (v) Home protection plan services furnished through our Affiliates.

3. If we notify you of new Ancillary Services or Products which are optional, then you agree to promptly advise us whether you will offer and sell the new Ancillary Services or Products.

4. Your decision to offer Ancillary Services and/or Products does not in any way preclude you from offering similar competitive services and/or products of other companies, so long as they are offered and sold on a non-exclusive basis as well as the Ancillary Services and/or Products. We may advise you from time to time of any new Ancillary Services and/or Products which we will authorize you to offer, sell, utilize and/or furnish (as applicable).

5. If we advise you that a new Ancillary Service or Product is available in your Territory and you notify us that you wish to offer, sell, utilize and/or furnish it, then you agree, at your sole expense: (a) to obtain all necessary products, services, promotional materials and equipment (including, without limitation, computer software and/or hardware), which we advise you are necessary for offering, selling, using and/or furnishing (as applicable) the Ancillary Service or Product, and (b) to begin offering, selling, using and/or furnishing the Ancillary Service or Product (as applicable) no later than 90 days after your receipt of our notice (or at such later time as our notice may direct).

## 2. **TERRITORY**

**2.01 Territorial Grant.** We will grant you a geographic area (the “Territory”) described in Exhibit A by a map or written description. Your right to operate an Office is restricted to the Office Location described in Exhibit A. An “Office” means the business premises from which you conduct your franchised Weichert Business. An “Office Location” means the location for your Office in the Territory which you select and we approve in advance. Your licensed real estate brokerage may provide residential real estate brokerage services and limited non-residential real estate brokerage services to customers located in the state(s) in which the brokerage is licensed. You may only relocate your Office Location in accordance with Section 5.02 below. Unless this Agreement indicates otherwise, whenever we refer to the “Office” in the singular, we mean all of the Weichert Offices you operate within the Territory under this Agreement, and whenever we refer to the “Office Location” in the singular, we mean all of your Office Locations.

### **2.02 Our Restrictions.**

A. Within the Territory, neither we, nor our present or future affiliates, subsidiaries and designees (together, our “Affiliates” – not to be confused with “Weichert Affiliates,” who are our franchisees) will operate an Office identified by the Proprietary Mark “WEICHERT” which engages in the residential real estate brokerage business, nor will we or our Affiliates license or franchise another to do so, so long as you are not in default under this Agreement and all other related agreements, and except as provided in Section

# Weichert

2.03 (“Annual Minimum Performance Increase Requirement”) and Section 2.04 (“Rights We Reserve”). These restrictions on us and our affiliates will terminate immediately upon the expiration or termination of this Agreement for any reason.

B. You acknowledge that this Agreement grants you no marketing exclusivity in the Territory, and that all Weichert Offices (whether Company-owned, Company joint-ventured, franchised or otherwise) may solicit, service, advertise and offer their services, programs and products to any individual or entity, regardless of their geographic location (including within your Territory).

## 2.03 Annual Minimum Performance Increase Requirement

A. In order to retain the territorial rights granted by this Agreement, then for each Calendar Year commencing with Calendar Year 2 (as defined below), your annual Gross Revenues (as defined in Section 4.05) must increase by 5% each Calendar Year (the “Annual Minimum Performance Increase Requirement”). “Calendar Year 2” is defined as the year between December 31st of the year in which your Initial Office commences operations under this Agreement and December 31st of the following year. Each Calendar Year after that starts on January 1 of that year.

B. Failure by you to satisfy the Annual Minimum Performance Increase Requirement for any Calendar Year will not be grounds for the termination of this Agreement, but we will have the right to cancel your rights of territorial exclusivity granted by Article 2 of this Agreement. If we do not cancel your rights of territorial exclusivity after you fail to satisfy the Annual Minimum Performance Increase Requirement for a Calendar Year, this will not constitute a waiver of our rights to cancel them for any future failure. If we cancel your rights of territorial exclusivity for failure to satisfy the Annual Minimum Performance Increase Requirement, you understand and agree that we and our Affiliates will thereafter have the right to operate Weichert Offices under the Proprietary Marks within the Territory (either themselves or through other franchisees or licensees). You hereby waive and release any claims, demands or damages arising from or related to any of the foregoing activities engaged in by us or our Affiliates following the cancellation of your territorial rights for your failure to satisfy the Annual Minimum Performance Increase Requirement for any Calendar Year, including, without limitation, any claim of divided loyalty; breach of fiduciary duty; fraud; unfair competition; tortious interference; unjust enrichment; breach of contract; and/or, breach of the implied covenant of good faith and fair dealing. It is the intention of the parties that these provisions not be subject to further judicial or other construction, implication or attempts to provide you with any territorial rights whatsoever following your failure to satisfy the Annual Minimum Performance Increase Requirement for any Calendar Year. We may waive, suspend or modify these requirements (in our sole judgment) if unfavorable economic or business conditions or other unavoidable circumstances adversely affect the specific real estate market serviced by your Office(s).

## 2.04 Rights We Reserve

A. You have the right to operate your Franchised Business only subject to the terms and conditions of this Agreement. We specifically reserve all other rights to ourselves and our present or future affiliates, subsidiaries and designees (together, our “Affiliates” – not to be confused with “Weichert Affiliates,” who are our franchisees) and retain, now or in the future, all rights and discretion with respect to the Proprietary Marks, the System and other real estate offices. For example, and without limitation, we and our Affiliates have the right, now or in the future.

1. To own, operate and situate Weichert Businesses and Offices outside the Territory. The territories and/or locations of these Businesses and Offices may be immediately proximate to, adjacent to or abutting the boundary of your Territory.

2. To sell any products or services under the Proprietary Marks, or under any other trademarks, service marks or trade dress, through other channels of distribution.

3. To grant franchises, licenses, contracts and/or enter into joint venture agreements for the operation of Weichert Businesses and Offices outside the Territory. The territories and/or locations of these Businesses and Offices may be immediately proximate to, adjacent to or abutting the boundary of your Territory.

4. To own, operate and situate, and/or grant franchises, licenses, contracts and/or enter into joint venture agreements for, offices within your Territory providing real estate brokerage and other services in connection with the sale of undeveloped land (including, without limitation, land on which one or more homes will be constructed) and/or of tracts of newly-constructed homes.

5. To own, operate and situate, and/or grant franchises, licenses, contracts and/or enter into joint venture agreements for, offices within the Territory offering, selling and performing services other than residential brokerage services under the Proprietary Marks, including (without limitation) non-residential and/or industrial real estate brokerage services; relocation management services; financial services; title search and related services; escrow; insurance; and, pre-license and post-license training in real estate brokerage and related services.

6. To offer and sell services, programs and products within the Territory that are not explicitly authorized to be offered and sold by your Franchised Business (pursuant to this Agreement or the Operations Manual), through any means or manner whatsoever, under any names, marks, logotypes, signs, symbols and intellectual property, including the Proprietary Marks, and using our and our Affiliates' name, reputation and know-how.

7. To purchase, merge, acquire, be acquired by or in any fashion affiliate with an existing competitive or non-competitive real estate brokerage franchise network, chain or any other business regardless of the location of that network's, chain's or business's offices, and to operate, franchise or license those businesses and/or offices as Weichert Businesses and/or Offices operating under the Proprietary Marks or any other marks following the purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which may be within the Territory, and proximate to your Office Location; provided, however, that we will not operate, franchise or license such businesses and/or offices under the Proprietary Marks within the Territory.

8. On the termination or expiration of this Agreement, to establish within the Territory Businesses and Offices (either directly or through franchises, licenses, joint ventures or any other business combination) which will offer and sell those services, programs and products which this Agreement contemplates you will offer and sell.

B. The essence of this provision is that the boundary of the Territory conferred under this Agreement and the business activities you are authorized to perform under this Agreement, are to be considered for all purposes strictly delineated and not subject to further judicial or other construction, implication or attempts to expand the boundary of the Territory or your authorized business activities, directly or indirectly, and that we and/or our Affiliates may engage in any business activity whatsoever outside of the Territory (or within the Territory, to the extent provided above).

### 3. TERM

**3.01 Term.** The term ("Term") of this Agreement commences on the Effective Date and continues until the date that is ten (10) years from the date that you are scheduled to commence operations of the Franchised Business from your Initial Office under this Agreement (the "Initial Office Impact Date"), which is set forth in Exhibit A of this Agreement, unless this Agreement is sooner terminated in accordance with its provisions.

### 4. PAYMENTS TO FRANCHISOR

#### 4.01 Initial Franchise Fee; Conditions for Refund

A. In consideration of our execution of this Agreement, you agree to pay us the Initial Franchise Fee set forth on Exhibit A. The Initial Franchise Fee will be earned and payable in full when you sign this Agreement. The Initial Franchise Fee is nonrefundable except as described in subsection 4.01 (B) below. The Initial Franchise Fee entitles you to operate one Office (the "Initial Office") under this Agreement (see Section 4.02, "Additional Office Fee").

B. We will refund the Initial Franchise Fee within 60 days after the expiration of 14 months after you commence operations of the Initial Office as a Weichert Office, if, at the end of that 14-month period, you have paid us at least \$60,000 in Continuing Royalties (as defined in Section 4.04) based on the Gross

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Revenues (as defined in Section 4.05) of your Initial Office. To qualify for the refund, we must have verified your Gross Revenues and Continuing Royalties by reviewing your Franchised Business' operations reports (each, an "Operations Report") and your payment of Continuing Royalties pursuant to this Agreement. There will be no partial refund if the Continuing Royalties you paid us based on the Gross Revenues of your Initial Office during the first 14 months after you commence operations of your Initial Office as a Weichert Office are less than \$60,000. Nothing in this subsection 4.01 (B) should be construed in any way as a representation or guarantee that your Franchised Business will earn any specific level of Gross Revenues.

## 4.02 Additional Office Fee

A. If you wish to open or convert an office within the Territory to a Weichert Office in addition to the Initial Office (each, an "Additional Office"), then you agree to pay us an Additional Office Fee set forth on Exhibit A to this Agreement for each such additional Office. You agree to pay us the Additional Office Fee for each such Additional Office when you sign this Agreement, and it will be fully earned when paid and nonrefundable. The Additional Office Location(s) will be set forth on Exhibit A to this Agreement.

B. If you wish to open and operate any Additional Offices which we have not approved before the execution of this Agreement, then, if we have approved the Additional Office(s), you must execute our then-current form of franchise agreement for each such Additional Office, and you must pay us our then-current Additional Office Fee for each such Additional Office when you sign the franchise agreement for each.

## 4.03 The Bank Account

A. Within thirty days after the Effective Date of this Agreement and throughout the term of this Agreement, you agree to establish and maintain a segregated bank account at a bank or other financial institution which we designate (the "Bank Account"). The Bank Account must be established and maintained solely for the purposes set forth in this Section 4.03 and our Operations Manual.

B. You agree to instruct the institution holding the Bank Account to allow us access to the Bank Account for collection of Continuing Royalties, Marketing Fees and all other fees and payments provided for in this Agreement. The Bank Account must have the capacity to make payments and receive credits through electronic debiting. You hereby grant us the right to debit the Bank Account (electronically or otherwise) for Continuing Royalties, Marketing Fees and any and all amounts you owe us or our Affiliates under this Agreement and you agree to execute whatever documents the institution holding the Bank Account and our financial institutions may require for this purpose. Under no circumstances will our access to the Bank Account be deemed our control or our joint control of the Bank Account.

C. You agree to continuously maintain enough money in the Bank Account so as to allow us to make electronic debits as frequently as (e.g., daily, weekly, monthly or at some other interval), and in the form and manner, we specify in our Operations Manual (as it may be amended from time to time). Notwithstanding the foregoing, you agree to continuously maintain a minimum balance in the Bank Account of at least \$1,500 or such higher continuous minimum balance as we deem reasonably necessary. You agree to reimburse us for all extraordinary costs we incur in collecting or attempting to collect funds due to us or our Affiliates from the Bank Account (for example and without limitation, charges for insufficient funds, uncollected funds or other discrepancies in deposits or maintenance of the Bank Account balance as required by the terms of this Agreement).

D. We will notify you of the date and amount of each debit we make from your Bank Account at the time and in the manner specified in our Operations Manual.

E. The Bank Account must be established so that we can audit it at any time upon notice to you. If the electronic funds transfer system enabling us to electronically debit your Bank Account is not functioning at any time for any reason, you agree to ensure that we and/or our Affiliates otherwise receive payment for any and all amounts due us and/or our Affiliates and by the date due, in the form of a check, money order or any other form acceptable to us.

F. Upon the termination or expiration of this Agreement, you agree to keep the Bank Account open and to continue our ability to debit the Bank Account until you have satisfied all financial obligations to us and our Affiliates, including (without limitation) the payment of Continuing Royalties on Gross Revenues

you receive after the date of termination or expiration from all Pendants (as defined in Section 4.04 below) before the date of termination or expiration.

## 4.04 Continuing Royalty

A. In consideration of our granting you a franchise under this Agreement, you agree to pay us 6% of the Gross Revenues (as defined in Section 4.05 below) of your Franchised Business (the "Continuing Royalty") in accordance with Section 4.07. If, by the end of each month, the aggregate Continuing Royalties you have paid us during that month do not meet or exceed the then-applicable minimum monthly continuing royalty (the "Minimum Monthly Continuing Royalty") per Office (as defined below), you agree to pay us the additional amount necessary to meet such Minimum Monthly Continuing Royalty. No Continuing Royalties will be payable on Gross Revenues that your Business may receive in connection with Pendants as of the Start Date of this Agreement. "Pendants" are defined as transactions that are subject to a previous binding written agreement but which have not yet closed, settled or funded before your Start Date. Continuing Royalties will, however, be payable on any Gross Revenues you receive following the Start Date of this Agreement from transactions subject to a binding written agreement where the transaction arose from listings which you secured before commencing operations as a Weichert Business (whether you secured the listings before or after signing the Franchise Agreement). Following the termination or expiration of this Agreement, Continuing Royalties will be payable on any Gross Revenues received in connection with Pendants as of the date of termination or expiration.

B. There is no required Minimum Monthly Continuing Royalty for your 1<sup>st</sup> and 2<sup>nd</sup> calendar months after your "Start Date" (defined as (i) the date you actually begin operation of the Franchised Business or (ii) the Initial Office Impact Date, whichever is earlier) but you still must pay the 6% Continuing Royalty during those first two calendar months in accordance with Section 4.07. Beginning in your 3<sup>rd</sup> month of operation and continuing throughout the term of this Agreement, your Minimum Monthly Continuing Royalty will consist of the amounts set forth on Exhibit A to this Agreement. If, in any calendar year, you have paid a cumulative Minimum Monthly Continuing Royalty in an amount greater than the total Minimum Monthly Continuing Royalty due for the calendar year (calculated by adding the applicable Minimum Monthly Continuing Royalty amounts due for the entire calendar year), then you are no longer required to make any Minimum Monthly Continuing Royalty payments for the remainder of the calendar year but you still must pay the Continuing Royalty set forth above for the remainder of that year. We will have the right to increase the Minimum Monthly Continuing Royalty each year, effective January 1 of each year, by the percentage of increase in the "CPI" since January 1 of the calendar year in which we execute this Agreement, and if the CPI is discontinued, the most nearly comparable successor index. The "CPI" means the Consumer Price Index for all Urban Consumers (CPI-U) – All Items (1982-84=100) for the United States published by the Bureau of Labor Statistics of the U.S. Department of Labor.

## 4.05 Definition of Gross Revenues

A. "Gross Revenues" means all revenues and income of any type or nature and from any source that you derive or receive – directly or indirectly – from, through, by or on account of the operation of the Franchised Business including (without limitation) your Initial Office, any Additional Offices and any Administrative, Temporary and/or Satellite Offices (as these terms are defined in Section 5.03 below) whether received in cash, in services, in kind, from barter and/or exchange, on credit, or otherwise. Gross Revenues will include (without limitation) all revenues you receive after the expiration or termination of this Agreement in connection with Pendants as of the date of termination or expiration of this Agreement. For the purposes of calculating Gross Revenues, you may not deduct or exclude any of the following: commissions paid to your sales associates; multiple listing service fees; Marketing Fees; the expenses of operating your Business; any other costs you incur; revenues and income in connection with Services for non-residential property; or, any other deductions or exclusions that are not specifically authorized by this Article 4 or our Operations Manual.

B. You may exclude from Gross Revenues reasonable referral fees paid by your Business to WLN (in connection with your participation in the Weichert Lead Network Lead Program), other real estate brokers unaffiliated with you and/or to legitimate referral agencies unaffiliated with you, such as relocation companies and referral networks (including, without limitation, those of our Affiliates), so long as you set forth the name and location of any such brokers and/or referral agencies in your required Operations Reports



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(see Section 4.07). You may deduct from Gross Revenues, to the extent that they have been included in your calculation of Gross Revenues, documented refunds, charge-backs, credits and allowances that you give in good faith to clients, and all sales taxes or similar taxes which you legally charge to clients. You may deduct from Gross Revenues all reimbursements received by your Franchised Business from auction sellers for auction advertising and marketing expenses which you have advanced on behalf of the auction sellers, provided that you set forth such reimbursement payments and the expenses to which they related in the Operations Report required by Section 4.07. You may exclude from Gross Revenues any fees you receive for mortgages or loans referred to one of our Affiliates, for insurance business referred to one of our Affiliates (or its licensees), for title search or insurance business referred to one of our Affiliates (or its licensees), or for home protection plan business referred to us or one of our Affiliates (or its or our licensees). For the purpose of determining Gross Revenues, all barter and/or exchange transactions where you furnish services or products in exchange for goods or services to be provided to you by a vendor, supplier or client will be valued at the full retail value of the goods and/or services to be provided to you. If your Business receives a commission in the form of a promissory note, then you may include the commission in Gross Revenues on an installment basis, including each payment when you receive it under the note.

## 4.06 Marketing Fee

A. You agree to pay us a Marketing Fee equal to 2% of your Gross Revenues (as defined in Section 4.05) in accordance with Section 4.07. If, by the end of each month, the aggregated Marketing Fees you have paid us during that month do not meet or exceed the Minimum Monthly Marketing Fee, as specified in subsection (B) below, you agree to pay us the additional amount necessary to meet such Minimum Monthly Marketing Fee. Your Marketing Fees will be expended as provided for in Section 9.03 below. No Marketing Fees will be payable on Gross Revenues that your Business may receive in connection with Pendencies before the Start Date of this Agreement, but following the termination or expiration of this Agreement, Marketing Fees will be payable based on any Gross Revenues received in connection with Pendencies as of the date of termination or expiration.

B. The Marketing Fee will be subject to a minimum Marketing Fee (the "Minimum Monthly Marketing Fee") and a maximum Marketing Fee (the "Maximum Monthly Marketing Fee"). The Minimum and Maximum Monthly Marketing Fees will be calculated on a per Office, monthly basis, and will consist of the amounts set forth on Exhibit A to this Agreement. Marketing Fees from more than one Office may not be aggregated for the purpose of calculating the Minimum Monthly or the Maximum Monthly Marketing Fee. We have the right to increase the Minimum and Maximum Monthly Marketing Fees, effective January 1 of each year, by the percentage of increase in the CPI since January 1 of the calendar year in which we execute this Agreement, and if the CPI is discontinued, the most nearly comparable successor index.

## 4.07 Reporting and Payment

A. You agree to electronically submit Operations Reports to us as frequently as (e.g., daily, weekly, monthly or at some other interval), and in the form and manner, we specify in our Operations Manual (as it may be amended from time to time). We may require, either in the Operations Manual or elsewhere, that the Operations Report contain some or all of the following information: a statement reporting all Gross Revenues received for the applicable time period; information regarding listings and sales; information regarding other income; information regarding allowable deductions; and/or information regarding staff changes. Notwithstanding the deadlines for submitting the Operations Reports specified in our Operations Manual, you may submit listing data to us as frequently as you desire, so that we can make it accessible to other Weichert Offices.

B. We will electronically debit your Bank Account for the Continuing Royalty and Marketing Fee as frequently as (e.g., daily, weekly, monthly or at some other interval), and in the form and manner, we specify in our Operations Manual (as it may be amended from time to time).

## 4.08 Commencement of Payments

A. The Continuing Royalty, Marketing Fee and all other payments and fees due under this Agreement will begin to accrue on the Initial Office Impact Date under this Agreement. Calculation of the Minimum Monthly Continuing Royalty will also commence on the Start Date.

B. All other payments due to us will accrue on the dates specified either in this Agreement, the Operations Manual, or, with regard to any products and/or services sold or furnished by us or any of our Affiliates to you, on the terms we (or our Affiliate) specify at the time of offer or sale, including, without limitation, electronic funds transfer or other wire transfer. All royalties, fees and payments, including the Continuing Royalty and Marketing Fee, will continue to accrue during the entire term of this Agreement. Gross Revenues you receive after the expiration or termination of this Agreement in connection with Pending as of the date of termination or expiration of this Agreement will accrue upon your receipt of such Gross Revenues.

## 4.09 Payments to Us

A. In addition to all other payments under this Agreement, you agree to pay us (or our Affiliates) immediately upon demand:

1. The amount of all sales taxes, trademark license taxes and any other tax or levy whatsoever – however denominated – imposed on, required to be collected, or paid by us or our Affiliates (but not including any corporate income taxes imposed on us or our Affiliates) on account of services or goods we (or our Affiliates) have furnished to you through sale, lease or otherwise, or on account of collection by us of the Initial Franchise Fee, Additional Office Fees (if any), Continuing Royalties and/or Marketing Fees called for by this Agreement.

2. All amounts we advanced, or which we have paid, or for which we have become obligated to pay, on your behalf for any reason (not including any corporate income taxes imposed on us or our Affiliates).

3. All amounts due to us or our Affiliates for products or services you purchased from us or our Affiliates

## 4.10 Late Charge

A. You agree to pay us (or our Affiliates) interest on any amounts due (under this Agreement or otherwise) but not timely paid at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of 4% above the prime rate of interest on the first day of each month that an amount is past due, as published in The Wall Street Journal. If The Wall Street Journal is not published at that date, the prime rate used will be that published by The New York Times, and if neither is published, the prime rate used will be that charged on that date by Citibank, N.A. in New York City.

B. In addition to your obligation to pay us interest on any amounts due (under this Agreement or otherwise) but not timely paid, we will charge you an Administrative Fee in the amount of \$35 if (i) you have insufficient funds in your Bank Account to make any payments due under the Franchise Agreement; (ii) you fail to make any payments due under the Franchise Agreement; or, (ii) before any regularly scheduled payment is due, you request a postponement of the payment due date.

C. You acknowledge that this Section 4.10 will not constitute agreement by us or our Affiliates to accept any payments after they are due, or a commitment by us or our Affiliates to extend credit to you or otherwise finance the Franchised Business. You also acknowledge that if you do not pay all amounts when due under this Agreement, this will be a material breach of this Agreement which, unless you cure the breach as provided in Section 17.03, will result in this Agreement being terminated immediately.

**4.11 Application of Funds.** If you are delinquent in the payment of any obligation to us or our Affiliates under this Agreement, or under any other agreement with us or any of our Affiliates, then we or the Affiliate may apply any payment from you to the oldest obligation due, whether under this Agreement or otherwise, whether or not there is any contrary designation by you.

**4.12 You May Not Withhold.** You may not withhold payment of any Continuing Royalty, Marketing Fee or any other amount due to us or our Affiliates on the grounds of the alleged non-performance or breach of any of our or our Affiliates' obligations under this Agreement or any related agreement, including agreements for the sale of products or services by us or our Affiliates to you.

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**4.13 Processing Fee.** You agree to pay us a Processing Fee in the amount of \$250 in addition to any other fees due under this Agreement for any changes or modifications that are made to the Franchise Agreement upon your request.

## 5. SITE SELECTION REQUIREMENTS; OFFICE APPEARANCE AND SIGNS

### 5.01 Office Location

A. Except as provided in Section 5.03 ("Administrative, Temporary and Satellite Offices"), you may operate your franchised Weichert Business only from your approved Office Location. You may use the Office(s) for no other purpose than the operation of the Franchised Business.

B. The Office Location for your Initial Office is set forth on Exhibit A to this Agreement, and any Additional Office Locations we have approved are also set forth on Exhibit A.

C. You acknowledge that any advice we give you regarding site selection (whether as part of our System or Operations Manual, in response to your proposals or inquiries, or otherwise); our proposal or suggestion of any Office or Additional Office Location; and/or, our exercise of our rights of inspection or approval, are not meant to be relied on or construed in any way as a representation, express or implied warranty, or any other indicia of the prospective profitability, viability or merit of any location. You waive, release and discharge any claim to the contrary.

### 5.02 Relocation of a Franchised Office

You may not relocate any of your Weichert Offices to another location without first obtaining our written approval for the new location. Our approval of such relocation, however, will not alter or modify the Territory originally granted herein, unless also altered or modified in writing by us. Any relocation will be at your expense. We may charge you for any costs we incur in connection with the relocation.

### 5.03 Administrative, Temporary and Satellite Offices

A. **Administrative Offices.** There will be no Additional Office Fee for offices you operate within the Territory for purely administrative purposes and from which you do not provide any Services to clients under this Agreement (each, an "Administrative Office"). You must obtain our written approval before opening or operating any Administrative Office as provided in subsection 5.03 (D) below and you must pay us an administrative fee of up to \$1,000 for each such Administrative Office. If you provide any Services (or Ancillary Services or Products) to clients under this Agreement from any Administrative Office, then that Office becomes an Additional Office, you must immediately pay us the Additional Office Fee as provided in Section 4.02 above, and all other Office requirements will thereafter apply to that Office.

B. **Temporary Offices.** With our prior written approval, as provided in subsection 5.03 (D) below, you may operate Temporary Offices without paying us an Additional Office Fee, but you must pay us an annual administrative fee of up to \$2,000 per year for each such Temporary Office. "Temporary Offices" are defined in our Operations Manual, and they include sales offices located in or near a new housing tract or subdivision, sales offices that you use while your Initial Office is temporarily unavailable, and other arrangements, where there are facts and circumstances that we determine, in our sole judgment, warrant a Temporary Office, and from which Services are provided to clients. You may operate each Temporary Office for no longer than the period we agree upon in writing.

C. **Satellite Offices.** With our prior written approval, as provided in subsection 5.03 (D) below, you may operate Satellite Offices without paying us an Additional Office Fee, but you must pay us a monthly satellite fee of \$199 per month, for a minimum of twelve months, for each such Satellite Office. "Satellite Offices" are defined in our Operations Manual, and they include sales offices that you use when you are determining whether to open a new additional Initial Office and other arrangements, where there are facts and circumstances that we determine, in our sole judgment, warrant a Satellite Office, and, from which Services are provided to clients. Your right to operate a Satellite Office may be terminated by you any time after the first 12 months of operation, for any or no reason, so long as you provide us with at least 60 days prior written notice. You may operate each Satellite Office for no longer than the period we agree upon in writing.

#### D. **General.**

1. You must obtain our prior written approval for any Administrative, Temporary or Satellite Office you wish to operate. We may deny your request for approval to open any Administrative, Temporary or Satellite Office for any reason or no reason. If we approve your proposed Administrative, Temporary or Satellite Office (as applicable), then you agree and acknowledge that our approval is not meant to be relied on or construed in any way as a representation, express or implied warranty, or any other indicia of the prospective profitability, viability or merit of the Office location, and you waive any claim to the contrary.

2. You agree that all Administrative, Temporary or Satellite Offices that we permit you to operate under this Agreement will comply with all requirements we may establish for the applicable Office type in our Operations Manual or otherwise. We may prohibit you from engaging in certain activities contemplated by this Agreement from an Administrative, Temporary or Satellite Office, as we specify in our Operations Manual or otherwise.

3. All revenues from your Administrative, Temporary or Satellite Offices (if any) must be included as Gross Revenues for the purpose of calculating your Continuing Royalties and Marketing Fees, as specified in the Operations Manual. You agree to report to us all Gross Revenues from your Administrative, Temporary or Satellite Office (as applicable) in the manner required by Section 4.07 above. Except as otherwise set forth in the Administrative Office, Temporary and Satellite Office Addenda, for purposes of calculating the Minimum Monthly Continuing Royalty and/or the Minimum Monthly Marketing Fee, the Gross Revenues from any and all such Administrative, Temporary or Satellite Office will be included as part of Gross Revenues of the Initial Office.

**5.04 Office and Signage Requirements.** You agree that, throughout the term of this Agreement, your Office(s) will meet our standards and requirements for the appearance, furnishing and equipping of Weichert Offices that we set forth in our Operations Manual or otherwise.

## 6. DUTIES OF FRANCHISOR

### 6.01 Confidential Operations Manual

A. We will lend you one copy of our confidential operating manual (the "Operations Manual" or the "Manual"). Some parts of the Operations Manual may be delivered to each of your Offices at our option, as an administrative convenience only. The Operations Manual may be in the form of one or more of the following: one or more looseleaf or bound volumes; written bulletins; notices; facsimiles; electronic communications; CD-ROMs, computer disks or other electronic media; or, any other such memorializations.

B. You agree to operate your franchised Weichert Business in strict compliance with the policies, procedures, operational systems, methods and requirements prescribed from time to time in the Operations Manual.

C. We retain the right to prescribe additions to, deletions from or revisions of the Operations Manual (the "Supplements to the Operations Manual"), all of which will be considered a part of the Operations Manual. All the previous and subsequent references to the Operations Manual in this Agreement will include all Supplements to the Operations Manual. Supplements to the Operations Manual will become binding on you as if originally set forth in the Operations Manual, upon being delivered to you as provided in Section 26.01 of this Agreement. You agree to immediately adopt and use the services, products, programs, materials, standards, specifications, policies, methods, procedures and techniques set forth in modifications or Supplements to the Operations Manual. The Operations Manual and any additions, deletions, revisions or Supplements to the Operations Manual are material in that they will affect the operation of the Franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement.

D. You acknowledge that we are the owner of all proprietary rights in the Weichert System, the Operations Manual and all Supplements to the Operations Manual, and that you are acquiring no proprietary or other right to them other than a license to use them and comply with them during the term of this Agreement. The Operations Manual and all Supplements to the Operations Manual will remain our property at all times. You promise that you, your agents, independent contractors, and employees will treat the Operations Manual and the information contained in it as confidential; use all reasonable efforts to maintain

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this information as secret and confidential; at no time copy, duplicate, record or otherwise reproduce the Operations Manual or Supplements to the Operations Manual, in whole or in part; and, not make the Operations Manual, Supplements to the Operations Manual or information in them available to any unauthorized person. Upon the expiration or termination of this Agreement, you must return the Operations Manual and all Supplements to the Operations Manual to us, or at our direction obliterate or destroy them.

E. You agree to ensure at all times that your copy of the Operations Manual and the Supplements to the Operations Manual are current and up-to-date. If there is any dispute as to your compliance with the provisions of the Operations Manual and any Supplements to the Operations Manual, the master copy of the Operations Manual and any Supplements to the Operations Manual maintained at our principal office will control.

## **6.02 Weichert Management Academy/Initial Training Program**

A. Before the Initial Office Impact Date, or the next scheduled training after the Initial Office Impact Date, you (if “Franchisee” is an individual) or, if “Franchisee” is a business entity, your Business Manager (as defined in Section 7.06 below) must attend and complete our Weichert Management Academy initial training program. We will determine the date of commencement, location (and whether in-person or virtual) and duration of this program and notify you of them.

B. The cost for attendance at the Weichert Management Academy for you or your Business Manager (as applicable) is included in the Initial Franchise Fee. The Initial Franchise Fee also includes ground or air transportation, hotel accommodations for three nights, certain meals and training materials for you or your Business Manager (as applicable). You will be responsible for any other expenses, and for your trainee’s salary. If you wish additional personnel to attend the Weichert Management Academy, you must pay us a fee no greater than \$950 per person for tuition and training materials, and you must pay all expenses incurred by your additional trainees in connection with training including, but not limited to, their salaries, transportation costs, hotel accommodations, meals and other expenses.

C. If we reasonably conclude that you or your Business Manager (as applicable) has failed to attend or complete our Weichert Management Academy initial training program, this failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us.

D. Any Business Manager you hire or appoint after you commence operation of your Franchised Business must attend and complete our next scheduled Weichert Management Academy initial training program. You must pay us no more than \$950 per person for tuition and training materials for training any successor Business Manager, and you must pay all expenses incurred by your additional trainees in connection with training including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

## **6.03 Sales Training Classes**

A. We will provide regularly scheduled initial sales training classes (“Fast Track Training”) for your sales associates at locations we select, which may include online training and local or regional locations or through webinar formats. Fast Track Training is subject to our scheduling, notification, enrollment and cancellation policies as specified in the Operations Manual.

B. All new sales associates hired by you (as defined in the Operations Manual) must attend and complete the Fast Track training to our satisfaction. The cost for such training to you or your sales associates will be established by us, but will not exceed \$199 per person, including training materials. You will be responsible for all other expenses of your trainees incurred in connection with Fast Track training including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

C. In addition to the required Fast Track training, we may also provide other optional training for sales associates or staff members conducted at local or regional locations or through webinars. The cost for such training to you or your sales associates will be limited to reasonable reimbursement for any required and/or optional training materials, equipment leasing and/or meeting room expenses. You will be responsible

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for all expenses of your trainees incurred in connection with training including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

**6.04 Franchisee Conversion Package.** Upon payment of your Initial Franchise Fee, we will provide you a Franchisee “Conversion Package” of goods and services, as set forth on Exhibit A. We retain the right to suspend or rescind all or any part of your Conversion Package if you fail to make a timely payment of any money due us (or our Affiliates) or you have received a Notice of Default under this Agreement, even if the default was timely cured.

**6.05 Approved Suppliers.** Before you commence operations under this Agreement, we will provide you with a list of our Approved Suppliers. See Section 7.07 below.

## **6.06 Weichert Incentive Bonus Program**

A. Under the Weichert Incentive Bonus Program, you may be eligible to receive an annual bonus. In order to qualify for a Weichert Incentive Bonus, you must achieve certain levels of Continuing Royalties timely paid to us, and comply with operational criteria, all as detailed below.

B. The following definitions will apply:

1. A “Calculation Year” means any whole or partial calendar year during which you are operating the Franchised Business under this Agreement.
2. The “Award Date” means March 31st of the calendar year immediately following the Calculation Year. During the year in which this Agreement expires, if we agree to enter into a Successor Franchise Agreement with you, then the Award Date will be the later of March 31st of that year or the fourteenth day after the date on which we deliver to you the Successor Franchise Agreement counter-executed by us. (see subsection 6.06 [C] [4] below).

C. Our obligation to pay you a Weichert Incentive Bonus will be contingent on your fulfilling the conditions we set forth in our Operations Manual, including the following conditions:

1. You and your Franchised Business must be in compliance with this Agreement, with the Operations Manual and all with other agreements between you and us (or our Affiliates);
2. You have must have satisfied all monetary obligations to us (or our Affiliates) and must have timely met these obligations throughout the Calculation Year;
3. You must not have received more than two Notices of Default under this Agreement, even if the defaults were timely cured, within the Calculation Year;
4. During the calendar year during which this Agreement expires, if this Agreement expires between January 1st and March 31st of that year, then you will only be eligible for a Weichert Incentive Bonus for the preceding Calculation Year if you and we have executed a Successor Franchise Agreement by March 31<sup>st</sup> of the year in which this Agreement expires. If this Agreement expires between January 1st and March 31st and you and we have not executed a Successor Franchise Agreement by March 31st of that year, then we will have no obligation to pay you a Weichert Incentive Bonus with respect to the Calculation Year before the calendar year during which this Agreement expires;
5. We will have the right, in our sole judgment, to modify the conditions for the award of a Weichert Incentive Bonus and to establish new conditions for the award of a Weichert Incentive Bonus, and we will communicate any such modification or new condition to you in writing no later than February 15th of any Calculation Year to which the adjustment applies; and
6. There are at least 15 months remaining in the term of this Agreement, unless you execute a Successor Franchise Agreement with us.

D. If you have met all the conditions for the award of a Weichert Incentive Bonus during the preceding Calculation Year (or part thereof), then we will pay to you, on or before the Award Date in question, a Weichert Incentive Bonus (subject to the limitations set forth in subsection [C] [4] above with respect to

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the calendar year during which this Agreement expires). The Weichert Incentive Bonus for each Calculation Year under this Agreement will be calculated in accordance with the table below, as follows: We will first calculate the Bonus for each range (starting with Range 2) by multiplying your Annual Continuing Royalties you timely paid us on Gross Revenues you received in the Calculation Year (“Qualifying Royalties”) by the Percentage Multiplier for that range, crediting you with the Maximum Award per Range, and we will then add the Bonuses you are entitled to for each range to arrive at your total Weichert Incentive Bonus for a Calculation Year. The calculation of Weichert Incentive Bonuses will be based on the aggregate Annual Continuing Royalties you timely paid us on Gross Revenues you received in the Calculation Year for all your Weichert Offices.

## CALCULATION OF WEICHERT INCENTIVE BONUS

Range	Annual Qualifying Royalties paid		Percentage Multiplier	Maximum Award Per Range	Cumulative Maximum Award
	From	To			
1	\$0	\$120,000	n/a	\$0	\$0
2	\$120,001	\$180,000	16.6667%	\$10,000	\$10,000
3	\$180,001	\$240,000	33.3333%	\$20,000	\$30,000
4	\$240,001 and above		50.00%	No Maximum	No Maximum

E. Notwithstanding the other provisions of this Section 6.06, if we deliver a notice of default to you pursuant to Section 17.03 of this Agreement, then the Continuing Royalties of your Franchised Business during the calendar quarter in which such notice is delivered to you and each calendar quarter (or partial quarter) during which the default remains uncured at the end of the calendar quarter will be excluded from the calculation of Continuing Royalties for the subject Calculation Year, regardless of whether or not you cure the default on a timely basis.

F. Nothing in this Section 6.06 should be construed in any way as a representation or guarantee that your Franchised Business will achieve any of the levels of Continuing Royalties used to calculate the Weichert Incentive Bonus or any specific level of Gross Revenues.

G. If this Agreement is assigned pursuant to Article 14, then we will prorate the Weichert Incentive Bonus on a monthly basis, with any Weichert Incentive Bonus earned prior to the calendar month in which the effective date of the assignment occurs accruing to the assignor, and any Weichert Incentive Bonus earned following the calendar month in which the effective date of the assignment occurs accruing to the assignee.

H. So that there is no misunderstanding, we will deduct from any Weichert Incentive Bonus any and all Continuing Royalties and Marketing Fees and other payments, obligations and amounts that you owe to us or any of our Affiliates and which have not been timely paid.

I. We reserve the right to construe and interpret the Weichert Incentive Bonus program and, in the event of any dispute with regard to the payment of the Weichert Incentive Bonus or the interpretation of any aspect of the Weichert Incentive Bonus, you agree that our decision will be final and binding on you and us.

J. The Weichert Incentive Bonus is not a refund of Continuing Royalties or other amounts you pay to us, but rather a separate incentive designed to reward outstanding performance as well as full compliance with this Agreement and the Operations Manual.

**6.07 Business Conferences or Conventions.** We may from time to time conduct a system-wide business conference (“Management Retreat”) or convention (“Convention”). We will determine the duration, agenda and location of each of these events. We may charge you a reasonable fee to cover our costs and expenses of organizing and conducting each Management Retreat or Convention you attend - - provided, such charge will not exceed \$999 per attendee for each Management Retreat or Convention (subject to an annual adjustment for inflation as it affects our associated costs and expenses). You (if “Franchisee” is an individual) and/or your Business Manager(s) must attend each Management Retreat and system-wide

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Convention. We will notify you of each such event and deduct our charge for your attendance from the Bank Account (as set forth in the Operations Manual). You may, if you wish, send other attendees to any such conference (retreat) or convention. You agree to pay all related expenses of your attendees including, but not limited to, transportation costs, meals, lodging and living expenses.

**6.08 Initial Support Services/Business Management Training.** For a period of 90 days following your Start Date, we will provide initial business support services (“Orientation Services”) to help implement the Weichert System at your Office(s). These services may include training, administrative assistance, and consultation with respect to programs, procedures, guidelines, systems, specifications or techniques pertaining to the operation of your Weichert Business. The timing of Orientation Services will be subject to the availability of our personnel, and may be conducted on-site, off-site, by telephone; or, through other communication formats or devices (or any combination thereof).

## **6.09 Ongoing Field Support Services**

A. Following our furnishing to you of the Orientation Services as described above, we may, at our sole option, furnish to you ongoing field support services. Such ongoing business support may include management training held at locations of our choosing, as well as individual or group business planning and consulting pertaining to the operation of your Weichert Business. The timing and continuation of all business planning and support services will be subject to the availability of our personnel and other conditions set forth in the Operations Manual. We will not charge a fee for this training, but you must reimburse us for the costs for any training materials, equipment leasing and/or meeting room expenses. You will also be responsible for all other expenses of you or your Business Manager(s) incurred in connection with such training including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

B. Our representatives may render field support services on-site, off-site, by telephone; or, through other communication formats or devices. Field support services may include advice with respect to programs, procedures, guidelines, systems, specifications or techniques pertaining to the operation of your Weichert Business.

**6.10 Optional Materials and Services Which We May Offer.** If we determine to offer to sell you any optional materials and services (directly, or through an Affiliate), and you, at your sole option, determine to purchase any of them, then you must pay us (or our Affiliate) the prices that we, at our sole option, determine and set forth at the time of offer or sale, or we otherwise generally set forth in our Manual or otherwise. All such prices will be subject to change at any time.

**6.11 Nature of Obligations.** All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

## **7. DUTIES OF FRANCHISEE**

### **7.01 Commencement of Operations**

You agree to commence the operation of your Franchised Business no later than the Initial Office Impact Date set forth on Exhibit A to this Agreement. If you wish to open or convert one or more offices within the Territory to an Additional Office(s), then you agree to do so by the “Impact Date” for each such Additional Office set forth on Exhibit A.

A. Before commencing operations under this Agreement, you agree to fulfill all the pre-opening obligations called for by this Agreement and our Manual.

B. Your failure to commence operation of your Initial Office or any Additional Office under this Agreement by the applicable date set forth on Exhibit A will be a material and incurable breach of this Agreement, which, unless waived by us, will entitle us to terminate this Agreement immediately upon notice to you, without opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us.

### **7.02 Manner of Operation**



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A. Your Business and Offices must comply at all times with every provision of this Agreement, the Weichert System, the Operations Manual and all Supplements to the Operations Manual.

B. You acknowledge that every component of the Weichert System is vital to us, to other Weichert franchisees and to the operation of the Franchised Business. You further acknowledge that your compliance with the Weichert System is of the essence to this Agreement. You therefore agree to conduct the activities and operations of your Weichert Business and Offices at all times in compliance with the Weichert System, including all standards, procedures and policies we establish from time to time (in our Operations Manual or otherwise), as though specifically set forth in this Agreement. You agree to disseminate to the public all promotional and other materials, which we specify and which are part of the Weichert System.

## **7.03 Modifications to the Weichert System**

A. You understand and agree that the Weichert System must not remain static if it is to meet unforeseen changes in technology, competition, demographics, populations, consumer trends, societal trends; economic trends and other marketplace variables. Accordingly, you agree that we may from time to time change the components of the Weichert System and the requirements applicable to the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of the System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those Services, Ancillary Services, programs and products which the Franchised Business is authorized and required to offer, sell and provide; modifying or substituting entirely the Office signage, trade dress, decor, color schemes and uniform specifications and other Office construction, design, appearance and operation attributes which you are required to observe under this Agreement; and, changing, improving, modifying or substituting the Proprietary Marks. In addition, we reserve the right to make any adjustments to our services offered to you as we may determine necessary, in our sole judgement, from time to time in order to protect health and safety. These adjustments may include, by way of example but without limitation, suspending in-person gatherings such as training, meetings and conferences; instead, such events may be conducted virtually.

B. You agree to comply with any such modifications, additions, deletions, substitutions and alterations; provided, however, that the changes will not materially and unreasonably increase your obligations under this Agreement.

C. You agree to accept, use and effectuate any such modifications to, or substitution of, the elements of the System as if they were part of the System at the time that this Agreement was executed.

D. We will not be liable to you for any expenses, losses or damages you sustain as a result of any of the modifications contemplated by this Section. You promise not to commence or join in any arbitration, litigation or other proceeding against us, or our Affiliates or any third party complaining of any such modifications or seeking expenses, losses or damages caused by such modifications. Finally, you expressly waive any claims, demands or damages arising from or related to the above activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

**7.04 Compliance with Laws, Rules and Regulations.** You agree to operate the Franchised Business in strict compliance with all applicable laws, rules and regulations of all governmental and quasi-governmental authorities; comply with all applicable wage, hour and other laws and regulations of federal, state and local governments; prepare and file all necessary tax returns; pay all taxes imposed on you related to the Franchised Business; pay or cause to be paid prior to delinquency all taxes, fines, fees and/or assessments arising out of or in connection with the operation of the Franchised Business and Office; obtain and keep in good standing all necessary licenses, permits and other required forms of governmental and quasi-governmental approval necessary for the operation of your Weichert Business; and, otherwise be responsible for compliance, at your sole expense, with all governmental or quasi-governmental requirements, restrictions, duties and responsibilities, including, without limitation, all laws, rules and regulations applicable to your Business governing the operation of a real estate brokerage and the Americans with Disabilities Act. If at any time during the term of this Agreement you receive any complaint,

claim or notice alleging a failure to comply with any law, rule or regulation applicable to your Business, you agree to provide us with a copy of the complaint, claim or notice within five days after you receive it.

**7.05 Membership in National Association of Realtors®.** You must be and remain a member in good standing of the National Association of Realtors® throughout the Term of this Agreement. Your Franchised Business must comply with the Code of Ethics of the National Association of Realtors® at all times.

## **7.06 Your Participation in the Operation of the Business; Responsible Real Estate Broker Business Manager; Office Managers**

A. You agree to personally and directly supervise the operation of the Franchised Business, unless we otherwise permit in writing. You agree to devote the amount of your time, attention and best efforts to the performance of your duties under this Agreement that is necessary for the proper and effective operation of the Franchised Business.

B. You hereby represent and warrant that, as of the date you execute this Agreement, you are, or must have designated a real estate broker duly licensed under any and all applicable laws, rules and regulations of the Territory (your "Responsible Broker"). Your initial designated Responsible Broker is identified as such on Exhibit A; must personally and directly supervise the operation of the Franchised Business and, unless we permit otherwise, must also serve as your Business Manager (see below). You agree immediately to notify us of the death, disability or termination of employment of your Responsible Broker or the loss or suspension of your Responsible Broker's real estate brokerage license. You must designate a successor or acting Responsible Broker no later than ten days following the death, disability, termination of a Responsible Broker or the loss or suspension of your Responsible Broker's real estate brokerage license. Each successor or acting Responsible Broker must be a licensed real estate broker under applicable law in the Territory, and must possess any required credentials and meet any other requirements stated in our Operations Manual. You must provide us with written notice of any changes to your designated Responsible Broker.

C. If "Franchisee" under this Agreement is an individual, you must either serve as or designate a Business Manager. If "Franchisee" under this Agreement is a business entity, then you must designate a Business Manager. Unless we permit otherwise, your Business Manager must be your Responsible Broker (see above). You must inform us in writing as to the identity of your Business Manager and any successor Business Managers. Other requirements concerning the Business Manager will be set forth in our Operations Manual and are incorporated by reference in this Agreement.

D. You agree immediately to notify us of the death, disability or termination of employment of your Business Manager. You must designate a successor or acting Business Manager no later than ten days following the death, disability or termination of the predecessor Business Manager. If you do not employ and train a successor Business Manager, this will be a material breach of this Agreement, which, unless you cure the breach as provided in Section 17.03, will result in this Agreement being terminated immediately.

E. You must designate an Office Manager for each Office. Your Business Manager may serve as the Office Manager for one of your Offices. If you have only one Office, your Office Manager, Business Manager and Responsible Broker may be the same person. You must inform us in writing as to the identity of your Office Manager(s) and any successor Office Manager(s). Other requirements concerning the Office Managers will be set forth in our Operations Manual and are incorporated by reference in this Agreement.

F. You agree immediately to notify us of the death, disability or termination of employment of any of your Office Managers. You must designate a successor or acting Office Manager no later than ten days following the death, disability or termination of an Office Manager.

## **7.07 Requirements Concerning Sources of Supply**

A. We have established an Approved Supplier Program. The qualifications and responsibilities of Approved Suppliers are set forth in the Operations Manual. As a condition of participation in our Approved Supplier Program, Approved Suppliers may be required to pay us fees. We or our Affiliates may also receive discounts or rebates from Approved Suppliers. We (or our Affiliates) will have the right to retain all such fees, payments and discounts.

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B. We and our Affiliates may serve as non-exclusive Approved Suppliers, offering to sell to you certain products and services at the prices we determine and set forth at the time of sale, in our Operations Manual or otherwise. We reserve the right to earn a profit from selling you goods and services. Unless otherwise provided in this Agreement or the Operations Manual, you will be under no obligation to purchase any goods or services from us or our Affiliates.

C. All products and services you procure or purchase through sources other than Approved Suppliers must conform to the same minimum material standards and specifications, including proper use of the Proprietary Marks, as are required of Approved Suppliers, or as we set forth in this Agreement, the Manual, or otherwise. We reserve the right to test, analyze, inspect or randomly sample the product or service of any source that is not an Approved Supplier and to require you to immediately discontinue the use of any product or service not meeting the minimum standards and specifications set forth in the Manual.

D. We may from time to time provide you with specifications governing the minimum standards of non-proprietary products, services or equipment you procure from a third party (that is, from any party other than us or our Affiliates, or the designees of either), in our Operations Manual or in other written notices we transmit to you. We may modify our specifications in writing from time to time.

## 7.08 Computer Systems

A. Before the commencement of operation of your Initial Office and any Additional Office, you agree to procure and install at the Office in question, at your expense, the computer system we require at that time, consisting of the computer hardware, software, required dedicated telephone and power lines and other computer-related accessories, peripherals and equipment that we then specify in our Operations Manual or otherwise.

B. You must install and use our current proprietary reporting system, the base version of which we will provide to you at no charge. Required modifications, upgrades or new versions of the base version of our reporting system will be provided to you without charge. We may, however, charge you our then-current fees for any optional enhancements to the base version of the system.

C. You must also install and use our current proprietary internet-based intranet system, which provides functional features to be used in the operation of your Business and acts as a gateway between your reporting system and us with respect to reporting listings, pending and completed sales, Gross Revenues, information on staff members, and other required information. You must sign our standard form Software License Agreement and thereafter comply with its provisions. We will provide your Business with one license for the basic version of this system at no charge. Required modifications, upgrades or new versions of the basic version will also be provided to your Business without charge. We may, however, charge you our then-current fees for any optional enhancements to the base version of the system. In addition, you must implement and use our proprietary internet-based technology tool. You must sign our standard form Software License Agreement and thereafter comply with its provisions. We will provide your Business with access to the base level of this system at no charge; however, we reserve the right to charge you our then-current fees for any features developed and made available to you in addition to that base level ("add-ons"); any usage that exceeds our designated limits; and/or, for account reinstatement in the event that you or any of your Authorized Users' access is suspended or terminated.

D. In the future, we may develop or have developed other proprietary software. If we determine that such proprietary software should be used by all Weichert franchisees, then we will provide the base version of the proprietary software to you at no charge; you must install and use the proprietary software in connection with your operation of the Franchised Business; and, you must sign our standard, then-current form of Software License Agreement when we notify you to do so. If we develop modified, upgraded or new versions of any such proprietary software that you are required to implement upon our notice to you, we will provide it to you without charge. We may charge you our then-current fees for any optional enhancements to the base version of such proprietary software.

E. You agree, at your expense, to keep your computer systems in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications,

substitutions and/or replacements to your computer hardware, software, telephone and power lines and other computer facilities as we direct, on the dates and within the times we specify in our Operations Manual or otherwise.

F. Upon termination or expiration of this Agreement, you must return all computer software, disks, backup tapes and other magnetic storage media to us in good condition, allowing for normal wear and tear.

G. In addition to the above requirements, each of your Business Managers, Office Managers and sales associates must have an active business e-mail address enabling us to send general announcements, referrals and/or other business communication regarding the Weichert System or your particular Weichert Office.

## **7.09 Local Brokers Councils; Other Councils**

### **A. Local Broker Councils**

1. We may establish local broker councils of two or more Weichert franchisees within a geographic area we determine (each, a "Local Broker Council"). We may change the boundaries and consequently the membership of each Local Broker Council in our sole judgment. Although we wish to avoid this, you acknowledge that we may assign your Offices to different Local Broker Councils, particularly if you add Additional Offices under a subsequent Franchise Agreement. We will give you written notice of the Local Broker Council(s) to which we assign your Offices. You agree to join and participate in the Local Broker Council(s) to which we assign your Offices and pay all dues and assessments required by your Local Broker Council(s). Each Local Broker Council will be governed by Bylaws in the form set forth in the Operations Manual, except as modified to conform to the laws of any specific jurisdiction. Local Broker Councils may adopt further rules and procedures, including attendance requirements imposed on you or your designated representative, but such rules and/or procedures will not materially and unreasonably increase your obligations under this Agreement.

2. Your dues to each Local Broker Council will not be less than \$300 per year or more than \$3,000 per year, unless franchisee Council members change the dues in accordance with the Bylaws of the Council. In addition to the Council dues, a Local Broker Council may impose special assessments for marketing, advertising and promotional purposes, in amounts no greater than a total of \$500 per Office per month, unless this maximum annual assessment is changed by franchisee Council members in accordance with the terms of the Bylaws of the Council.

3. A Local Broker Council may expend the funds derived from franchisee dues and assessments (and any funds we transfer to the Council from the Local Marketing Fund, as defined and provided by Section 9.03 below) for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for Local Broker Council marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (ix) employing advertising agencies to assist in the above activities and securing other technical and professional advice in connection with the above; (x) other public relations; (xi) sales rallies, awards banquets, special promotions and other such marketing and promotional activities; (xii) reimbursement of reasonable travel and lodging costs of the Council's elected or appointed representative to any Regional Advisory Councils; and (xiii) administration of the Local Broker Council, including legal and accounting services. It will not be a requirement that expenditures made by a Local Broker Council be proportionate to your contributions or those of any other franchisee.

4. A representative of ours must attend all meetings of any Local Broker Council and of any subgroup of its members. We will not have a vote in any such meetings, but we will have the right to veto any Council action.

5. Your failure to make required payments of dues or assessments to your Local Broker Council(s) will be a material breach of this Agreement which, unless you cure the breach as provided in Section 17.03, may result in this Agreement being terminated immediately.

## B. Other Councils

1. In addition to Local Broker Councils, we may establish Regional Advisory Councils of franchisee representatives in each Local Broker Council or other regional area we determine. Additionally, we may establish a National or International Advisory Council of franchisee representatives within boundaries or other groups we establish. Each Regional Advisory Council, National Advisory Council or International Advisory Council will operate in accordance with policies and procedures we establish and specify in the Operations Manual or otherwise. Actions of the Regional, National or International Councils are advisory only and will not be binding upon us or individual franchisees.

2. Regional, National and International Councils will be composed of Weichert franchisees elected or appointed on a representative basis by members of Local Broker Councils and/or Regional Advisory Councils, or by us. Representatives to Regional, National and International Councils will have voting power in proportion to the number of Weichert franchisees in the area or region they represent. A representative of ours must attend all meetings of any franchisee council and of any subgroup of its members. We will not have a vote in any franchisee council, but we will have the right to veto any council action.

## 7.10 World Wide Web

A. We, either ourselves or through a designee, have the right to post your real estate listings and other information about your Office and/or sales associates on internet Web Site(s) and intranet Web Site(s) maintained by us or one of our designees, without restriction. You will have the right, but not the obligation, to maintain a separate and distinct World Wide Web site(s) in connection with the Franchised Business, subject to the requirements of subsection (B).

B. You agree to comply with the following requirements, and any and all applicable requirements set forth by us in the Operations Manual or otherwise, in connection with the Web site(s) you develop and maintain in connection with the Franchised Business:

1. You understand and agree that all information gathered by use of your Web site(s) (including, without limitation, client lists) will be our property. You must obtain our prior written approval for each Internet domain name and/or home page address. You understand and agree that we will be, and at all times remain, the sole owner of the domain name for the Web site(s) you maintain in connection with the Franchised Business. You agree to arrange for the centralized registration of the domain name for each such Web site in our name. We may furnish you with materials for your Web site, which you must adapt, localize and utilize, but we will be and at all times remain the sole owner of the copyrights for all material which appears on your Web site (see below).

2. The requirement for our prior approval set forth in this Section 7.10 will apply to all activities on the Internet or other computer communications network to be engaged in by you, except that you may maintain one or more e-mail addresses and may conduct e-mail communications without our prior written approval. You may not use any of the Proprietary Marks (in whole or in part) as part of your e-mail address without our prior written approval, which we may withhold for any or no reason. Any e-mail address which we permit you to use that contains any of the Proprietary Marks (in whole or in part) will be our intellectual property, and will be deemed assigned to us by virtue of your use.

3. You have provided us with a list of active Web site domain names and e-mail addresses (identified on Exhibit A) which you represent that you have continuously utilized preceding your execution of this Agreement in promoting your Office and real estate business. Upon the expiration or termination for any reason of this Agreement, you may retain ownership and use of the domain names and email addresses identified on Exhibit A, so long as you remove (and refrain from adding) our Proprietary Marks, references to your Weichert Office and your previous affiliation as a Weichert franchisee. Upon the expiration or termination for any reason of this Agreement, you agree to irrevocably assign and transfer to us (or to another franchisee or other designee of ours) any and all interests you may have in any and all Web site domain names and e-mail addresses not identified on Exhibit A to this Agreement that you maintain in connection with the Franchised Business. You agree to execute any documents and perform any other actions required by us to effectuate such assignment and transfer and otherwise ensure that all rights in these Web sites and e-mail addresses revert to us (or to another

franchisee or other designee of ours). Following the expiration or termination of this Agreement, you may not establish any Web site using any similar or confusing domain names and/or e-mail addresses, you may not identify yourself on any Web site as a former franchisee of ours, and you may not use the Proprietary Marks or any colorable imitation of any of them in any metatag.

4. All material and information which appears on any Web sites you maintain in connection with the Franchised Business will constitute "Confidential Information" as defined in Article 11 of this Agreement.

C. You agree to participate in all marketing programs through third party Web sites that we consider in the best interests of, and designate as applicable to, all Weichert franchisees. In connection with each such program, you agree to pay your share of any participation fees to us, our Affiliate or the third party provider (as we designate). We or our Affiliates will also have the right to charge you reasonable administration fees in connection with such programs.

D. If permitted under law and/or the rules of the applicable Multiple Listing Services, you will provide us access to the Multiple Listing Services in which you are a member. You will cooperate with us and sign any documents required to provide us access to the listings in the Multiple Listing Service and to display information as a direct electronic feed on internet Web Site(s) and intranet Web Site(s) maintained by us or one of our designees.

**7.11 Client Service Requirements.** You agree to comply with all client service requirements with and all procedures and standards for client service that we set forth in our Operations Manual.

**7.12 Maintenance and Repair.** At all times throughout the term of this Agreement, you agree, at your own expense, to maintain the interior and exterior of your Offices and all equipment, furniture, decorating, signs and appurtenances in or at the Offices, in the highest degree of cleanliness, maintenance, condition and repair, both as required by the Operations Manual and as may otherwise be desirable or necessary.

**7.13 Sales, Barter and Exchange.** You may not, without our prior written consent, offer or sell any products, services or programs, or sell, dispense, give away or provide any merchandise bearing the Proprietary Marks, except by means of retail sales transacted through the Franchised Business. You may only engage in barter and exchange transactions if you report each transaction to us as provided in Sections 4.05 and 4.07 above.

**7.14 Hours of Operation.** You agree to continuously operate the Business on the days and during the minimum hours that we may from time to time specify in our Operations Manual or otherwise. You may establish hours of operation in addition to the required minimum hours.

**7.15 Net Worth; Adequate Reserves and Working Capital.**

A. You acknowledge that a material consideration for granting the Franchise to you is your representation that you and each of your Owner(s) are financially responsible and have a net worth in tangible assets in excess of \$150,000, not including the value of any interest in this Agreement, retirement investment accounts and/or principal residence(s) (the "Minimum Net Worth Requirement"). The term "Owner" means the sole proprietor (in his or her capacity as sole proprietor or each Person (as defined in Article 14 below) who has a direct or indirect equity ownership interest in the Franchise. You agree and warrant that throughout the term of this Agreement the Minimum Net Worth Requirement shall be maintained. If the Minimum Net Worth Requirement is not met at any time, you must procure a guarantor acceptable to us to the extent of the deficiency, which guarantor shall not only guarantee your performance under this Agreement, but also your duties to your clients and to the public.

B. You must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least three (3) months. These reserves may be in the form of cash deposits or lines of credit. If you do not do so, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately on notice to you, with no opportunity to cure.

**7.16 Indemnification.**

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A. You hereby agree that you will, at your sole cost, at all times defend us, our present and future Affiliates, and the present and future corporate affiliates, subsidiaries, successors, assigns and designees of each, and the respective directors, officers, employees, agents, attorneys, shareholders, designees, contractors and representatives of each (we and all others referenced above, the "Indemnitees"), and indemnify and hold harmless us and the other Indemnitees to the fullest extent permitted by law, from all losses and expenses (as defined below) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether reduced to judgment) or any settlement which actually or allegedly, directly or indirectly arises out of, is based, upon, is a result of or is related to any of the following:

1. Any element of your Business or Office(s);
2. Any claims by your creditors; any personal injury or death suffered by any client, visitor, employee or guest of the Franchised Business or Office(s);
3. Claims of any type or nature advanced by or against you or any of your officers, directors, shareholders, partners, proprietors, management, sales associates, agents, employees, affiliates representatives and contractors (or any third party acting on your behalf or at your direction) by a third party (or, as applicable, against a third party) or between or among themselves;
4. Crimes committed on or near any of the premises, facilities or Office(s) of the Franchised Business;
5. Your operation of the Franchised Business;
6. Claims of liability for products manufactured or services performed by third parties which are offered, sold or utilized by you, your Business or Office(s);
7. Your alleged or actual infringement or violation of any patent, mark or copyright or other proprietary right owned or controlled by third parties;
8. Your alleged or actual violation or breach of any contract, federal, state, local, foreign or other law, regulation, ruling, standard or directive applicable to your Business, whether within or without the Territory, or of any industry standard (including any alleged or actual violation of the Americans with Disabilities Act);
9. Libel, slander or any other form of defamation by you;
10. Your alleged or actual violation or breach of any warranty, representation, agreement or obligation set forth in this Agreement;
11. Any acts, errors, neglects or omissions by you or the Franchised Business, and/or the officers, directors, shareholders, management, sales associates, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you or the Franchised Business (or any third party acting on your behalf or at your direction), whether in connection with the Franchised Business or otherwise, including (without limitation) injury or death suffered or caused by any delivery person or vehicle serving the Franchised Business;
12. All liabilities arising from or related to your offer, sale, delivery and furnishing of services, programs, and/or products as contemplated by this Agreement;
13. Latent or other defects in the Office(s), whether or not discoverable by us or by you;
14. Any service, program or product you provide at, from or related to the operation at the Business or the Office(s) or any other facility of the Business;
15. Any action by any client of yours or visitor to the Office(s) or any other facility of the Business; and,
16. Any damage to the property of you, us, any of our Affiliates, or their, our or your officers, directors, management, agents, sales associates, employees and contractors.

B. Specifically excluded from this indemnity is any liability arising from the gross negligence or intentional willful misconduct of Indemnitees, except to the extent that joint liability is involved, in which case the indemnification provided by this Section 7.16 will extend to any finding of comparative negligence or contributory negligence attributable to you or any of the Indemnitees, as the case may be.

C. For the purpose of this Section 7.16, the term "losses and expenses" includes all claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; court costs and expenses; lost profits; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damages to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals, or governmental or quasi-governmental entities (including those of Indemnitees' attorneys and/or experts); and, all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

D. You agree to give us written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation within three days of your actual or constructive knowledge of it. At your expense and risk, we may elect to assume (but under no circumstance will we be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, we will seek your advice and counsel and keep you informed with regard to the defense or contemplated settlements. Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnitees and to hold us and them harmless.

E. In order to protect persons or property, our reputation or goodwill, or the reputation or goodwill of others, we may, at any time we consider appropriate, offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to do so.

F. All losses and expenses incurred under this Section 7.16 will be chargeable to and paid by you pursuant to your indemnity obligations under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

G. We and the other Indemnitees assume no liability for acts, errors, neglects or omissions of those with whom you may contract, regardless of the purpose. You agree to hold harmless and indemnify us and the other Indemnitees for all losses and expenses which may arise out of any acts, errors, neglects or omissions of these third parties.

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

I. The indemnification obligations of this Section 7.16 will survive the expiration or sooner termination of this Agreement.

## **7.17 Inspection and Operational Audit**

A. You agree that we (or any of our authorized agents or representatives) may at any time during normal business hours enter your Office(s) to conduct an inspection and operational audit to determine compliance with this Agreement and with our policies, procedures, programs, standards, specifications and techniques as set forth in our Operations Manual.

B. Following any inspection and operational audit, and subject to the other provisions of this Agreement, you agree, at your own expense, to incorporate into your Weichert Business any corrections and modifications we require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

**7.18 Forms.** You agree to use all paper and electronic forms and formats we specify as part of the Weichert System; to use only the latest version of any form or format we designate as current; and, not to use any unauthorized or obsolete form or format.



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## 7.19 Corporate and Partnership Franchisee Requirements; Records

A. If you are a corporation, limited liability company or any variant (a "corporation"), you must comply with the following requirements (which will also apply to any corporation assignee of yours):

1. Furnish us with your Articles of Incorporation; Bylaws; other governing documents; list of officers, directors and shareholders (including number and percentage of shares held); and any other documents we may reasonably request, and any amendments to them.

2. Confine your activities to the operation of the Franchised Business, and your governing documents provide that your activities are confined exclusively to the operation of the Franchised Business.

3. Maintain stop transfer instructions against the transfer on the records of any equity securities, and not issue any securities on the face of which the following printed legend does not legibly and conspicuously appear:

"The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with Weichert Real Estate Affiliates, Inc., dated \_\_\_\_\_ . Reference is made to the provisions of this Franchise Agreement and to the Articles and Bylaws of this Corporation. This certificate is not transferable and is not subject to sale, assignment, pledge, mortgage, encumbrance, or transfer, by operation of law or otherwise, without the prior written consent of Weichert Real Estate Affiliates, Inc."

4. Maintain a current list of all owners of record and all beneficial owners of any class of stock, general or limited partnership interests, membership interests or similar interests in you, and furnish this list to us on request.

5. Your organizational documents may not be modified without our prior written consent. No mortgage, charge, lien, encumbrance, assignment, pledge, transfer or other security interest in respect of any of your shares, capital stock or equity interests may be created in favor of any person(s) or entity(ies) without our prior written consent. No shares of stock of you may be sold or transferred without our prior written consent. You agree to ensure that your Articles of Incorporation or Articles of Association, or any similar, related or pertinent organizational documents, expressly restrict the assignment, conveyance, sale or other transfer of any direct or indirect ownership interest in you, including your voting stock. Any unauthorized sale, transfer, assignment, encumbrance, pledge, mortgage, transfer or hypothecation of your stock without the prior consent of us will give us the right to terminate this Agreement immediately upon notice to you.

B. If you are a partnership or proprietorship, you must comply, except as otherwise approved in writing by us, with the following requirements (which will also apply to any partnership or proprietorship assignee of yours):

1. Furnish to us a copy of your partnership agreement and any other documents which we reasonably request, and any amendments to them.

2. If we request, prepare and furnish to us a list of all your partners and proprietors.

C. If you are a limited partnership, the provisions set forth in subsection (A) above will apply to your corporate general partner.

D. If you are a corporation, partnership, limited partnership or proprietorship, you (and any corporate, partnership, limited partnership or proprietorship assignee) must promptly notify us in writing of any change in any of the information specified in this Section 7.19 or in any document referred to in this Section.

**7.20 Testimonials and Endorsements.** You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your clients to procure client testimonials and endorsements of the services, programs or products furnished by you, the Weichert System and any related

services or products. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

**7.21 Services, Programs, Equipment, Products and Intellectual Property You Develop.** You irrevocably and permanently license to us for incorporation in the Weichert System and use by us, our Affiliates and (if we determine) other Weichert franchisees, all of the following if developed by you or on your behalf in conjunction with or related to the Franchised Business: programs, services, products, merchandise, goods and/or equipment used or sold by your Business; your means, manner and style of offering and conducting operations and accomplishing transactions in, at and from your Office; any business products, programs and services developed for the Franchised Business (including, without limitation, any computer software); all intellectual property created for, adopted by or purchased for the Franchised Business; and, all sales, marketing, advertising and promotional programs and campaigns developed by you or on your behalf. You agree that we, our Affiliates and franchisees will not be liable to you in any manner, whether for compensation or otherwise, as a consequence of this license.

**7.22 No Statements by You.** You agree to make no statements or comments without our prior written approval to any media representative or any other third party (except for persons considering purchasing a Weichert franchise) relating to the contents of this Agreement, to us or to any of our Affiliates.

**7.23 Quality Standards.** We may require you to discontinue providing any service or program, or using or selling any service, program or product which, in our opinion, does not conform to the image of quality, ethics, source or other standards or specifications established by us and/or associated with the Proprietary Marks.

**7.24 Trade Accounts.** You agree to maintain your trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not keep your trade accounts current, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

**7.25 No Conflicting Agreements.** During the term of this Agreement, you may not be party to any contract, agreement, mortgage, by-law provision, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

**7.26 Accounting and Bookkeeping System.** You may utilize any standard bookkeeping system, or outside accounting services, provided that they conform to Standard Accounting Principles, and follow a general chart of accounts which we will supply to you via computer disk or CD-ROM. You agree to submit all electronic or other bookkeeping reports that we prescribe in our Operations Manual. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Operations Manual and for bearing the costs of these activities.

## **7.27 Variance of Standards and Terms**

A. You acknowledge that because complete and detailed uniformity under many varying conditions may not be possible or practical, we reserve the right, as we may consider in the best interests of all concerned, to vary standards for any System franchisee based on the peculiarities of the particular Territory or circumstance, density of population, business potential, population of trade area, existing business practices or any other condition which we consider important to the successful operation of the franchisee's business. You will have no right to require us to disclose any variation to you or to grant you the same or a similar variation under this Agreement.

B. You further agree that we will have the right to grant franchises using the Weichert System and the Proprietary Marks under terms that may differ materially from the terms of this Agreement, so long as the different provisions are due to the franchise being granted at materially different times or other non-arbitrary distinctions. For this reason, our obligations and rights with respect to our various Weichert franchisees may from time to time differ materially from the terms of this Agreement, without in any way altering or affecting the provisions of this Agreement. You will have no right to require us to disclose any variation to you or to grant you the same or a similar variation under this Agreement.

## 8. INSURANCE

**8.01 Required Insurance Coverage.** We impose and prescribe minimum standards and limits for certain types of required insurance coverage, in our Operations Manual or by other written notice to you. You agree that we may modify the required minimum limits of insurance coverage from time to time by written notice to you, through Supplements to the Operations Manual or otherwise. Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to the newly established standards and limits we prescribe. You agree to furnish a Certificate of Insurance to us for the required insurance policies listed below within thirty days of the execution date of this Agreement. We may at any time require you to forward to us full copies of all insurance policies.

A. Within ten days following our execution of this Agreement, you, as the franchisee, agree to purchase at your own expense, and maintain in effect at all times during the term of this Agreement, the following categories of insurance coverage in forms and through insurance companies satisfactory to us:

1. Broad form comprehensive general liability insurance and broad form contractual liability insurance satisfactory to us of at least \$1,000,000 combined single limit coverage per occurrence. This insurance may not have a deductible or self-insured retention of over \$5,000.

2. Professional liability (real estate brokers' errors and omissions) insurance in the amount of at least \$1,000,000 per occurrence. You may purchase such insurance on an annual-premium or per transaction basis.

3. Fire and Extended Coverage Insurance on your Office and property in an amount adequate to replace them in case of an insured loss.

4. Business Interruption Insurance in sufficient amounts to cover the rental or mortgage payment of the Offices, previous profit margins (in order that we receive the Continuing Royalty and Marketing Fees which would have been due were it not for the interruption), maintenance of competent personnel and other fixed expenses during the life of the business interruption.

5. Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with minimum limits of liability in the greater of (a) the amount required by all applicable state and federal laws, or (b) \$1,000,000 for each person killed or injured, and, subject to that limit for each person, a total minimum liability of \$2,000,000 for any number of persons injured or killed in one accident, and a minimum limit of \$300,000 for injury, destruction or loss of use of property of third persons as the result of any one accident.

6. Worker's compensation and employer's liability insurance (in statutory amounts), unemployment insurance and state disability insurance (as required by governing law), for your employees.

7. In connection with any construction, refurbishment or remodeling of any of the Offices, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.

8. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under Section 7.16 of this Agreement.

B. The insurance coverage that you acquire and maintain, as set forth in subsection (A) of this Section 8.01, must:

1. Name us and the other Indemnitees identified in Section 7.16 as Additional Insureds and provide that the coverage afforded applies separately to each insured against whom claim is brought as though a separate policy had been issued to each insured (except for the insurance coverages provided in subsection 8.01 (A)(6) above).

2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by any one or more of the Indemnitees.

3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.

4. Be primary to and without right of contribution from any other insurance purchased by Indemnitees.

5. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend the policy.

C. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend these insurance policies without our written consent.

D. If there is a claim by any one or more of the Indemnitees against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 8.01.

**8.02 Purchase of Insurance on Your Behalf.** If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain the insurance necessary to meet these standards on your behalf, through agents and insurance companies that we choose. If we do this, then you must pay for this insurance and immediately pay the required premiums, or we will debit the Bank Account to reimburse ourselves for the premiums. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

**8.03 No Undertaking or Representation.** Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the Franchised Business.

**8.04 Insurance Renewal; Renewal Certificates of Insurance.** You agree to renew all insurance policies and documents, and on renewal, to furnish a renewal Certificate of Insurance to us before the expiration date of the policy in question. We may at any time require you to forward to us full copies of all insurance policies.

**8.05 Notice of Claims, Demands and Lawsuits.** You agree to notify us of all claims, demands, legal actions or arbitral proceedings asserted or commenced against us, you, the Franchised Business, the Office within three days of your receiving notice of any such claim, demand, legal actions or arbitral proceeding. You also agree to respond to all claims within the time required by law, rule or regulation. In addition, you agree to cooperate with us (or our designee) in every way possible to defend you and us against all claims made by employees, clients or other third parties. You agree to make all appearances we consider necessary at administrative or other hearings to present or reinforce these defenses.

**8.06 Failure to Purchase Insurance or to Reimburse Us.** If you fail to purchase or maintain any insurance required by this Agreement, or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

## 9. ADVERTISING

### 9.01 Advertising Standards

A. For the purpose of this Agreement, the term "advertising" is defined to mean any and all advertising, marketing, identification and promotional materials and programs of any type or nature whatsoever including (but not limited to) print and broadcast advertisements; outdoor advertising mediums (e.g. billboards, taxi toppers and bus stop signage); direct mail materials; telephone presentations; brochures; client forms, worksheets and solicitation materials; advertising specialties; World Wide Web/Internet pages or other communications by computer network or computer "bulletin boards"; World Wide Web/Internet "banner ads" and other advertising material on the World Wide Web/Internet; stationery; business cards; press releases; signs; posters; displays; leaflets; newspaper and magazine advertisements and inserts; promotional mailouts; general mailings; telephone greetings, messages and voicemail accessible by clients or other third parties; promotional material on videotape, CD-ROM or other electronic

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media; promotional literature; and, any other material or communication which we denominate as "advertising", in our Manual or otherwise.

B. You may only use advertising which we have either furnished or approved in writing in advance, as provided in Section 9.02. Neither the fact that we furnish the material, approve the material, nor the material itself, will directly or indirectly require us to pay for any advertising, identification or promotion.

C. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to the Franchised Business in a dignified manner, and in a manner calculated to avoid fraud, deception, misrepresentation and/or embarrassment, shame, ridicule, disparagement or liability of any type or nature whatsoever accruing to us, you, the Franchised Business, the Weichert System, the Office(s) or other Weichert franchisees. You agree to conform all advertising to all applicable laws, rules and regulations and the standards, specifications and requirements specified in writing by us, in our Operations Manual or otherwise.

D. If we learn that you have breached the provisions of this Section 9.01, we will notify you in writing of the facts which we believe have given rise to the breach. If you do not cure the breach within three days following delivery of this notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you.

**9.02 Submission of Proposed Advertising.** Except for advertising materials, programs and campaigns furnished to you by us, you agree to submit to us for approval, before use or dissemination, copies of all proposed advertising (as broadly defined in Section 9.01 above). If we do not respond within ten business days following our documented receipt of your proposed advertising material, this will constitute approval.

**9.03 Administration of the Weichert Marketing Fund.** We or our designee will administer the Weichert Marketing Fund as follows:

A. As provided in Section 4.06 above, you agree to pay us a Marketing Fee which, combined with the Marketing Fees paid by all other Weichert franchisees and our contributions, will constitute the Weichert Marketing Fund (or the "Fund"). We will debit your Marketing Fee directly from your Bank Account as provided in Sections 4.06 and 4.07 and as specified in the Manual. On or before the fifteenth business day of each month, we will contribute to the Marketing Fund an amount equal to 5% of the Continuing Royalty payments we have received from our franchisees during the previous month (less any Weichert Incentive Bonuses we have paid, or which have accrued, to you and other franchisees). We are not obligated to contribute to the Fund any portion of the Initial Franchise Fees, Marketing Fees or any payments other than Continuing Royalties that we receive from franchisees.

B. We agree to spend approximately 50% of the Weichert Marketing Fund less reasonable administrative costs, production costs and advertising agency commissions (the "Local Marketing Fund"), on marketing, advertising and promotion within our franchisees' local areas, using programs and media that we select in our sole judgment. These local areas may encompass the Territories of two or more Weichert franchisees. In the alternative, we may, in our sole judgment, transmit some or all of the Local Marketing Fund monies to Local Broker Councils from time to time for expenditure by the Councils on marketing, advertising and promotion within the geographic area embraced by each Council as provided by Section 7.09 above. The remaining portion of the Fund (the "Regional/National Marketing Fund") is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the Weichert System, and that we and our designees undertake no obligation in administering the Regional/National Marketing Fund to make all expenditures equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of all advertising or to insure that all marketing and advertising impacts or penetrates your Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund or any portion of the Fund.

C. When 60 franchisees have joined the Weichert System, we will establish a Weichert Marketing Fund Advisory Council, which will initially consist of no fewer than three franchisee representatives and no more than one representative of ours. We reserve the right to vary the composition of the Council at our sole option. The franchisee representatives will be elected by all Weichert franchisees in good standing on the basis of one Office, one vote, provided that no franchisee (or group of commonly-

controlled franchisees) may have more than 25% of the vote regardless of the number of Offices owned by the franchisee or group of commonly-controlled franchisees. The functions of the Council will be solely advisory in nature, and we will have sole control and direction of all marketing, advertising and promotional programs, the creative concepts, materials and media used in the programs, and the placement and allocation of advertising.

D. The Regional/National Marketing Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or localized marketing and advertising (including, without limitation, the cost of preparing and conducting outdoor advertising (e.g. billboards, taxi toppers and bus stop signage), television, radio, magazine, newspaper and World Wide Web/Internet advertising campaigns and other public relations activities) and employing advertising agencies to assist in these activities, including fees to have outdoor advertising (e.g. billboards, taxi toppers and bus stop signage), print, broadcast and/or World Wide Web/Internet advertising placed by an agency and all other advertising agency fees. We may use advertising agencies affiliated with us in this regard. We will maintain the sums paid by franchisees to the Fund or income earned from the Fund in a separate account (except for any Local Marketing Fees we may transmit to Local Broker Councils as provided above), and we may not use these amounts for any purposes other than those provided for in this Agreement. We may, however, expend up to 15% of the annual expenditures of the Fund (including both the Regional/National Marketing Fund and franchisee Local Marketing Fees) for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, conducting market research; preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing and maintaining, and paying third parties for, the preparation and maintenance of World Wide Web pages and sites; other activities related to advertising and promotion via the Internet and/or other public computer networks; and, collecting and accounting for assessments for the Fund and preparing audits of the Fund. This charge of up to 15% is exclusive of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print or broadcast advertising placed by an agency. Within 120 days following the close of each fiscal year, we agree to prepare an audited statement detailing Fund income and expenses for the fiscal year just ended. We will distribute the audit to you upon request.

E. We expect to expend most contributions to the Fund for advertising purposes during the fiscal year when the contributions are made. If we expend less than the total sum available in the Fund during any fiscal year, we may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for expenditure on local advertising (as specified in our Manual). We may cause the Fund to invest any surplus for future use by the Fund. If we expend an amount greater than the amount available in the Fund in any fiscal year (in addition to any sum required to be expended because we did not expend all the sums in the Fund during the preceding year), we will be entitled to reimburse ourselves from the Fund during the next fiscal year for all excess expenditures made during the preceding fiscal year. The Fund may borrow from us or other lenders to cover deficits of the Fund.

F. In making expenditures from the Regional/National Marketing Fund, we reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities as we consider appropriate.

G. Although the Fund is intended to be of perpetual duration, we maintain the right to terminate the Fund and if we do so, then our obligation to contribute a percentage of Continuing Royalty payments for marketing purposes as provided by subsection (A) above will also terminate. We will not terminate the Fund, however, until we have expended all money in the Fund for advertising and promotional purposes.

H. No Weichert Office which we or our Affiliates own or operate will be required to participate in or contribute to the Weichert Marketing Fund or to any Local Broker Council. However, such Offices may determine, in their sole judgment, to participate in a regional or joint franchise advertisement or advertising program setting forth the names, addresses and/or telephone numbers of individual Weichert Offices, including those owned and operated by us or our Affiliates, or in other newspaper print programs which have a greater geographic base. If we or our Affiliate decide to participate in any joint or regional advertising of

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this type, then we or our Affiliate will contribute our (or its) proportionate share of the cost of the advertisement.

**9.04 Third-Party Web sites.** You agree to participate in all marketing programs through third party Web sites (such as Realtor.com) that we consider in the best interests of, and designate as applicable to, all Weichert franchisees. In connection with each such program, you agree to pay your share of any participation fees to us, our Affiliate or the third party provider (as we designate). We or our Affiliates will also have the right to charge you reasonable administration fees in connection with such programs.

## **10. RECORDS, AUDITS AND REPORTING REQUIREMENTS**

### **10.01 Financial Statements**

A. No later than ninety days following the end of each of your fiscal years during the term of this Agreement, you agree to furnish to us, in a form we approve, a statement of the Franchised Business's profit and loss for the fiscal year and a balance sheet as of the end of the fiscal year, prepared on a compilation basis and certified to be true and correct by you. We reserve the right to require these annual financial statements to be audited by an independent certified public accountant.

B. The financial statements required above must be prepared in accordance with generally accepted accounting principles, including all disclosures required under those principles.

C. You authorize us to incorporate in our franchise disclosure document and/or promotional literature information derived from the above financial statements.

### **10.02 Records and Audit**

A. You agree to record all revenues received by you or the Franchised Business and all expenditures. You further agree to keep and maintain adequate records of these revenues and expenditures, and to maintain and preserve accurate books, records and tax returns, including related supporting material (such as cash receipts, and credit and charge records) for the Franchised Business for at least three years. We may specify, in our Operations Manual or otherwise, the forms (electronic and/or otherwise) that you will be required to use in recording the revenues and expenditures of the Franchised Business.

B. We and/or our agents, designees and/or employees will have the right, at any time, with or without written notice, during normal business hours, to enter your Office and any other premises from which the Business is conducted to inspect, audit and make copies of all records including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; sales and income tax returns (federal, state, foreign and, if applicable, city); and, your files relating to services, programs and products sold, business transacted and expenditures relating to the Business. These files must include (without limitation) your operating records; bookkeeping and accounting records; client lists; listings; commission records; sales records; lists of sales agents; operating records; operating reports; correspondence; general business records; your copy of the Operations Manual (as amended); invoices; payroll records; journals; ledgers and your files; memoranda and other correspondence; contracts and all sources and supporting records used to prepare reports and forms which you are required to submit to us under this Agreement, including the books or records of any corporation, partnership or proprietorship which owns the Franchised Business. You agree to make any of these materials available for examination at your premises.

C. If we cause an audit to be made for any period and the audit reveals that you understated the Gross Revenues in your Operations Reports to us by any amount, then you agree to immediately pay us the additional amount payable as shown by the audit, plus interest at the highest rate permitted by law. If applicable law provides no maximum rate of interest, interest will be calculated at 4% above the prime rate of interest as published in The Wall Street Journal on or nearest to the date of the audit (or, if The Wall Street Journal is not published on the date of the audit, at the prime rate published by The New York Times on that date, and if neither is published, the prime rate charged by Citibank, N.A. in New York City on that date).

D. If an audit reveals that you understated the Gross Revenues on your Operations Reports to us by 2% or more for the entire period of examination, when compared to your actual Gross Revenues, then in addition to paying the additional amounts due and interest as calculated above, you agree to immediately pay us the full cost of the audit for the entire period of examination including, without limitation, the charges of any attorneys and independent accountants; all travel expenses, room and board; and, compensation of our employees and designated agents who participated in the audit. We may also impose audit costs on you if you fail to cooperate during an audit.

E. If an audit reveals an understatement by you of 8% or more for the entire period of examination, then in addition to paying the additional amounts due, interest as calculated above and the full cost of the audit for the entire period of examination (including, without limitation, the audit-related charges, expenses and compensation described in the preceding paragraph), your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. We may also impose audit costs on you if you fail to cooperate during an audit.

F. You agree to pay us an administrative fee of \$500 if, for any reason, with or without notice, you cancel or reschedule an audit.

## 11. CONFIDENTIAL INFORMATION

### 11.01 Restriction on Use of Confidential Information

A. You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of the Franchised Business. You further agree that you will never – during the Term of this Agreement, or at any time after this Agreement expires or terminate, or your rights of under this Agreement are assigned – divulge or use any Confidential Information for the benefit of any other person, corporation, partnership, proprietorship, association, or other entity, nor will you directly or indirectly permit the disclosure of, imitate or aid any such third party to imitate any of the Confidential Information.

B. "Confidential Information" is defined as knowledge, trade secrets or know-how concerning your or our systems of operation, programs, services, products, clients or practices. Confidential Information includes (without limitation) all information, knowledge, know-how, techniques and information which we, our Affiliates, or their officers, contractors, employees and/or designees, designate as confidential. Confidential Information will not, however, include information which you can demonstrate came to your attention before we disclosed it to you (unless illegally or improperly procured by you before our disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

C. You understand that, as of the date of execution of this Agreement, Confidential Information includes the following (without limitation): the Weichert System and all Services, Ancillary Services, Ancillary Products, programs, products, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are part of the Weichert System; our Operations Manual; Supplements and amendments to the Operations Manual; all procedures, systems, techniques and activities employed by us or by you in the course of offering, selling and furnishing Services, Ancillary Services, programs and products from or at the franchised Offices and Business; all commission and/or pricing paradigms established by us or by you; all of our and/or your sources (or prospective sources) of supply, and all information pertaining to same (including, without limitation, wholesale pricing structures); specifications for Office design, decor, equipment, signage and appurtenance; the computer and hardware and software utilized by us and you; all information pertaining to our and/or your advertising, marketing, promotion and merchandising campaigns, philosophies, materials, specifications and procedures; our and your computer network Web sites, and all information posted on or received at the Web sites; all our instructional materials; quality assurance programs; supervision systems; recommended services; recordkeeping, bookkeeping and accounting systems and materials; revenue reports; activity schedules; job descriptions; records pertaining to clients; business forms; general operations materials; revenue reports; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the Weichert System; additions to, deletions from, and modifications and variations of the components of the



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Weichert System or the systems and methods of operations which we employ now or in the future, including all related standards and specifications and the means and manner of offering and selling them; and, all other components, specifications, standards, requirements and duties which we or our Affiliates impose.

D. Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing the Confidential Information in whole or in part; store it in a computer, data base or other electronic format; or, otherwise make it available to any third party by sale, transfer, assignment or any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us (or, upon our request, destroy and certify such destruction to us) all Confidential Information, including all materials, books, records, manuals, computer data bases, software and manuals considered confidential under this Agreement which are then in your possession.

E. You and your officers, directors, shareholders, management, Business Manager(s), sales associates and employees may only use and divulge such Confidential Information as is necessary to operate the Franchised Business, and then only on a "need to know" basis, to those of your officers, directors, shareholders, sales associates, employees, management personnel, agents or independent contractors who need access to it for this purpose. You agree to take all necessary precautions to ensure that these individuals and all individuals listed in Section 12.04 retain the Confidential Information in confidence and comply with the restrictions of this Section 11.01. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement (Exhibit C to this Agreement) from certain of these individuals is set forth in Section 12.04 below.

## 12. COVENANTS NOT TO COMPETE

### 12.01 In-Term Covenant Not to Compete

A. You agree that during the Term of this Agreement, you will not, without our prior written permission, directly or indirectly engage in any other real estate business or any business which engages in any of the activities which this Agreement contemplates that you will engage in; or which offers or sells any other service, program, product or component which now or in the future is part of the Weichert System, or any confusingly similar service, program or product (a "Competitive Business").

B. You are prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant. In addition, you agree not to divert any business that should be handled by the Franchised Business to any other person or entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor.

C. Nothing in this Section 12.01 will prevent you from owning for investment purposes up to an aggregate of 5% of the capital stock of any Competitive Business, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as you do not control the company in question.

D. Furthermore, nothing in this Section 12.01 will prevent you from participating in real estate industry groups or organizations; provided, however, that you agree not to disclose any of the Confidential Information in the course of such participation.

E. [Intentionally Omitted].

F. It is the intention of these provisions that any person or entity with any legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant.

G. If you are a corporation or limited liability company, you agree to confine your activities solely to the operation of the Business and further agree to cause (as applicable) your shareholders (or, if a publicly traded corporation, shareholders owning 5% or more of the issued and outstanding stock of the franchisee corporation), members, managers, directors and officers, and your Business Managers, Office Managers

and other management employees, to refrain from any of the competitive activities described above in any manner which you reasonably request. If you are a partnership or proprietorship, you agree to confine your activities solely to the operation of the Business and further agree to cause each general partner, proprietor or other beneficial owner and the above-referenced managers and employees to refrain from any of the competitive activities described above in any manner which we reasonably request. If you are a limited partnership, you agree to confine your activities solely to the operation of the Business and further agree to cause your general partner and the shareholders, officers, directors, members and management employees of your general partner, and all Business Managers, Office Managers and other management employees, to refrain from any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure execution of our Confidentiality/Non-Competition Agreement is set forth in Section 12.04 below.

**12.02 Lesser Included Covenants Enforceable At Law.** If all or any portion of the covenants not to compete set forth in this Article 12 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency will be empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any lesser covenant subsumed within the terms of this Article 12 as if the resulting covenants were separately stated in and made a part of this Agreement.

**12.03 Enforcement of Covenants Not To Compete.** You acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement. You expressly agree that it may conclusively be presumed that any violation of the terms of the covenants not to compete was accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees, that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

**12.04 Procurement of Additional Covenants.** You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement (Exhibit C), from all of the following persons: (i) your Responsible Broker(s), at the same time as the execution of this Agreement (or at such later time as they assume such status); (ii) before employment or any promotion, all your Business Managers and Office Managers, any personnel you employ who have received or will receive training from us or from you, and all your other employees; (iii) if you are a corporation or limited liability company, all your officers, directors, shareholders and members and those of any corporation or limited liability company directly or indirectly controlling you, at the same time as the execution of this Agreement (or at such later time as they assume such status); (iv) if you are a partnership, all partners, at the same time as the execution of this Agreement (or at such later time as they assume such status); (v) all owners of a proprietorship interest in you, at the same time as the execution of this Agreement (or at such later time as they assume such status); and, (vi) all of the persons enumerated in the covenants not to compete set forth in this Agreement as intended to be embraced by them. You agree to furnish us with copies of all executed Confidentiality/Non-Competition Agreements upon our request.

**12.05 Your Enforcement of Confidentiality/Non-Competition Agreements.** You agree to vigorously and vigilantly prosecute breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 12.04, and you acknowledge our right, to be exercised in our sole judgment, to ourselves enforce the terms of each such executed Confidentiality/Non-Competition Agreement, including, without limitation, our right to bring civil actions to enforce its terms. You agree to prosecute such actions to the fullest extent permitted by law. Moreover, if provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving the Franchised Business, but who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

## 13. RENEWAL RIGHTS

### 13.01 Non-Renewability of Agreement.

A. **NEITHER PARTY HAS RENEWAL RIGHTS.** You acknowledge and agree that this Franchise Agreement confers upon you absolutely no right of renewal following the expiration of the Term of this Agreement. We may, in our sole and unilateral judgment, determine to offer to enter into a new franchise agreement as provided in this Sections 13.01.

B. If we determine, in our sole and exclusive judgment, to offer to enter into a new franchise agreement with you and you accept such offer, you must execute our then-current form of franchise agreement (the "Successor Franchise Agreement"), which Agreement shall supersede in all respects this Agreement. The terms of the Successor Agreement may differ materially from the terms of this Franchise Agreement. If we offer you a Successor Franchise Agreement, we may require you to sign a General Release (Exhibit E).

C. The tender of payments or acceptance of your payments after expiration or termination of this Agreement shall neither prejudice our rights to enforce the expiration or termination of your obligations upon expiration or termination, nor create any additional rights in your favor under this Agreement.

**13.02 Notice of Expiration.** If applicable law requires us to give notice of expiration to you at a specified time before the expiration of the Term of this Agreement, and we have not done so, then the term of this Agreement will be extended on a month-to-month basis until we have given you the required notice of expiration and the required period before the expiration of the Agreement becomes effective has expired.

## 14. ASSIGNMENT; RIGHT OF FIRST REFUSAL

### 14.01 Assignment By Us or Our Affiliates

A. We will have the right to assign this Agreement, and all of our rights and privileges under this Agreement, to any person, firm, corporation or other entity, provided that, if the assignment results in the performance by the assignee of our functions under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing our obligations under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

1. You agree and affirm that we may sell our company, our assets, our Proprietary Marks and/or our system to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of our name, Proprietary Marks (or any variation thereof) and System and/or the loss of association with or identification of "Weichert Real Estate Affiliates, Inc." as the "Franchisor" under this Agreement. You specifically waive all other claims, demands or damages arising from or related the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the implied covenant of good faith and fair dealing.

2. If we assign our rights in this Agreement, nothing in this Agreement requires us to remain in the Weichert Business or to offer or sell any services or products to you.

B. You agree and affirm that any one or more of our Affiliates may sell its or their company('s), assets, Offices, Proprietary Marks and/or system to a third party; may go public; may engage in a private placement of some or all of its or their securities; may merge, acquire other corporations, or be acquired by another corporation; and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring. With regard to any of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of association or identification with said Affiliate(s) and its or their Offices, name(s), Proprietary Marks (or any variation thereof) and system(s). You specifically waive all other claims, demands or damages arising from or related the foregoing merger, acquisition and other business combination activities including, without limitation, any claim of divided loyalty, breach of fiduciary duty, fraud, breach of contract or breach of the

implied covenant of good faith and fair dealing. If any of our Affiliates engages in any of the above sales, assignments and dispositions, nothing in this Agreement requires the Affiliate(s) to offer or sell any Ancillary Services or Products to or through you, or any other services or products to you.

## 14.02 Assignment By You – General

A. With respect to your obligations under this Agreement, this Franchise Agreement is personal, since we have entered into this Agreement in reliance on and in consideration of your singular personal skill and qualifications (or, if “Franchisee” is a business entity, the personal skill and qualifications of your owners), and the trust and confidentiality that we placed in you (or your owners, if “Franchisee” is an entity). Therefore, except as provided below, neither your interest in this Franchise Agreement, your rights, privileges or obligations under this Agreement, the Franchised Business, nor any interest in the Franchised Business or an entity Franchisee, may be assigned, sold, transferred, shared, reconsidered, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without first obtaining our written consent in accordance with this Article 14 and without first complying with our right of first refusal pursuant to Section 14.06 below. We may withhold our consent to any assignment for any reason or no reason, or impose any condition upon the assignment which we determine to be necessary in our sole judgment.

B. This Agreement is your personal obligation. None of your rights to use the Weichert System, Proprietary Marks, Confidential Information and Operations Manual are transferable except in strict compliance with the terms of this Agreement. Any actual or attempted assignment, transfer or sale of this Agreement, the Franchised Business, the Office, you yourself (if an entity) or of any interest in any of these, in violation of the terms of this Article 14 will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

C. "Assignment" for the purposes of this Agreement includes (without limitation):

1. The transfer, issuance or redemption in the aggregate of more than 25% of the capital stock or voting power of any corporate or limited liability company franchisee (or any lesser percentage sufficient to control the corporate or limited liability company franchisee, as the term "control" is most broadly defined by any United States securities and/or corporate law), as originally constituted on the date of execution of this Agreement, to any person or entity who is not (i) already your shareholder or member (a "Shareholder"), (ii) the spouse of any Shareholder, (iii) a trust controlled by a Shareholder whose trustee is a Shareholder or (iv) a corporation, limited liability company, partnership, limited liability partnership or proprietorship controlled and composed solely of Shareholders;

2. The transfer, issuance or redemption in the aggregate of more than 25% of a partnership or proprietorship interest (or any lesser percentage sufficient to control the partnership or proprietorship franchisee or the Franchised Business, as the term "control" is most broadly defined by any United States securities and/or corporate and/or partnership law), as originally constituted on the date of execution of this Agreement, in a franchisee that does business as a partnership or proprietorship, to any person or entity who is not (i) already your partner or proprietor (a "Partner or Proprietor"), (ii) the spouse of any Partner or Proprietor, (iii) a trust controlled by a Partner or Proprietor whose trustee is Partner or Proprietor; or, (iv) a corporation or partnership controlled and composed solely of Partners or Proprietors.

3. The transfer, issuance or redemption in the aggregate of more than 25% of the capital stock or voting power of any general partner of a limited partnership, as originally constituted on the date of execution of this Agreement, (or any lesser percentage sufficient to control the partnership franchisee or the Franchised Business, as the term "control" is most broadly defined by any United States securities and/or corporate and/or partnership law), in a franchisee that does business as a limited partnership, to any person or entity who is not (i) already a Shareholder of the franchisee's general partner (a "General Partner Shareholder"), (ii) the spouse of any General Partner Shareholder, (iii) a trust controlled by a General Partner Shareholder whose trustee is a General Partner Shareholder, or, (iv) a corporation or partnership controlled and composed solely of General Partner Shareholders.

# Weichert

D. You agree to immediately report to us all transfers of ownership in a corporate, partnership, general partnership or proprietorship franchisee, even if less than 25%, in accordance with the procedures set forth in our Operations Manual or otherwise.

E. Except as provided in Section 14.03B, if you assign any of your interest in this Agreement, or of the ownership rights in the Franchisee and/or Franchised Business, you agree to pay us a transfer fee of \$7,500 and pay all of our costs, including our costs and fees if we and/or our Affiliates finance (in whole or in part) the assignment of your franchise to a third party.

## 14.03 Assignment By You – To A Corporation You Form

A. If you would like to transfer your interest in this Franchise Agreement to a corporation you form solely for the convenience of corporate ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all the following conditions are met:

1. The corporation must be newly organized and duly incorporated, and its activities must be confined to acting exclusively as a Weichert franchisee.

2. You must be the sole owner of all the stock of the corporation and its principal officer (or the sole owner of 75% or more of all stock of the corporation, with the remaining stockholders being your spouse and/or adult children).

3. If the franchisee consists of more than one individual, each individual must have the right to the same proportionate ownership interest in the corporation as he or she had in the Franchised Business before the transfer.

4. You and the corporation must execute an agreement with us under which you and the corporation agree to be jointly and severally liable for all the obligations to us under this Agreement, and expressly agree to be bound by all the terms, conditions and covenants of this Agreement. Each present and future shareholder of the corporation must agree in writing to personally guarantee the performance by the corporation of your obligations under this Agreement, and to be individually bound by all the terms and conditions of this Franchise Agreement and any other agreements between you and us, in the form of Exhibit D to this Agreement. The corporation must sign the Power of Attorney (Exhibit G).

5. Each present and future shareholder of the corporation must execute our Confidentiality-Non-Competition Agreement in the form of Exhibit C to this Agreement.

6. The name of the corporation formed by you may not include the Proprietary Mark "WEICHERT", any variant of "WEICHERT" or any words confusingly similar to "WEICHERT."

7. All stock certificates of the corporation must be endorsed with the following legend, conspicuously placed:

"The transfer of this stock is subject to the terms and conditions of a Franchise Agreement dated [date of this Agreement] between Weichert Real Estate Affiliates, Inc. and [Name of Franchisee]. This certificate is not transferable and is not subject to sale, assignment, pledge, mortgage, encumbrance, or transfer, by operation of law or otherwise, without the prior written consent of Weichert Real Estate Affiliates, Inc."

8. The Articles of Incorporation, Bylaws and other organizational documents of the corporation must state that the issuance and transfer of any interest in the corporation are restricted by the terms of the Franchise Agreement.

B. Any transfer pursuant to this Section 14.03 will not be subject to our rights of first refusal under Section 14.06 below. Transfers pursuant to this Section 14.03 will not require payment of the fee required by Section 14.02E), so long as (i) you assign the franchise to a corporation that you form; (ii) the assignment is completed within 12 months from the date of your Franchise Agreement; and, (iii) you continue to maintain 100% ownership and control of the franchisee entity after the assignment; and, (iv) you agree to pay us a fee of \$750 for our legal and administrative expenses in connection with the assignment.

## 14.04 Assignment By You – Sale To Third Party

A. You may not sell or otherwise assign or transfer the franchise conveyed by this Agreement, the Franchised Business, the Offices, or any interest in any of these, without our prior written consent. If we do not elect to exercise our right of first refusal (as provided in Section 14.06 below), then we will not unreasonably withhold consent to the assignment and sale. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to consenting to the assignment and sale:

1. That you comply with the right of first refusal provisions of Section 14.06 of this Agreement.
2. That the proposed assignee applies to us for acceptance as a franchisee, and furnishes to us the information and references that we request to determine the proposed assignee's skills, qualifications, financial condition, background and history, reputation, economic resources and ability to assume your duties and obligations under this Agreement and any related agreement.
3. That the proposed assignee (or, if an entity, the principals of the proposed assignee) presents himself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us.
4. That the assignee (or the principal officers, shareholders or directors of a corporate assignee, or if any other entity, the principals of the assignee entity) demonstrates that he has the skills, qualifications, ethics, moral values and economic resources necessary, in our reasonable judgment, to conduct the Business contemplated by this Agreement, and to fulfill your obligations to the assignor.
5. That if this Agreement is being assigned, or the Franchised Business is being sold, we will have the right to require that the proposed assignee demonstrate a real estate brokerage sales record to us which is approximately as good as that of the assignor.
6. That the proposed assignee (if an individual) and the Assignee's proposed Business Manager have attended and successfully completed our Weichert Management Academy Initial Training Program before the assignment at the assignee's expense, which will include a training fee and the cost of the trainee's transportation to the training, lodging, food and other living expenses.
7. If you operate more than one Office under this Agreement, then you must assign or transfer all your Offices to the same assignee/transferee together with this Agreement, unless we give our specific prior written consent.
8. That the lessor(s) or sublessor(s) of the Office Location(s) consents in writing to the assignment of your lease(s) to the proposed assignee.
9. That as of the date of the assignment, the assignor has cured any existing defaults under any provisions of this Agreement and any other agreement or arrangement with us or our Affiliates, and has fully satisfied all of your accrued monetary and other obligations to us and our Affiliates under this Agreement and any other agreement or arrangement with us or our Affiliates.
10. That if this Agreement is being assigned, or the Franchised Business is being sold, the assignee executes our then current form franchise agreement. In addition, the assignee's Territory under the new franchise agreement will remain the same, unless, in our sole judgment, we determine that the assignee should be granted a more limited Territory we then offer to prospective franchisees who are similarly situated. The execution of the new franchise agreement will terminate this Agreement, except for your guarantees and the post-termination and post-expiration provisions under this Agreement.
11. That the Total Sales Price is not so excessive, in our sole determination, that it jeopardizes the continued economic viability and future operations of the Franchised Business and/or the assignee. "Total Sales Price" means all consideration of every kind paid or payable to you or any other person, in connection with, arising out of or relating to the assignment or transfer of the franchise, the Franchise Agreement or the Franchised Business, whether money, property or other thing or service of value including (but not limited to) consideration received for your Business; rights under this Agreement; contracts; goodwill; restrictive covenants; equipment; furniture; accounts receivable; any consulting salary; or, any other fees or arrangements or other form of consideration, whether the consideration is

received in the present or promised to be given to the assignor or any other person in the future (including the highest possible value of any contingent future consideration).

12. If the proposed assignee is purchasing part or all of an interest in a corporate or partnership franchisee, then the proposed assignee must execute a Confidentiality/Non-Competition Agreement in the form of Exhibit C to this Agreement and a Guarantee in the form of Exhibit D to this Agreement.

13. That the assignor (and all shareholders of a corporate assignor, and all partners of a partnership assignor, all proprietors of a proprietorship assignor and all shareholders of the general partner of a limited partnership assignor) executes a General Release in the form of Exhibit F to this Agreement, of any and all claims, demands and causes of action which you and your partners, proprietors, directors, officers, shareholders, executors, administrators and assigns (as the case may be) may or might have against us and our Affiliates, and their respective officers, directors, shareholders, agents, attorneys, contractors and employees in their corporate and individual capacities including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

14. That the assignor pays the administrative fee set forth in Section 14.02(E) (we may in our sole judgment waive this fee in the case of assignment due to death or permanent disability, transfer to immediate family members or transfer of less than 50% of the stock or membership interests as applicable in a corporate or limited liability company franchisee owned and controlled by immediate family members); if we waive this fee, the assignor must pay us a fee of \$750 for our legal and administrative expenses in connection with the assignment).

15. That if the assignee is a corporation, partnership, limited partnership or proprietorship, all of the applicable requirements set forth under Sections 7.19, 12.04, 12.05, 14.03, 14.04, and 14.05 of this Agreement are complied with, including the execution of Confidentiality/Non-Competitions Agreements in the form of Exhibit C to this Agreement by those persons required to sign by Section 12.04 and the procurement of guarantees executed by shareholders of the assignee in the form of Exhibit D to this Agreement.

16. That the assignor furnishes us with a copy of the proposed contract of assignment (and any related agreements) and, promptly following execution, a copy of the executed contract of assignment (and any related agreements).

17. That the assignee, at its expense, upgrades the Offices to conform to the then-current standards and specifications of the Weichert System, and completes this upgrading within the time reasonably specified by us.

18. That you remain liable for all the obligations to us arising out of or related to this Agreement before the effective date of the transfer or assignment, and execute all instruments reasonably requested by us to evidence this liability.

19. That the assignor and the assignor's Business Manager, commencing on the effective date of the assignment, refrain, for a period of one year immediately following the termination of this Agreement, from directly or indirectly engaging in any other Competitive Business as defined in Section 12.01 of this Agreement as a proprietor, partner, investor, shareholder, director, member, officer, manager, employee, principal, agent, adviser, or consultant, if the other business is located within the Territory, within 25 miles of the perimeter of the Territory, or within 25 miles of the perimeter of (or within) any Weichert Business Territory (whether Company-owned, franchised or otherwise established and operated).

B. If we consent to the assignment of this franchise, we will also consent to the assignment of your lease agreement(s) with your Office lessor(s) and all other agreements between you and us. If the franchise is assigned, you also agree to assign your lease agreement(s) with the Office lessor(s) and all other agreements between you and us to the same assignee. After the assignment, you will remain liable under all the assigned agreements to the extent they require.

C. You agree to defend at your own cost and to indemnify and hold harmless us and the other Indemnitees (as defined in Section 7.16) from and against any and all losses, costs, expenses (including attorneys' and experts' fees and disbursements), court costs, travel and lodging costs, personnel costs,

claims, demands, damages, liabilities, however caused (whether or not the losses, costs, expenses, court costs, travel and lodging costs, personnel costs, travel and lodging costs, claims, demands, damages or liabilities are reduced to judgment), resulting directly or indirectly from or pertaining to any statements, representations or warranties that may be given by you to any proposed assignee of the franchise, or any claim that you or the assignor engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiations leading to the consummation of the assignment. The indemnification obligations set forth in this subsection C. will survive the expiration or sooner termination of this Agreement.

## **14.05 Assignment By You – Transfer Upon Death or Disability**

A. Upon your death or disability (as defined below) (if "Franchisee" is an individual) or the death or disability of your last surviving principal, partner or shareholder (if "Franchisee" is a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate"). The Estate may continue the operation of the Franchised Business if: (i) the Estate provides a competent and qualified individual acceptable to us to serve as Business Manager and operate the Franchised Business on a full-time basis; (ii) this individual attends and completes our next offered Weichert Management Academy Initial Training Program at the Estate's expense; and, (iii) this individual assumes full-time operation of the franchise as Business Manager within one month of the date the person dies or becomes disabled. In the alternative, the Estate may sell the franchise within one month in accordance with the provisions of Section 14.04.

B. If the Estate does not designate a Business Manager, the Estate's designated Business Manager does not attend and satisfactorily complete our Initial Training Program and assume the full-time operation of the Franchised Business within one month, or, in the alternative, if the Estate does not sell your franchise within one month in accordance with the provisions of Section 14.04, this will be a material breach of this Agreement which, unless cured by the Estate as provided in Section 17.03, will result in this Agreement being terminated immediately. If the Estate sells the franchise in accordance with the provisions of Section 14.04, we will not charge the fee in Section 14.02(E).

C. "Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least ninety consecutive days. Disability will be determined either after this ninety day period or upon examination of the person by a licensed practicing physician selected by us before the end of the ninety day period, when we reasonably believe that person to be disabled. If the person refuses to submit to an examination, then the person will be automatically considered permanently disabled as of the date of the refusal. We will pay the costs of any examination required by this Section.

D. From the date of death or disability until a fully trained and qualified Business Manager assumes full-time operational control of the Franchised Business, we may assume full control of and operate the Franchised Business, but will have no obligation to do so. If we do so, then during this period, we will deduct our expenses for travel, lodging, meals, and all other expenses and fees from the Business's Gross Revenues and pay ourselves a management fee equal to the greater of (i) two times the salary paid to the individual(s) assigned by us to operate the Business, or (ii) 10% of the Business's weekly Gross Revenues. This management fee will be in addition to the Continuing Royalties and Marketing Fees due us. We will then remit any remaining funds to your Estate. The Estate must pay us any deficiency in sums due to us under this Agreement within ten days of our notifying the Estate of the deficiency. We will not be obligated to operate your Business. If we do so, we will not be responsible for any operational losses of the Business, nor will we be obligated to continue operating the Business.

## **14.06 Right of First Refusal**

A. Your rights to assign, transfer, redeem or sell any interest in this Franchise Agreement or the Franchised Business, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal. We will exercise our right of first refusal in the following manner:

1. You must deliver to us a true and complete copy of the proposed assignee's offer (the "notice") and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request.



2. Within 30 days after our receipt of the notice (or, if we request additional information, within 30 days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option, accept the assignment to ourselves or to our nominee, on the terms and conditions specified in the notice. However, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets.

3. Our credit will be considered equal to the credit of any proposed purchaser. We may substitute cash for any other form of payment proposed in the offer.

4. If we exercise our right of first refusal, we will be given at least sixty days after notifying you of our election to exercise our right of first refusal to prepare for closing. You agree to take all action necessary to assign your lease agreement with the lessor of the Office Location to us.

5. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the Franchised Business to your proposed assignee on the terms and conditions specified in the notice. If, however, the terms are changed, the changed terms will be considered a new offer, and we will have a right of first refusal with respect to this new offer.

6. Our election not to exercise our right of first refusal with regard to any offer will not affect our right of first refusal with regard to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. You and any proposed assignee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the Franchised Business specified in this Article 14.

**14.07 No Encumbrance.** You will have no right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the Franchised Business or the Office in any manner without our prior written permission, which we may withhold for any reason.

## 15. PROPRIETARY MARKS

### 15.01 Your Non-Ownership of Proprietary Marks

A. Nothing in this Agreement will give you any right, title or interest in or to any of our (or our Affiliates') Proprietary Marks except as a mere privilege and license, during the term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement. You understand and agree that the limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in writing (in our Operations Manual or otherwise). You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any our Proprietary Marks by virtue of the limited license granted under this Agreement, or by virtue of your use of any of the Proprietary Marks. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the Franchised Business, including any "local goodwill".

B. You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or designs elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us and other authorized parties.

**15.02 Acts in Derogation of the Proprietary Marks.** You agree that the Proprietary Marks are our (or our Affiliates') exclusive property. You assert and will in the future assert no claim to any goodwill, reputation

or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our Affiliates in connection with the Proprietary Marks, either during or after the term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the licensed Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. You agree that you will not, during or after the term of this Agreement, in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our Affiliates) to the Proprietary Marks, or the rights to use the Proprietary Marks of us, our Affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

### **15.03 Use and Display of Proprietary Marks**

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Mark and that the Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Mark or the Weichert System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Operations Manual or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the Franchised Business or in advertising for the Franchised Business. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement and the Operations Manual. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with our instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the Office and the attire, fixtures, signs, stationery, advertising, sales/promotional materials and other objects, in the size, color, lettering style and fashion and at the places which we designate in our Operations Manual or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Operations Manual. Except as expressly provided in the Operations Manual or otherwise, you may not erect or display in or on your Weichert Office, stationery, advertising, sales or promotional materials or any other objects bearing any other trademarks, logotypes, symbols or service marks. You may not use any names, marks or logotypes other than the Proprietary Marks in connection with the Franchised Business without our prior written approval.

**15.04 Non-Use of Trade Name.** If you are a corporation, partnership or limited liability company, you may not use our Proprietary Marks, or any confusingly similar words or symbols, in your corporate, partnership or limited liability company name. In particular, you may not use the words "WEICHERT," "Weichert Real Estate Affiliates, Inc.," or any variant as part of your corporate, partnership or limited liability company name.

**15.05 Required Means of Weichert Identification.** The sooner of thirty days after the execution date or the Initial Office Impact Date of this Agreement, you shall provide, in writing, your assumed business name to us, which is subject to our unconditional approval. You must conduct your Weichert Business under that assumed business name. You agree, at your expense, to perform all filings and procure all required or necessary governmental approvals or registrations required to do business under that assumed business name. You agree to identify yourself as a franchisee, but not an agent, of ours. You may not change this assumed business name, or use another assumed business name in connection with your Weichert Business, without our advance written permission.

## **15.06 Our Defense of Proprietary Marks and Copyrights**

A. If you receive notice, are informed or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim and indemnify you against any loss, cost or expense incurred in connection with the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to the use of the Proprietary Marks or copyrights. You may not settle or compromise the claim by a third party without our prior written consent. We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the settlement will be final.

B. We will have no obligation to defend or indemnify you pursuant to this Section 15.06 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement.

## **15.07 Prosecution of Infringers**

If you receive notice, are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any claim against any alleged infringer of our Proprietary Marks for or on account of an alleged infringement.

## **15.08 Discontinuance or Substitution of Proprietary Marks**

If it becomes advisable at any time, in our sole judgment, to modify or discontinue use of any Proprietary Mark and/or to adopt or use one or more additional or substitute Proprietary Marks, then you agree to comply with our instructions. We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Proprietary Mark addition, modification, substitution or discontinuation. You covenant not to commence or join in any arbitration, litigation or other proceeding against us for any of these expenses, losses or damages.

## **16. RELATIONSHIP OF THE PARTIES**

### **16.01 Independent Contractor**

A. You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Franchise Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your sales associates or other personnel will be considered to be our employees. Neither you nor any of your sales associates or other personnel whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your sales associates or other personnel.

B. You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided for in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Business. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any

damages to any person or property which directly or indirectly arise from or relate to the operation of the Franchised Business.

C. You agree to conspicuously identify yourself and your Franchised Business– in all dealings with your clients, contractors, suppliers, public officials and others – as our independent franchisee. You agree to place this notice of independent ownership on all forms, business cards, stationery, advertising, signs and other materials in the fashion that we may specify and require from time to time, in our Operations Manual or otherwise.

**16.02 You are the Sole and Exclusive Employer of your Employees.** You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion is any such employee either employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and, pay all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which have no such authority or ability. You further attest and affirm that any minimum requirements we establish are solely for the purpose of ensuring that your Franchised Business is at all times operated at those levels necessary to operate your franchise Business in conformity with the System and the products, services, standards of quality and efficiency, and other Weichert brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to **efficiently** operate your Franchised Business, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of a Franchised Business and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting yourself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees).

## 17. DEFAULT AND TERMINATION

**17.01 Termination By Us – Automatic Termination Without Notice.** You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you, the Franchised Business or the business to which the franchise relates is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against you or the Franchised Business and is not immediately contested and/or dismissed within sixty days from filing; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the Franchised Business or assets of either is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of your assets or property is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law are instituted by or against you or the Franchised Business; you are dissolved; execution is levied against you, the Franchised Business or your property; or, the real or personal property of the Franchised Business is sold after levy thereon by any governmental body or agency, sheriff, marshal or constable.

### 17.02 Termination By Us Upon Notice – No Opportunity To Cure

A. You will have materially breached this Agreement and we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the

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breach, effective immediately upon your receipt of notice (which, whether sent by certified mail, registered mail, overnight courier or personal physical delivery, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not commence operation of your Franchised Business on or before the Initial Office Impact Date set forth on Exhibit A to this Agreement; at any time cease to operate the Franchised Business; abandon the franchise relationship; or, abandon the franchise by failing to operate the Business for five (5) consecutive days during which you are required to operate the Business under this Agreement (or any shorter period of time after which it is not unreasonable under the facts and circumstances for Franchisor to conclude that you do not intend to operate the franchise), unless your failure to operate is due to fire, flood, other Acts of God or other similar causes beyond your control.
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
3. We and you agree in writing to terminate the Franchise Agreement.
4. You are operating only one Office under this Agreement and you lose the right to possession of the Office Location, provided, however, that if the loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of yours, the premises are damaged or destroyed, then you will have 30 days after this event to apply for our approval to relocate and reconstruct the premises in accordance with the applicable provisions of this Agreement. This approval may not be unreasonably withheld, but it will be reasonable for us to withhold approval if the Weichert Business will not re-open within 90 days of the closing of the previous Office Location.
5. You (or any principal of a corporate, partnership, proprietorship or other entity franchisee) are convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the Franchised Business, or is likely to have an adverse effect on the Weichert System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
6. A threat or danger to public health or safety results from your continued operation of the Franchised Business.
7. You conceal revenues; knowingly maintain false books or records; falsify information or otherwise defraud or makes false representations to us; or, knowingly submit any false report to us.
8. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the Franchised Business's employees' taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our property or funds; systemically fail to deal fairly and honestly with your sales associates, other personnel or clients; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any sales associate, agent, servant or employee who has embezzled our funds or property or that of any clients or others.
9. After curing a default pursuant to Section 17.03, you commit the same act of default again within six months of the first act of default.
10. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your Weichert Business.
11. You do not cure any default under this Agreement which materially impairs the goodwill associated with our Proprietary Marks following delivery of written notice to cure at least seventy-two hours in advance.
12. You do not comply, for a period of ten days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state, local or other law, rule or regulation applicable to the operation of the Franchised Business.

13. You repeatedly fail to comply with one or more requirements of this Franchise Agreement, whether or not corrected after notice.

14. You fail, refuse or neglect to obtain our prior written approval where consent is required by this Franchise Agreement.

15. You offer or sell as part of your Franchised Business any unapproved service, program or product, or do not continue offering and selling all programs and products which are a part of the Weichert System, or do not use and disseminate (as applicable) all materials, notices and procedures specified by us.

16. You use or duplicate any aspect of our System, services, programs or products in an unauthorized fashion.

### **17.03 Termination by Us – Fifteen Days to Cure**

A. Except as provided above, you will have fifteen calendar days after we furnish you with a written Notice of Default in accordance with the terms of Section 26.01 of this Agreement to remedy any default under this Agreement (or, if the default cannot reasonably be cured within this period, to initiate action to cure the default within that time), and to provide us with evidence that you have done so. If you have not cured any default within that time (or, if appropriate, you have not initiated action to cure the default within that time) or any longer period that applicable law may require, this Agreement will terminate immediately upon expiration of the fifteen day period, or any longer period required by applicable law.

B. You will be in default of this Agreement for any failure to comply with any of the requirements imposed upon you by this Agreement, by our Operations Manual and all Supplements to the Operations Manual, or otherwise, or to carry out the terms of this Agreement in good faith.

**17.04 Your Failure to Pay.** Your failure to make payments of any Continuing Royalties, Marketing Fees or other money due and owing to us, after you receive notice of the default from us granting an opportunity to cure, will be considered your willful and wrongful breach under this Agreement and your decision to reject and terminate this Agreement and all related agreements between you and us or our Affiliates, and will entitle us to receive the liquidated damages provided by Section 18.01 (as with any termination of this Agreement by us because of your default or your termination of this Agreement for any other reason).

**17.05 Cross Default.** Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, then we (or our Affiliate) will have the right to terminate all the other agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement.

**17.06 Notice Required By Law.** If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights of termination under this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by the laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

## **18. CERTAIN OBLIGATIONS AND RIGHTS OF THE PARTIES ON TERMINATION OR EXPIRATION**

### **18.01 Liquidated Damages – Lost Future Profits**

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A. We and you recognize the difficulty of ascertaining damages to us resulting from premature termination of this Agreement before its expiration. For this reason, we and you have provided for liquidated damages, representing our and your best estimate as to the damages arising from the circumstances in which they are provided and which are only damages for the future profits lost to us due to the premature termination of this Agreement before its expiration, and not a penalty or as damages for breaching this Agreement, or in lieu of any other payment or remedy.

B. If, at any time, you terminate this Agreement without our written consent or this Agreement is terminated under Sections 17.01, 17.02, 17.03 or 17.04, then you agree to pay us, within 10 days of termination, an amount equal to the lesser of (i) the actual number of months remaining in the Term of this Agreement or (ii) 60 months for terminations before the 3<sup>rd</sup> anniversary of the Start Date or 24 months for terminations after the 3<sup>rd</sup> anniversary of the Start Date, times the monthly average amount of Continuing Royalties and Marketing Fees owed by you under Sections 4.04 and 4.06 for the 12 months prior to termination based on your actual Gross Revenues, but in no case less than the Minimum Monthly Continuing Royalty and Minimum Monthly Marketing Fee (as applicable to the 12 months in question under the CPI-increase provisions of Sections 4.04 and 4.06), and reduced by a discount of 8% to produce the present value of our lost profits.

C. You will be entitled to a credit against the sums calculated according to subsection (B) for all amounts paid to us pursuant to the provisions of Section 18.02 (1) and (2) below.

D. You acknowledge that if you make any unauthorized or improper use of the Weichert System or the Proprietary Marks when you are not entitled to use them, we will have no adequate remedy at law. Therefore, you agree that we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the entry of these temporary and permanent injunctions.

## **18.02 Further Obligations and Rights on Termination or Expiration**

A. If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be an authorized Weichert franchisee and you will lose all rights to the use of our Proprietary Marks, the Weichert System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks and/or attributed to your conduct of the Franchised Business.

B. Upon expiration or earlier termination of this Agreement for whatever reason, in addition paying us the liquidated damages provided by Section 18.01 if applicable, you agree to:

1. Immediately pay all royalties, fees and other sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, employees, taxing authorities, advertising agencies and all other third parties.

2. Immediately furnish us with a list of all Pendencies (as defined in Section 4.04) as of the date of termination or expiration. Upon your receipt of any Gross Revenues in connection with any of such Pendencies, you must immediately notify us of the receipt of the Gross Revenues and either pay us the 6% Continuing Royalty and the 2% Marketing Fee on such Gross Revenues or permit us to debit the Bank Account for such Continuing Royalty and Marketing Fee.

3. Permit us, at any time between the effective date of termination or expiration and the 90th day after the effective date, with or without written notice, during regular hours, to enter the premises of your Office(s) (or other location[s] where the records are maintained) to inspect, audit and make copies of all records including, but not limited to: books of accounts; bank statements; cash or other receipts; checkbooks; documents; records; and tax returns (federal, state and, if applicable, city); your files relating to services, programs and products sold and business transacted, including (without limitation) operating records, bookkeeping and accounting records: records, computer databases and any other information (electronic or otherwise) concerning clients, listings; sales; commissions; sales agents; operating records; operating reports; correspondence; general business records; invoices; payroll records; journals; ledgers; and, your files, memoranda and other correspondence, contracts and all sources and supporting records used to prepare reports and forms which you are required to submit to

us under this Agreement, including the books or records of any corporation or individual(s) which owns the Franchised Business.

(i) You agree to make these materials available for examination and copying at the premises of your Office(s) (or other location[s] where the records are maintained), to cooperate fully with our inspection and audit and to make complete records available to us. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information relating to your franchised business, including (without limitation) information which you store in the computer(s) of the Franchised Business.

(ii) If we cause an audit to be made under this provision, and the audit finds the Gross Revenues and business transacted shown by the statements you submitted to us to be understated for any month(s) within the period of examination, or for the entire period of examination itself, when compared to your actual Gross Revenues, then you agree to immediately pay us the full cost of the audit for the entire period of examination (including, without limitation, the charges of any attorneys and independent accountants; all travel expenses, room and board; and, compensation of our employees and designated agents who participated in the audit), the additional amounts payable as shown by the audit, plus interest at the highest rate permitted by law. If applicable law provides no maximum rate of interest, interest will be calculated at 4% above the prime rate of interest as published in The Wall Street Journal on or nearest to the date of the audit (or, if The Wall Street Journal is not published on the date of the audit, at the prime rate published by The New York Times on that date, and if neither is published, the prime rate charged by Citibank, N.A. in New York City on that date).

4. Immediately discontinue the use of all Proprietary Marks, including all signs displaying our unique style, logo, colors, color patterns and designs (or anything similar to our signs, color patterns and designs), and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating a Weichert Business, or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement, including (without limitation): Weichert Services, Ancillary Services, programs and products; specifications or descriptions of our Services, Ancillary Services and products; listings; lists of clients, sales agents, employees and independent contractors; our Operations Manual and any Supplements to it; forms, advertising matter, marks, devices, signs, insignia, slogans and designs used in connection with the Franchised Business; telephone numbers listed in any telephone directory under any of the Proprietary Marks licensed under this Agreement or any similar designation or directory listings relating to the Franchised Business (subject to the limitations in Section 18.02(9) below); and, the systems, procedures, techniques, criteria, concepts, designs, advertising and promotion techniques, specifications, and all other components, specifications and standards, which comprise (or in the future may comprise) a part of the Weichert System. You must not identify yourself to third parties as a former franchisee of ours in any fashion. For the avoidance of doubt, you understand, acknowledge and agree that the restrictions set forth in this Section 18.02(4) specifically include (without limitation) any use of the name "WEICHERT," or any other Proprietary Mark of ours, in any form of marketing, advertising, press releases or other media (whether in the form of print, radio, social, electronic commerce, or otherwise).

5. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "WEICHERT," or any other Proprietary Mark of ours, or any variant, within fifteen days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "WEICHERT," or any related name used under this Agreement. When you execute this Agreement, you must also execute the Power of Attorney (Exhibit G), by which you irrevocably appoint us as your attorney-in-fact to do so. If the "franchisee" is an entity, then we will furnish you with a resolution which you agree to adopt, drafted in compliance with the laws of the state of incorporation of the entity and specifically authorizing execution of the Power of Attorney. If the form required for your state changes so that it is different from the Power of Attorney form in Exhibit G, you agree to execute the then-current form of power of attorney giving us the above powers immediately



upon our request and from time to time, it being the intent of the parties that we have and retain the power set forth above. You must not identify yourself to third parties as a former franchisee of ours when answering your telephones (or at any other time).

6. If we terminate because of your default, or you terminate through failure to make payment following notice to cure (pursuant to Section 17.04), pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Business for the Territory. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the Franchised Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession.

7. Immediately deliver to us all training or other manuals furnished to you (including the Operations Manual and Supplements to the Operations Manual), computer hardware and computer software we furnished to you; display items, advertising and promotional material; any and all materials, signs and related items which bear our Proprietary Marks or slogans or insignias or designs; advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the Franchised Business. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, software and other similar items will be considered to be our property for all purposes.

8. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.

9. Except as provided below, cease using the telephone numbers listed in the Yellow Pages and White Pages of any telephone directories under the name "WEICHERT" or any other confusingly similar name or, upon our written demand, direct the telephone company to transfer the telephone numbers listed for the Franchised Business in the Yellow Pages and White Pages to us or to any other person and location that we direct. When you execute this Agreement, you must also execute the Power of Attorney (Exhibit G), by which you irrevocably appoint us as your attorney-in-fact to do so. If the "franchisee" is an entity, then we will furnish you with a resolution which you agree to adopt, drafted in compliance with the laws of the state of incorporation of the entity and specifically authorizing execution of the Power of Attorney. If the form required for your state changes so that it is different from the Power of Attorney form in Exhibit G, you agree to execute the then-current form of power of attorney giving us the above powers immediately upon our request and from time to time, it being the intent of the parties that we have and retain the power set forth above. You have provided us with a list of telephone numbers (identified on Exhibit A) which you represent that you have continuously utilized preceding your execution of this Agreement in the operation of your Office and real estate business. Upon the expiration or termination for any reason of this Agreement, you may retain ownership and use of the telephone numbers identified on Exhibit A, so long as you direct the telephone company to remove from the listings all references to the name "WEICHERT" or any other confusingly similar name.

10. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 11 of this Agreement.

11. Promptly perform all reasonable redecoration and remodeling of the Offices as we consider necessary in our reasonable judgment to distinguish the Offices from Weichert Business Offices.

**18.03 Our Right to Use Information Obtained from You.** You acknowledge and agree that during the term of this Agreement and after its expiration or sooner termination, we will have the right to access and use all information concerning your clients that you report to us or which we learn due to your status as a Weichert franchisee (the "Client Information"), as follows: During the term of this Agreement, we will have the right to use the Client Information for business purposes, including (without limitation), public relations, advertising and direct mail solicitations; statistical compilations; investigations and resolutions of complaints;

inclusion on our Web site; and, inspections, operational audits, financial audits and quality surveys. Upon the expiration or sooner termination of this Agreement, we will have the right to continue to use the Client Information as specified above, and also to make the Client Information available to our Affiliates and franchisees for whatever purposes that we, at our sole option, consider appropriate.

**18.04 Transition.** To facilitate an orderly and efficiently transition and preserve the goodwill associated with the Weichert System and Proprietary Marks upon the termination or expiration of this Agreement, you agree that we have the right to contact and communicate personally with any or all of your sales associates beginning 180 days prior to the expiration of this Agreement or, in the case of termination, immediately after notice of termination has been delivered to you (including any period you may have to cure defaults) to solicit and/or discuss with them their options for affiliation with another Weichert office.

**18.05 No Prejudice.** The expiration or termination of this Agreement will be without prejudice to our rights against you, and will not relieve you of any of your obligations to us at the time of expiration or termination, or terminate your obligations which by their nature survive the expiration or termination of this Agreement.

## **19. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)**

### **19.01 Unavoidable Delay or Failure to Perform (Force Majeure)**

A. Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods, natural disasters; Acts of God; war; civil commotion; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

B. Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days advance written notice to you.

## **20. WAIVER AND DELAY**

**20.01 Waiver and Delay.** No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting any of the foregoing, the acceptance of any payment specified to be paid by you under this Agreement will not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

## **21. NOTICE OF OUR ALLEGED BREACH**

**21.01 Notice of Our Alleged Breach.** You agree to give us immediate written notice of any alleged breach or violation of this Agreement after you have constructive or actual knowledge of, believe, determine or are of the opinion that there has been an alleged breach of this Agreement by us, including any acts of misfeasance or nonfeasance. If you do not give written notice to us of any alleged breach of this Agreement within one year from the date that you have knowledge of, believe, determine or are of the opinion that there has been an alleged breach by us, then our alleged breach will be considered to be condoned, approved and waived by you and will not be considered to be a breach of this Agreement by us, and you will be permanently barred from commencing any action against us for the alleged breach or violation.

## **22. OUR RIGHT TO CURE DEFAULTS**

**22.01 Our Right To Cure Defaults.** In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you on demand.

## 23. OUR WITHHOLDING OF CONSENT – YOUR EXCLUSIVE REMEDY

**23.01 Our Withholding of Consent – Your Exclusive Remedy.** In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval to a proposed act by you under the terms of this Franchise Agreement. You waive any such claim for damages. You may not claim any such damages by way of set-off, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce the Agreement provisions, for specific performance or for declaratory judgment.

## 24. INJUNCTION

**24.01 Injunction.** You explicitly affirm and recognize the unique value and secondary meaning attached to the Weichert System and the Proprietary Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the Weichert System or the Proprietary Marks by you, will cause irreparable damage to us and other Weichert franchisees. You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the Weichert System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions.

## 25. INTEGRATION OF AGREEMENT

**25.01 Integration of Agreement.** This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that nothing in this Franchise Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document that we provided to you. You acknowledge that you are entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of your own independent investigation of the Franchised Business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees which are contrary to the terms set forth in this Agreement or of any prospectus, disclosure document or other similar document required or permitted to be given to you pursuant to applicable law.

**25.02 No Oral Modification.** This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties. You expressly acknowledge that no oral promises or declarations were made to you and that our obligations are confined exclusively to the terms in this Agreement. You understand and assume the business risks inherent in this enterprise.

## 26. NOTICES

**26.01 Notices.** Any notice required or permitted to be given under this Agreement must be in writing; must be delivered to the other party personally, by certified mail (and return receipt requested, postage prepaid), by documented overnight delivery with a reputable carrier; and, will be effective on the date that delivery is documented to have been first attempted.

A. Any notice to us will be addressed to us at:

Weichert Real Estate Affiliates, Inc.  
225 Littleton Road  
Morris Plains, New Jersey 07950  
Attention: President

With a copy to:

Weichert Real Estate Affiliates, Inc.  
1625 Route 10 East  
Morris Plains, New Jersey 07950  
Attention: General Counsel

And a copy to:

Kaufmann Gildin & Robbins LLP  
767 Third Avenue, 30<sup>th</sup> Floor  
New York, New York 10017  
Attention: David J. Kaufmann, Esq.

B. Any notice to you will be addressed to you at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

C. Either party to this Agreement may, in writing, on ten days notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent.

## 27. MISCELLANEOUS

### 27.01 Execution, Construction and Interpretation; Further Acts

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

B. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. Each reference in this Agreement to a corporation or partnership will also refer to a limited liability company, general or limited partnership, and any other entity or similar organization. Each reference to the organizational documents, shareholders, directors, officers and stock of a corporation in this Agreement will also refer to the functional equivalents of the organizational documents, shareholders, directors, officers and voting and/or equity rights, as applicable, in the case of a limited liability company, general partnership, limited partnership or any other entity or similar organization (this specifically includes members and managers, general and limited partners, membership interests and general and limited partnership interests).

**27.02 Severability.** Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent

jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

**27.03 Time is of the Essence.** Time is of the essence with respect to all of your obligations under this Agreement that specify a time for performance.

## **28. ARBITRATION; COSTS OF ENFORCEMENT; ATTORNEYS' FEES; GOVERNING LAW; VENUE**

### **28.01 Arbitration.**

A. Except as otherwise specified in this Agreement, the parties agree that all controversies, disputes or claims arising between us and you in connection with, arising from, or with respect to this Agreement, any related agreement, the franchise granted under this Agreement, the relations between the parties or the licensed Business and/or Office, will be submitted for arbitration to the American Arbitration Association (the "AAA") or any successor thereto at the specific site we designate in the county where we have our principal place of business at the time the arbitration proceeding is commenced, and will be conducted in accordance with the then-current Commercial Arbitration Rules of the AAA or any successor thereto. The arbitral award and decision shall be conclusive and binding upon the parties. Judgment upon any award(s) rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof, and the parties hereby waive all objections which they may have at any time to the laying of venue of any proceedings brought in such courts, waive any claim that such proceedings have been brought in an inconvenient forum, and further waive the right to object with respect to such proceedings that any such court does not have jurisdiction over such party.

B. There will be one arbitrator, who will be selected by the AAA (or any successor thereto), for each arbitration proceeding. The parties desire that the arbitrator will be an attorney familiar with franchising matters. Except as provided in Sections 28.02 and 28.03 and any fees awarded us by an arbitrator, the parties agree to split equally the costs of the arbitration, including the arbitrator's fees and expenses; provided, however, that each party will pay its own travel and lodging costs, attorneys' fees, accountants' fees and experts' fees.

C. The Federal Rules of Evidence will apply to any arbitration proceeding conducted under this Agreement. The arbitrator will not have the authority or right to add to, delete, amend or modify in any manner the provisions of the Federal Rules of Evidence or the arbitration provisions of this Agreement. All testimony offered at any arbitration proceeding under this Agreement must be given under oath. No affidavits may be submitted into evidence unless and until the other party(ies) has had the opportunity to cross-examine the affiant under oath and on a transcribed record, or otherwise consents. All arbitration proceedings pursuant to this Agreement will be recorded, or taken down by a stenographer and transcribed, or both, for the purpose of obtaining subsequent review. Each arbitration decision rendered under this Agreement must be in writing; individually address and dispose of each claim and the relief granted to it; must set forth a recital of facts and a legal analysis and the resulting rendition of the award relating to each such claim (if any); and must, in general, be specific regarding the reasons underlying any and all determinations, awards or conclusions, including all principles of law applied.

D. The arbitrator will not have the authority or right to add to, delete, amend or modify the provisions of this Agreement or any agreement ancillary hereto. All findings, decisions and awards of the arbitrator will be limited to the dispute(s) set forth in the written demand for arbitration, and the arbitrator will not have the authority to decide any other issues. The arbitrator may not under any circumstance: (i) stay the effectiveness of any pending termination; (ii) assess punitive, speculative, or exemplary damages; (iii) make any award which extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us in good faith; (iv) compel us to grant an additional license(s) to you for a claimed wrong; or, (v) to otherwise award any relief other than money damages and prohibitive injunctive relief (specifically excluding affirmative injunctive relief). Notwithstanding anything to the contrary herein, the arbitrator has the right to award us attorney's fees.

E. No findings, conclusions, orders or awards emanating from any arbitration proceeding conducted hereunder may be introduced, referred to or used in any subsequent or other arbitration proceeding as a precedent; to collaterally estop any party from advancing any claim, defense or from raising any like or similar issues; or, for any other purpose whatsoever. The parties especially agree that the principles of collateral estoppel will not apply in any arbitration proceeding conducted hereunder.

F. Any arbitration will be brought on an individual, and not a class-wide basis; provided, however, that we will have the right to petition the arbitrator to consolidate this proceeding with any previously filed pending arbitration proceeding, and the arbitrator will consolidate such proceedings if they determine that the proceedings involve common issues of law and fact that predominate over any questions solely affecting the individual licensees, and such consolidation will not materially delay or cause undue hardship to the licensees who are parties to the already pending proceeding.

G. Except as and to the extent expressly provided by law, you agree to maintain all aspects of the arbitration proceeding in confidence, and not to disclose any information about the proceeding to any third party other than legal counsel, who you agree to require to maintain the confidentiality thereof.

H. Notwithstanding the foregoing, the following disputes and controversies between us and you will not be subject to arbitration: (i) any dispute involving the Proprietary Marks; (ii) any dispute involving payment of any amounts due us; (iii) any dispute involving immediate termination of this Agreement, including enforcement of your post-termination obligations set forth in Article 18; (iv) any dispute involving enforcement of the confidentiality provisions of this Agreement; (v) any dispute involving enforcement of the covenants not to compete set forth in this Agreement; and, (vi) any judicial proceeding in equity seeking temporary restraining orders, preliminary injunctions or other interlocutory relief.

**28.02 Costs of Enforcement.** We will be entitled to recover from you reasonable attorneys' fees, experts' fees, arbitrator's fees, court costs and all other expenses of arbitration or litigation, if we prevail in any arbitration or action instituted against you to secure or protect our rights under this Agreement, or to enforce the terms of this Agreement, or in any arbitration or action commenced or joined in by you against us.

**28.03 Attorneys' Fees.** If we become a party to any arbitration, action or proceeding arising out of or relating to this Agreement, any and all related agreements, the Franchised Business or the Office; as a result of any claimed or actual act, error or omission of yours (and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives) or the Franchised Business; by virtue of statutory, "vicarious", "principal/agent" or other liabilities imposed on us as a result of our status as your franchisor; or if we become a party to any arbitration, litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, arbitrator's fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees, experts' fees and arbitrator's fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

**28.04 Governing Law.** All matters relating to arbitration or the enforcement of this Agreement to arbitrate will be governed exclusively by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and all matters involving the Proprietary Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 et seq.). All other matters involving this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New Jersey without recourse to New Jersey (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New Jersey, and if the Franchised Business is located outside of New Jersey and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section 28.04 is intended to invoke the application of the New Jersey Franchise Practices Act or of any other franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New Jersey or any other state, which would not otherwise apply.

## 28.05 Venue

A. Subject to the provisions of Section 28.01, you agree to institute any litigation that you may commence arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, exclusively in a court of competent jurisdiction which is either a New Jersey state court in Morristown, New Jersey or the United States District Court for the District of New Jersey in Newark, New Jersey. You agree that any dispute as to the venue for any litigation you institute will be submitted to and resolved exclusively by either a New Jersey state court in Morristown, New Jersey or the United States District Court for the District of New Jersey in Newark, New Jersey. You hereby waive and covenant never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

B. You further agree that, subject to the provisions of Section 28.01, we may institute any litigation that we commence arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, in any court of competent jurisdiction, wherever situated, that we select. You agree that any dispute as to the venue for the litigation we institute will be submitted to and resolved exclusively by the court of competent jurisdiction in which we commenced the litigation. You hereby waive and covenant never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

**28.06 Waiver of Jury Trial.** The parties to this Agreement explicitly waive their respective rights to a jury trial in any litigation between them which is authorized or contemplated by this Agreement, and hereby stipulate that any such trial shall occur without a jury.

**28.07 Punitive Damages.** In no event will we be liable to you for punitive damages in any action or proceeding arising out of or relating to this Agreement; any breach, termination, cancellation or non-renewal of this Agreement; or, in any other action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. You hereby waive and covenant never to advance any such claim for punitive damages.

## 29. GUARANTEE

### 29.01 Guarantee

A. All partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you must be citizens of the United States or legally-resident aliens. If you are an entity, the person(s) and/or entity(ies) we list on Exhibit A must, concurrently with the execution of this Agreement, execute our standard form Guarantee (Exhibit D).

B. If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity without first proceeding against you and without proceeding against or naming in the suit any other such individuals and/or entities. Your obligations and those of each such individual and/or entity will be joint and several. Notice to or demand upon one such individual and/or entity will be considered notice to or demand upon you and all such individual and/or entities, and no notice or demand need be made to or upon all such individuals and/or entities. The cessation of or release from liability of you or any such individual and/or entity will not relieve any other individual and/or entity from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

## 30. SURVIVAL

**30.01 Survival.** Any provision of this Agreement which imposes an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

## 31. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

**31.01 Your Representations.** You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement that:

A. If you are a corporation, limited liability company, or partnership, then you are organized under the laws of the state of your principal place of business (or another state which you has identified to us) and is in good standing with and qualified to do business in each state and political/ governmental subdivision having jurisdiction over the Franchised Business.

B. If you are a corporation, limited liability company, or partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you, all of your shareholders, members or partners, and your successors and assigns when executed.

C. You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you has furnished to us before the execution of this Agreement.

D. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or owners (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

E. Neither you nor any of your owners is party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

F. All your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

**G. THE PERSON(S) SIGNING THIS AGREEMENT ON BEHALF OF THE FRANCHISEE IS(ARE) A DULY APPOINTED OFFICER OR OTHERWISE HAS BEEN AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS AGREEMENT.**

**31.02 Your Acknowledgments.** You acknowledge, warrant and represent to us that:

A. No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Franchised Business, or any other Weichert Office or Business.

B. No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding our anticipated income, earnings and growth or that of the Weichert System, or the viability of the business opportunity being offered under this Agreement.

C. Before executing this Agreement, you have had the opportunity to contact all our existing franchisees.

D. You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisers (if you so elect) of your own choosing. you have been advised to consult with your own advisers with respect to the



legal, financial and other aspects of this Agreement, the Franchised Business, and the prospects for that Business. You have either consulted with these advisors or has deliberately declined to do so.

E. You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise, at least fourteen calendar days before the execution of this Agreement or at least fourteen calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

F. No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the offering of one or more of the services contemplated to be offered by the Franchised Business.

G. You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information.

## **32. SUBMISSION OF AGREEMENT**

**32.01 Submission of Agreement.** The submission of this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. Our date of execution will be considered the date of execution of this Agreement.

*[SIGNATURE PAGE TO FOLLOW]*

# Weichert

THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS. YOU ACKNOWLEDGE THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO YOU OTHER THAN THOSE SET FORTH IN OUR FRANCHISE DISCLOSURE DOCUMENT, OR THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO YOU, YOU ARE NOT RELYING ON THEM. YOU HAVE READ ALL OF THE FOREGOING AGREEMENT AND ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.

## FRANCHISEE:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_  
Name:  
Title:  
Date:

If an individual(s):

\_\_\_\_\_  
Name:  
Date:

\_\_\_\_\_  
Name:  
Date:

\_\_\_\_\_  
Name:  
Date:

\_\_\_\_\_  
Name:  
Date:

## FRANCHISOR: WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**STATE ADDENDA TO FRANCHISE AGREEMENT**

**ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

- 1. The provisions of the Franchise Agreement concerning arbitration, governing law, jurisdiction, venue and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. Illinois law governs the Franchise Agreement with respect to Illinois franchisees.
- 2. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act, or any other Illinois law, is void".
- 3. Section 31.02 ("Your Acknowledgments") is deleted from all Illinois Franchise Agreements.

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

## INDIANA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or New Jersey law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than New Jersey law, as stated in Section 28.03 of the Franchise Agreement.
2. Venue for litigation will not be limited to New Jersey, as specified in Section 28.05 of the Franchise Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, will supersede the provisions of Article 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 12.03 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") will not apply to franchises offered and sold in the State of Indiana.
6. Article 23.01 of the Franchise Agreement ("Our Withholding of Consent – Your Exclusive Remedy") will not apply to franchises offered and sold in the State of Indiana.
7. Section 24.01 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
8. Section 28.07 ("Punitive Damages") is deleted from the Franchise Agreement.
9. Notwithstanding the terms of Section 7.18 of the Franchise Agreement, Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.

[SIGNATURE PAGE TO FOLLOW]

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

## MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold under the laws of the State of Maryland.

1. No release language set forth in Section 13.01(B) of the Franchise Agreement (concerning requirements for renewal) or Section 14.04 (A)(13) of the Franchise Agreement (concerning requirements for transfer) shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland.

Sections 13.01(B) and 14.04 (A)(13) of the Franchise Agreement are each hereby amended to add the following language:

"The release requirement of this Section is not intended to nor shall it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The release required under this Section will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

2. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.
3. Section 28.05 of the Franchise Agreement requires venue to be limited to New Jersey. This provision is hereby deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
4. Section 31.02 ("Your Acknowledgments") is hereby deleted from all Franchise Agreements for residents of the State of Maryland and/or franchises to be operated in the State of Maryland.
5. The following sentence is added at the end of the last paragraph of Section 2.04 of the Franchise Agreement ("Rights We Reserve"): "The waiver, release and other provisions of this paragraph are not intended to act, nor will they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
6. The following language is added to the last sentence of Section 25.01 of the Franchise Agreement: "provided, however, that the foregoing is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."
7. The following sentence is added at the end of Section 25.02 of the Franchise Agreement: "This Section is not intended to, nor will it, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

[SIGNATURE PAGE TO FOLLOW]

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_



## MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The following language will appear at the end of Section 28.05 of the Franchise Agreement (“Venue”):

"Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the franchise disclosure document or agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction."

2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement.
4. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The second sentence of Section 12.03 of the Franchise Agreement (“Enforcement of Covenants Not To Compete”) is amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

6. The third and fourth sentences of Section 24.01 of the Franchise Agreement (“Injunction”) is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

7. Section 18.01 of the Franchise Agreement (Liquidated Damages) is deleted in its entirety.

[SIGNATURE PAGE TO FOLLOW]

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

## NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document or Franchise Agreement, the following provisions shall supersede and apply to all franchises offered and sold under the laws of the State of New York:

1. The last sentence of the third paragraph of Section 6.01 of the Franchise Agreement is hereby amended to read as follows:

"The Operations Manual and any additions, deletions, revisions or Supplements to the Operations Manual are material in that they will affect the operation of the franchised Business, but they will not conflict with or materially alter your rights and obligations under this Agreement or place an excessive economic burden on your operations. "

2. Sections 13.01(B) and 14.04 (A)(13) of the Franchise Agreement are each hereby amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The second sentence of Section 12.03 of the Franchise Agreement is hereby amended to read as follows:

"Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement."

4. The third and fourth sentences of Section 24.01 of the Franchise Agreement is amended to read as follows:

"You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the Weichert System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions."

[SIGNATURE PAGE TO FOLLOW]

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

## NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or New Jersey law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than New Jersey law, as stated in Section 28.04 of the Franchise Agreement.
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
5. Section 28.05 of the Franchise Agreement (“Venue”) is deleted from all Franchise Agreements used in the State of North Dakota.
6. The following phrase is deleted from Section 17.04 of all Franchise Agreements used in the State of North Dakota: “, and will entitle us to receive the liquidated damages provided by Section 18.01 (as with any termination of this Agreement by us because of your default or your termination of this Agreement for any other reason)”
7. Section 18.01 is deleted from all Franchise Agreements used in the State of North Dakota,
8. Section 28.06 is deleted from all Franchise Agreements used in the State of North Dakota,
9. Section 28.02 is deleted from all Franchise Agreements used in the State of North Dakota and the following language is substituted therefor:

“The prevailing party will be entitled to recover from the losing party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if the prevailing party prevails in any action instituted against the losing party to secure or protect its rights under this Agreement, or to enforce the terms of this Agreement, or in any action commenced or joined in by the losing party against the prevailing party.”

[SIGNATURE PAGE TO FOLLOW]

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

**RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions shall supersede and apply:

- 1. Any provision in the Franchise Agreement which designates the governing law as that of any state other than the State of Rhode Island is deleted from Franchise Agreements issued in the State of Rhode Island.
- 2. §19-28.1.-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

## WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. If any of the provisions in the franchise disclosure document or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise disclosure document and franchise agreement with regard to any franchise sold in Washington.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by a Franchisee will not include rights under the Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.
5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

[SIGNATURE PAGE TO FOLLOW]



Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

**WISCONSIN ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

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

2. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and 60 days to remedy claimed deficiencies, will supersede the requirements of Article 17 of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

Dated: \_\_\_\_\_

FRANCHISEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

## EXHIBIT A

**INITIAL FRANCHISE FEE; ADDITIONAL OFFICE FEE; FRANCHISED TERRITORY; MINIMUM MONTHLY CONTINUING ROYALTY; MINIMUM AND MAXIMUM MONTHLY MARKETING FEES; RESPONSIBLE REAL ESTATE BROKER; INITIAL OFFICE LOCATION; ADDITIONAL OFFICE LOCATIONS; INITIAL OFFICE IMPACT DATE(S); FRANCHISEE CONVERSION PACKAGE; GUARANTORS; ACTIVE DOMAIN NAMES AND E-MAIL ADDRESSES; ACTIVE TELEPHONE NUMBERS; ANNUAL MINIMUM PERFORMANCE INCREASE REQUIREMENT; ASSUMED BUSINESS NAME**

1. RESPONSIBLE BROKER: The Responsible Real Estate Broker as defined in Section 1.03 of the Franchise Agreement will be \_\_\_\_\_.
2. INITIAL OFFICE:
  - 2.1. FRANCHISE FEE: The initial Franchise Fee as defined in Section 4.01 of the Franchise Agreement will be \_\_\_\_\_
  - 2.2. INITIAL OFFICE IMPACT DATE: The required Impact Date for the Initial office pursuant to Section 7.01 of the Franchise Agreement is \_\_\_\_\_
  - 2.3. LOCATION: The Office Location for the Initial Office as defined in Section 5.01 of the Franchise Agreement will be \_\_\_\_\_.
  - 2.4. TERRITORY: The franchised Territory as defined in Section 2.01 of the Franchise Agreement will consist of \_\_\_\_\_.
3. ADDITIONAL OFFICE(S):
  - 3.1. FRANCHISE FEE: The additional Franchise Fee as defined in Section 4.02 of the Franchise Agreement will be \_\_\_\_\_ for each Additional Office location.
  - 3.2. IMPACT DATE: The required Impact Date for the Additional Office pursuant to Section 7.01 of the Franchise Agreement is \_\_\_\_\_.
  - 3.3. LOCATION: The Office Location for the Additional Office as defined in Section 5.01 of the Franchise Agreement will be \_\_\_\_\_
  - 3.4. TERRITORY: The Additional Office Territory as defined in Section 2.01 of the Franchise Agreement will consist of \_\_\_\_\_.
4. MINIMUM PERFORMANCE: You acknowledge that achievement of the Annual Minimum Performance Increase Requirement set forth in Section 2.03 for each Calendar Year commencing with Calendar Year 2 is a precondition to your retaining the territorial rights within the Territory granted by the Franchise Agreement.
5. MINIMUM ROYALTY: The current Minimum Monthly Continuing Royalty per Office as defined in Section 4.04 of the Franchise Agreement will be as follows: Beginning in your 3<sup>rd</sup> month until the end of your 24<sup>th</sup> month after your Start Date, \$1,000 per Office per month. Beginning the 25<sup>th</sup> month following your Start Date and for the rest of the Term, \$1,500 per Office per month. The Minimum Annual Continuing Royalty is subject to change as set forth in Section 4.04 of the Franchise Agreement.
6. PERSONAL GUARANTEE: The names of person(s) and/or entity(s) who must execute a Guarantee simultaneously with your execution of the Franchise Agreement pursuant to Section 29.01 of the Franchise Agreement are \_\_\_\_\_.
7. MINIMUM AND MAXIMUM MONTHLY MARKETING FEES: The current Minimum Monthly Marketing Fee as defined in Section 4.06 of the Franchise Agreement will be \_\_\_\_\_ and the current Maximum Monthly Marketing Fee will be \_\_\_\_\_. The Minimum and

Maximum Monthly Marketing Fees are subject to change as set forth in Section 4.06 of the Franchise Agreement.

8. LONG STANDING WWW ADDRESSES: The active domain names and/or e-mail addresses (if any) which you represent that you have continuously utilized for the 24 months or more preceding your execution of the Franchise Agreement in promoting your office and real estate business pursuant to Section 7.10 are \_\_\_\_\_.
9. LONG STANDING PHONE NUMBERS: The active telephone numbers (if any) which you represent that you have continuously utilized for the 24 months or more preceding your execution of the Franchise Agreement in promoting your office and real estate business pursuant to Section 18.02 are \_\_\_\_\_.
10. FRANCHISEE FORM OF ENTITY, APPROVED DBA AND OWNERSHIP OF FRANCHISEE (if not a Sole Proprietorship): Entity Type: \_\_\_\_\_.  
The following are all of the individuals who own 10% or more of the Franchisee identified in the Franchise Agreement. Your business name is subject to our approval and you agree to your approved business name pursuant to Section 15.05 of the Franchise Agreement,

Name(s)	Ownership Percentage	Type of Equity Interest	Office Held (Title)

11. FRANCHISEE CONVERSION PACKAGE: The Franchisee Conversion Package will consist of \_\_\_\_\_.

**EXHIBIT B**  
**PROPRIETARY MARKS**

## **PROPRIETARY MARKS**

The Proprietary Marks (as defined in Section 1.02) granted to you under the Franchise Agreement will consist of the Proprietary Mark “WEICHERT,” together with those additional Proprietary Marks which we may later designate in writing (in our Operations Manual or otherwise).

**EXHIBIT C**  
**CONFIDENTIALITY/NON-COMPETITION AGREEMENT**

## CONFIDENTIALITY/NON-COMPETITION AGREEMENT

**NAME:** \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

**HOME ADDRESS:** \_\_\_\_\_

**HOME TELEPHONE:** \_\_\_\_\_

**CLASSIFICATION:** \_\_\_\_\_

**(Owner, Shareholder, Officer, Director,  
Attorney, Employee, Etc.)**

\_\_\_\_\_ ("Franchisee") is a franchise of Weichert Real Estate Affiliates, Inc. ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated \_\_\_\_\_ (the "Franchise Agreement").

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby expressly acknowledged, the parties hereto agree as follows:

1. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

2. I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

3. Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others, but in no event through any act of mine.

4. I specifically understand that, without limitation, the following have been deemed to constitute Confidential Information of Franchisor: the Weichert System and all Services, Ancillary Services, Ancillary Products, programs, products, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are part of the Weichert System; Franchisor's Operations Manual; Supplements and amendments to the Operations Manual; all procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the course of offering, selling and furnishing Services, Ancillary Services, programs and products from or at the franchised Offices and Business; all commission and/or pricing paradigms established by Franchisor or by Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply, and all information pertaining to same (including, without limitation, wholesale pricing structures); specifications for Office design, decor, equipment, signage and appurtenance; the computer and hardware and software utilized by us and you; all information pertaining to Franchisor's and/or Franchisee's advertising, marketing, promotion and merchandising campaigns, philosophies, materials, specifications and procedures; Franchisor's and Franchisee's computer network Web sites, and all information posted on or



received at the Web sites; all Franchisor's and Franchisee's instructional materials; quality assurance programs; supervision systems; recommended services; recordkeeping, bookkeeping and accounting systems and materials; revenue reports; activity schedules; job descriptions; records pertaining to clients; business forms; general operations materials; revenue reports; specifications, systems, standards, techniques, philosophies and materials, guidelines, policies and procedures concerning the Weichert System; additions to, deletions from, and modifications and variations of the components of the Weichert System or the systems and methods of operations which Franchisor employs now or in the future, including all related standards and specifications and the means and manner of offering and selling them; and, all other components, specifications, standards, requirements and duties which Franchisor or its Affiliates impose.

5. I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee (as the case may be) all materials, books, records, and manuals considered confidential under this Agreement which are in my possession.

6. I further agree that during the term of my employment/service/association/ownership participation, so long as the Franchise Agreement or any Renewal Franchise Agreement is in effect, I will not, directly or indirectly, engage or participate in any other real estate business or any business which engages in any of the activities which the Franchise Agreement contemplates that Franchisee will engage in; or which offers or sells any other service, program, product or component which now or in the future is part of the Weichert System, or any confusingly similar service, program or product (a "Competitive Business"). I am prohibited from engaging in any Competitive Business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

7. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any material assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

8. It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) the following if they have such an interest: my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity having such an interest, regardless of how many levels or tiers there may be between any such described person or entity and me.

**9. I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I**

**expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information, know-how, methods and procedures. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.**

10. If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

11. I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New Jersey without recourse to New Jersey (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of New Jersey, and if the franchised Business is located outside of New Jersey and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New Jersey or any other state, which would not otherwise apply.

12. I agree that I, Franchisor, Franchisee and/or any of their affiliates will resolve any dispute that may arise out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, exclusively in the manner designated in Article 28 of the Franchise Agreement, which is incorporated herein by reference. I hereby waive and covenant never to assert or claim that the dispute resolution provisions in Article 28 of the Franchise Agreement are for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

13. Facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code

**IN WITNESS WHEREOF, each of the undersigned has executed this Confidentiality/Non-Competition Agreement effective as of the date of the Franchise Agreement.**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**EXHIBIT D  
GUARANTEE OF  
WEICHERT REAL ESTATE AFFILIATES, INC. FRANCHISE AGREEMENT**

**GUARANTEE OF  
WEICHERT REAL ESTATE AFFILIATES, INC. FRANCHISE AGREEMENT**

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated \_\_\_\_\_, between Weichert Real Estate Affiliates, Inc. ("Franchisor") and \_\_\_\_\_ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

1. If more than one person has executed this Guarantee, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

2. The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guarantee shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

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

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

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

6. Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guarantee, which shall be continuing, absolute, unconditional and irrevocable.

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

8. This Guarantee is to be exclusively construed in accordance with and/or governed by the law of the State of New Jersey without recourse to New Jersey (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guarantee would not be enforceable under

the laws of New Jersey, and if the business franchised under the Franchise Agreement is located outside of New Jersey and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guarantee is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New Jersey or any other state, which would not otherwise apply.

9. The undersigned agree that any disputes arising out of or related to this Guarantee or the Franchise Agreement; any breach of the Franchise Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, will be resolved exclusively in the manner designated in Article 28 of the Franchise Agreement, which is incorporated herein by reference. The undersigned hereby waive and covenant never to assert or claim that the dispute resolution provisions in Article 28 of the Franchise Agreement are for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

10. Guarantor, by signing below, authorizes Franchisor during the term of the Franchise Agreement for any reason, or at any time thereafter in connection with any action by Franchisor to enforce the terms of this Guaranty and/or collect the payment of all amounts and obligations set forth in the Franchise Agreement, to request background and financial information and personal credit history, including verification of credit, employment, assets, and financial history with such credit reporting agency(ies) or other organization(s) as Franchisor may select, and authorizes the release of any and all information and records whether or not confidential, to representatives of Franchisor from such organizations. Guarantor further agrees that he/she will execute (or authorize Franchisor to execute on his/her behalf) all forms, authorizations or other documents that Franchisor concludes in its sole judgment are necessary in order for Franchisor to obtain information pertaining to your credit, employment, assets, and financial history with such credit reporting agency(ies) or other organization(s) as Franchisor may select.

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

12. This Guarantee may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code

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

*[SIGNATURE PAGES TO FOLLOW ON NEXT PAGE]*

GUARANTOR:

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title: Authorized Person

\_\_\_\_\_

, individually

Home Address: \_\_\_\_\_

Home Phone No. \_\_\_\_\_

\_\_\_\_\_

, individually

Home Address: \_\_\_\_\_

Home Phone No. \_\_\_\_\_

**EXHIBIT E**

**GENERAL RELEASE - SUCCESSOR FRANCHISE AGREEMENT**



**GENERAL RELEASE (SUCCESSOR FRANCHISE AGREEMENT)**

To all to whom these Presents shall come or may Concern, Know That \_\_\_\_\_ [a corporation organized under the laws of the State of \_\_\_\_\_][an individual domiciled in the State of \_\_\_\_\_] as RELEASOR, in consideration of the execution by WEICHERT REAL ESTATE AFFILIATES, INC. of a Successor Franchise Agreement continuing the franchise between RELEASOR and WEICHERT REAL ESTATE AFFILIATES, INC. (the "Franchise Agreement"), and other good and valuable consideration, hereby releases and discharges WEICHERT REAL ESTATE AFFILIATES, INC. as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, whether subject under the Franchise Agreement to litigation or arbitration, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or and the Washington Franchise Investment Protection Act (RCW 19.100) are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

**IN WITNESS WHEREOF**, the RELEASOR (if an individual) *has executed this RELEASE*, and (if a corporation) *has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on \_\_\_\_\_, \_\_\_\_\_.*

RELEASOR

[SEAL]

By \_\_\_\_\_

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

ss.)

COUNTY OF \_\_\_\_\_)

**I CERTIFY** that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
personally came before me and this person acknowledged under oath, to my satisfaction,  
that:

- (a) this person is the \_\_\_\_\_ of \_\_\_\_\_,  
the entity named in this document;
- (b) this document was signed and delivered by the entity as its voluntary act duly  
authorized by the entity;
- (c) this person knows the proper seal of the entity which was affixed to this  
document; and
- (d) this person signed this proof to attest to the truth of these facts.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

\_\_\_\_\_  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

INDIVIDUAL ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

ss.)

COUNTY OF \_\_\_\_\_)

**I CERTIFY** that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_, personally came before me and acknowledged under oath, to my satisfaction, that  
this person (or if more than one, each person):

(a) is named in and personally signed this document; and

(b) signed, sealed and delivered this document as his or her act and deed.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

\_\_\_\_\_  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

**EXHIBIT F**

**GENERAL RELEASE - ASSIGNMENT**

**GENERAL RELEASE (ASSIGNMENT)**

To all to whom these Presents shall come or may Concern, Know That \_\_\_\_\_ [a corporation organized under the laws of the State of \_\_\_\_\_][an individual domiciled in the State of \_\_\_\_\_] as RELEASOR, in consideration of the consent of WEICHERT REAL ESTATE AFFILIATES, INC. to the Assignment of the Franchise Agreement between RELEASOR and WEICHERT REAL ESTATE AFFILIATES, INC. (the "Franchise Agreement") to \_\_\_\_\_, and other good and valuable consideration, hereby releases and discharges WEICHERT REAL ESTATE AFFILIATES, INC. as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, whether subject under the Franchise Agreement to litigation or arbitration, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law and/or and the Washington Franchise Investment Protection Act (RCW 19.100) are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

**IN WITNESS WHEREOF**, the RELEASOR (if an individual) *has executed this RELEASE*, and (if a corporation) *has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on \_\_\_\_\_, \_\_\_\_\_.*

RELEASOR:

[SEAL]

By \_\_\_\_\_

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

ss.)

COUNTY OF \_\_\_\_\_)

**I CERTIFY** that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_,  
personally came before me and this person acknowledged under oath, to my satisfaction,  
that:

- (a) this person is the \_\_\_\_\_ of \_\_\_\_\_,  
the entity named in this document;
- (b) this document was signed and delivered by the entity as its voluntary act duly  
authorized by the entity;
- (c) this person knows the proper seal of the entity which was affixed to this  
document; and
- (d) this person signed this proof to attest to the truth of these facts.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

\_\_\_\_\_  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

INDIVIDUAL ACKNOWLEDGMENT

STATE OF \_\_\_\_\_)

ss.)

COUNTY OF \_\_\_\_\_)

**I CERTIFY** that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_, personally came before me and acknowledged under oath, to my satisfaction, that  
this person (or if more than one, each person):

(a) is named in and personally signed this document; and

(b) signed, sealed and delivered this document as his or her act and deed.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

\_\_\_\_\_  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

**EXHIBIT G**  
**LIMITED POWER OF ATTORNEY**



**LIMITED POWER OF ATTORNEY OVER INTELLECTUAL PROPERTY AFTER  
FRANCHISE AGREEMENT TERMINATION OR EXPIRATION**

\_\_\_\_\_, whose principal address is \_\_\_\_\_ ("Franchisee") appoints Weichert Real Estate Affiliates, Inc., a Delaware corporation with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 ("Franchisor") as its attorney-in-fact TO ACT in the following limited capacities after the termination or expiration of the Franchise Agreement between Franchisee and Franchisor dated \_\_\_\_\_ (the "Franchise Agreement"):

Following termination or expiration of the Franchise Agreement, in Franchisee's name, place and stead in any way which it could do, if it were personally present, with respect to the following matters:

1. **Weichert Trademarks:** Take all necessary action to cancel any assumed name or equivalent registration held by Franchisee which contains the service mark "WEICHERT," or any other tradename, trademark and/or service mark of Franchisor or its affiliates, or any variant or confusingly similar name (collectively, the "Weichert Trademarks"), including (without limitation) the execution of all documents in Franchisee's name and on Franchisee's behalf necessary to cause the discontinuance of Franchisee's use of the Weichert Trademarks in any manner.
2. **Telephone Numbers:** Direct telephone company(ies) or other listing sources to, and execute all necessary documents in Franchisee's name and on Franchisee's behalf to: (a) discontinue Franchisee's use of the Weichert Trademarks in connection with any telephone number listed in any directory or other medium, including those in electronic format or on the world wide web, or (b) if the telephone numbers for Franchisee's formerly-franchised business were not owned prior to Franchisee's acquisition of the franchise conveyed in the Franchise Agreement (as represented in Exhibit A to the Franchise Agreement), transfer such telephone numbers to Franchisor or its designee.

**FRANCHISEE GRANTS THIS LIMITED POWER OF ATTORNEY STRICTLY FOR THOSE POWERS ENUMERATED ABOVE, AND FRANCHISOR HAS NO AUTHORITY TO ACT AS FRANCHISEE'S ATTORNEY-IN-FACT FOR ANY OTHER PURPOSE.**

Franchisor has the unqualified authority to delegate any or all of powers and abilities granted herein to any persons or entities Franchisor shall select.

Franchisee ratifies and confirms all that Franchisor or its designees do or cause to be done to cause the discontinuance of Franchisee's use of the Weichert Trademarks after the termination or expiration of the Franchise Agreement.

**IN WITNESS WHEREOF**, Franchisee (if an individual) has executed this LIMITED POWER OF ATTORNEY or (if an entity) has caused this LIMITED POWER OF ATTORNEY to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on \_\_\_\_\_,

If an entity:

FRANCHISEE:  
If an individual:

\_\_\_\_\_  
(Name of Entity)

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)

(Seal)

WITNESS(ES) if required by applicable law or rule:

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )

ss.)

COUNTY OF \_\_\_\_\_ )

I CERTIFY that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, personally came before me and this person acknowledged under oath, to my satisfaction, that:

- (a) this person is the \_\_\_\_\_ of \_\_\_\_\_, the entity named in this document;
- (b) this person was duly authorized by the entity to sign and deliver this document on behalf of the entity;
- (c) this person knows the proper seal of the entity which was affixed to this document; and
- (d) this person duly acknowledged the execution of the document to be the voluntary act and deed of the entity.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

\_\_\_\_\_  
Name:

My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

INDIVIDUAL ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )

ss.)

COUNTY OF \_\_\_\_\_ )

I CERTIFY that on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, personally came before me and acknowledged under oath, to my satisfaction, that this person (or if more than one, each person):

- (a) is named in and personally signed this document; and
- (b) signed, sealed and delivered this document as his or her act and deed.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

\_\_\_\_\_  
Name:

My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

**SAMPLE BY-LAWS OF WEICHERT REAL ESTATE AFFILIATES, INC.  
LOCAL BROKERS COUNCIL**

**SAMPLE BY-LAWS OF WEICHERT REAL ESTATE AFFILIATES, INC.  
LOCAL BROKERS COUNCIL**

**1. PURPOSES**

**1.01 Purposes**

The purposes of \_\_\_\_\_ (the "Corporation"), as set forth in its Certificate of Incorporation, are to provide for and establish marketing, promotion and advertising programs for the Weichert Businesses within the following geographic area \_\_\_\_\_ the "Council Area"), as defined and established by Weichert Real Estate Affiliates, Inc. ("Weichert") and, to pay the administrative expenses incidental thereto (directly, or through Weichert). Weichert will have the right to modify boundaries of the Council Area and the membership of this Council and the other Weichert Local Broker Councils from time to time upon notice to the Council members. Unless otherwise specified, all terms shall have those meanings ascribed to them in the Weichert Real Estate Affiliates, Inc. Franchise Agreement.

**2. OFFICES**

**2.01 Registered Office**

The Corporation shall establish and maintain a registered office and a registered agent in the State of \_\_\_\_\_, as required by law, and shall be qualified to conduct business in the State(s) of \_\_\_\_\_. The Corporation may also establish and maintain offices elsewhere in furtherance of its not-for-profit activities as the Board of Directors (the "Board") of the Corporation may deem appropriate.

**3. SEAL**

**3.01 Seal**

The seal of the Corporation shall be in such form as the Board of Directors shall prescribe.

**4. MEMBERSHIP**

**4.01 Qualifications**

The Corporation shall have one class of membership. Any Weichert franchisee who operates a Weichert Office located within the Council Area under a franchise granted by Weichert for a Weichert Business shall be eligible for membership in the Corporation, providing that such franchise granted by Weichert is in good standing. "Good standing", for the purpose of the preceding sentence, shall mean that the franchise(s) granted by Weichert to operate the Office(s) in the Council Area has not been terminated and has not expired.

**4.02 Admission of Members**

Any person, partnership, corporation or other entity eligible for membership shall become a member immediately upon his or its execution of a membership pledge agreement, the form and terms of which shall be established by the Board.

Each new member shall be bound by, observe, participate in and when applicable, contribute to all programs, campaigns, policies and determinations of the Corporation which, by virtue of prior corporate action, are in effect on the date of membership admission.

**4.03 Voting Rights of Members**

Each member in good standing shall be entitled to one vote for each Weichert Office operated by such member in the Council Area under franchise from Weichert; provided that no member (or group of commonly-controlled members) may have more than 25% of the vote in the Council regardless of the number of Offices owned by the member or group of commonly-controlled members. Notwithstanding anything to the contrary set forth in these By-Laws, if a Weichert Office is operated by two or more co-venturers, such co-venturers collectively, and not individually, shall be entitled to

exercise the voting rights which may arise by virtue thereof; and, for the purpose of determining voting rights hereunder, no individual co-venturer shall be deemed to so operate any such business. The term "Office," as used in this Agreement, does not include any Administrative, Temporary, Seasonal or Kiosk Offices as those terms are defined in the Franchise Agreement. By way of example, and without limitation, no member will have a vote with respect to any Administrative, Temporary, Seasonal or Kiosk Office and no member will be required to pay dues or assessments with respect to any Administrative, Temporary, Seasonal or Kiosk Office.

#### **4.04 Transfer of Membership**

Membership in the Corporation shall not be transferable or assignable.

#### **4.05 Member's Sale of Unit**

In the event that a member sells or otherwise transfers his or its Weichert Business and, by virtue thereof, no longer is eligible for membership in the Corporation, such member shall not be liable for any contributions which accrue during the balance of the Corporation's fiscal year from the date that such sale or transfer becomes effective. Upon the purchase of the Weichert Business, the purchaser shall immediately apply for membership in the Corporation and the purchaser's liability for all such contributions shall commence as of the date of purchase. If the transferor has fully paid that members dues for the year; the transferee need pay no dues for that year. The transferee will be responsible for any monthly assessments which have been adopted by the Council before the effective date of the transfer but which the transferor has not yet paid for the month in which the transfer becomes effective, and will be responsible for all monthly assessment payments for assessments adopted before the transfer. Similarly, if the Council has adopted a one-time special assessment (rather than a monthly assessment) before the effective date of the transfer but the transferor has not yet made the special assessment payment, the transferee will become responsible for making the payment.

#### **4.06 Other Associations**

Nothing contained herein shall be construed as restricting any member from membership in any other association of Weichert licensees or franchisees.

#### **4.07 Suspension; Expulsion**

A member may be suspended for a period, or expelled, for cause, such as for a violation of any of the By-Laws or rules of the Corporation or failure promptly to pay when due duly authorized dues and/or assessments of the Corporation (as provided for in Section 12.01 of these By-Laws) or for conduct prejudicial to the best interests of the Corporation. Suspension or expulsion shall require the affirmative vote of two-thirds of the directors present and voting at a meeting of the Board. Except as set forth below, any suspension or expulsion of any member shall be referred by the Board to the membership for a vote on expulsion and any expulsion shall require the affirmative vote equal to or greater than two-thirds of the votes cast in person or by proxy (as provided by Section 4.03) at the meeting convened *inter alia* to consider such actions. No suspension shall be effective unless a statement of the charges shall have been mailed by registered mail to the member proposed to be suspended or expelled at his or her last known address at least fifteen days before the meeting of membership at which final action on the suspension or expulsion is to be taken. Such notice shall state the time and place where the meeting of the membership is to take place, and shall specify the grounds upon which such suspension or expulsion is sought. The member shall be given an opportunity at the meeting to present any information relevant to the question of suspension or expulsion. A member who is suspended or expelled shall have no recourse or claim against Weichert, the Corporation or any director, officer, employee, agent or member of the Corporation, Weichert or any of Weichert's Affiliates by reason of such suspension or expulsion and shall remain liable for all contributions due and owing prior to the date on which the membership votes to suspend or expel the member. Notwithstanding anything to the contrary set forth above, if a member no longer has a franchise in good standing to operate a Weichert Office in the Council Area (as defined by Section 4.01 of these By-Laws), expulsion of such member shall be automatic and shall not require a meeting or vote of the Board or of the membership.

#### **4.08 Reinstatement**

A. Any former member may, by written request delivered to and filed with the Secretary of the Corporation, make application to the Board of Directors for reinstatement as a member of the Corporation.

B. The Board of Directors, by a vote of two-thirds of the entire membership of the Board, may reinstate such former member to membership at any time upon such terms as the Board of Directors, in its discretion, deems appropriate, subject to the conditions precedent in sub-section C, below.

C. As conditions precedent to the restoration of membership: (i) the former member must be eligible for membership as provided in Section 4.03 of these By-Laws, and (ii) the Board of Directors may provide for the payment of contributions which accrued during the intervening period between resignation, suspension or expulsion and reinstatement.

### **5. MEETINGS OF MEMBERS**

#### **5.01 Place of Meeting**

Meetings of the membership of the Corporation shall be held at such place(s) within the Council Area as may be fixed by the Board as the place(s) of meeting for any quarterly, special, or annual meeting.

#### **5.02 Weichert Representative**

A representative of Weichert must attend all meetings of the Council, of the Board and of any committee or other subgroup of the Council members. The Weichert representative will not have a vote in any such meetings, but Weichert will have the right to veto any Council action, which veto may be imposed by the Weichert representative at the meeting or by Weichert within two weeks following the meeting in question.

#### **5.03 Quarterly Meetings**

Meetings of the membership of the Corporation shall be held quarterly in each of the following months; September, December, March and June, at such times and places as shall be designated by the Board and approved in advance by Weichert, the intention of these By-Laws being to make it convenient for Weichert's representative to attend each such meeting. If the scheduled date of any such meeting is a legal holiday, the meeting shall be held on the next succeeding business day not a legal holiday.

#### **5.04 Annual Meeting**

The annual meeting of the membership, for the election of directors and the transaction of any other business which may be lawfully brought before the meeting, shall be held at nine o'clock A.M. in the first week in September of each year on such date during that week and at such place as shall be designated by the Board and approved in advance by Weichert, the intention of these By-Laws being to make it convenient for Weichert's representative to attend each such meeting. If for any reason such meeting is not held at the time fixed therefor, such election may be held at a subsequent meeting called for that purpose.

#### **5.05 Special Meetings**

Special meetings of the membership may be called by a majority of the Board of Directors or by written demand of not less than one-fourth of the membership of the Corporation entitled to vote at such meeting.

#### **5.06 Notice of Meetings; Waiver of Notice**

Written notice of each meeting of the membership of the Corporation shall be given by the Secretary to each member and to the Weichert representative who has been designated by Weichert from time to time to receive such notice. Each notice of meeting shall be given, personally or by mail,

not less than five nor more than thirty days before the meeting, and shall state the time and place of the meeting, and, unless it is the annual meeting or a quarterly meeting, shall state at whose direction the meeting is called and the purpose(s) for which it is called. If mailed, notice shall be considered given when mailed to a member at his or its last known address on the Corporation's records. Notice need not be given to any member who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting before the end of the meeting the lack of notice to him or it.

### **5.07 Organization**

At every meeting of the membership, the Chairman of the Board, or in his absence a Vice President, or in the absence of the Chairman and all of the Vice Presidents, a chairman chosen by the members, shall act as chairman; and the Secretary, or in his absence, a person appointed by the chairman, shall act as secretary.

### **5.08 Quorum**

The presence, in person or by written proxy, of members entitled to cast at least a majority of the votes which all members are entitled to cast shall constitute a quorum. A quorum once having been constituted for a meeting, whether monthly, annual, special, shall be deemed to continue until such meeting is adjourned. In the absence of a quorum, any officer entitled to preside at or to act as secretary of the meeting may adjourn the meeting until a quorum is present. At any adjourned meeting at which a quorum is present, any action may be taken which might have been taken at the meeting as originally called.

### **5.09 Voting**

A. All matters voted upon by membership shall be decided on the basis of one Office, one vote, by the vote of two-thirds of the votes cast by those members voting in person or by written proxy, except as otherwise provided by law, by the Certificate of Incorporation, or by these By-Laws; provided that no member (or group of commonly-controlled members) may have more than 25% of any vote regardless of the number of Offices owned by the member or group of commonly-controlled members. Any member may request that a roll call vote be taken with respect to the vote on any issue.

B. When electing directors, each member shall be entitled to cast the number of votes as shall equal the number of votes he or it is allocated under Section 4.03 of these By-Laws multiplied by the number of directors to be elected (for which such member's votes are eligible), and each member may cast all such votes for a single director or may distribute them among some or all of the number of directors to be elected, as said member sees fit.

C. The chairman at any meeting of the membership may, in his discretion, appoint one or more persons to act as inspectors or tellers, to receive, canvass and report the votes cast by the membership at such meeting provided, however, that no candidate for the office of director shall be appointed an inspector or teller at any meeting for the election of directors. The use of written ballots shall not be required for valid action to be taken at any meeting of the members.

D. At any meeting of the members (except those held pursuant to Section 5.05 of these By-Laws), any member may vote by written proxy. All proxies must be submitted to the Secretary of the Corporation, or, in his absence, any person appointed to act as secretary, at or before the meeting for which said proxies are given.

### **5.10 Participation in Meetings**

One or more members may participate in a meeting of the membership by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other. The membership may designate one member to act as Sergeant of Arms at any meeting of members, and the individual so designated shall have the right to expel disorderly members and refuse admittance to non-members.

### **5.11 Action by Members Without Formal Meeting**

Any action required to be taken at a meeting of the members of the Corporation (except for the election of Directors), or any other action which may or might be taken at a meeting of members, may be taken without a meeting if a written consent setting forth, with specificity, the action to be taken is signed by members who, in the aggregate, possess two-thirds of total membership votes, as calculated in Section 5.08 above. The Weichert representative designated for that purpose by Weichert must notified before any such action may be taken; said Weichert representative must be immediately informed in writing of the action so approved; and, Weichert will have the right to veto any such action within two weeks of its representative's receiving written notice the action in question.

### **5.12 Discussion by Members**

At any meeting, no member shall speak longer than five minutes at any one time, except with the approval of a majority vote of the members present.

### **5.13 Order of Weichert Business**

The order of business at meetings of members shall be as follows:

1. Attendance Record.
2. Proof of Notice of Meeting or Waiver of Notice.
3. Reading of Minutes of Preceding Meeting.
4. Report of Board.
5. Election of Board (where appropriate).
6. Old Weichert Business.
7. New Weichert Business.
8. Adjournment.

## **6. BOARD OF DIRECTORS**

### **6.01 General Powers**

The property and affairs of the Corporation shall be managed by the Board of Directors subject, however, to the understanding that all major issues, questions and policy determinations shall, if feasible or appropriate, first be submitted to and voted upon by members at any quarterly, annual, or special meeting, and that all actions by the Board or the members will be subject to Weichert's veto as provided above. The powers of the Board shall include, but shall not be limited to:

- (a) appointment of subordinate officers and employees of the Corporation;
- (b) development, with the assistance of such committees as the Board shall deem advisable, of policies and programs designed to promote the purposes for which the Corporation was formed;
- (c) establishment and preparation of budgets, including an annual budget, to be proposed to and voted upon by the membership to effectuate those programs, activities and functions of the Corporation;
- (d) expenditure of up to \$10,000, without membership approval, where action to the advantage of the Corporation must be undertaken expeditiously and, in the given circumstances, time is of the essence and procuring membership approval is not feasible; and,
- (e) establishment of the Corporation's office and preparation of its administrative budget.

### **6.02 Number, Qualification, Election and Term of Directors**

The Board shall consist of five directors, each of whom shall be at least 21 years old. Each such director shall himself be a member, and shall be elected by members. At the initial election of directors, the term of two directors shall be for one year and the term of three directors shall be for two



years. At each succeeding annual election, the members shall elect one director to succeed to the offices of each director whose term has expired; provided, however, that if so elected, directors may succeed themselves. Subsequent to the initial terms of directors provided for herein, directors shall hold office for a term of three years (unless elected to succeed themselves) and until the election of their respective successors.

### **6.03 Quorum and Manner of Acting**

A majority of the entire Board shall constitute a quorum for the transaction of business at any meeting. A quorum once having been constituted for a meeting shall be deemed to continue until such meeting is adjourned. Action by the Board shall be authorized by the affirmative vote of at least two-thirds of the directors present entitled to vote, even if such vote constitutes less than a majority of the votes which all directors would be entitled to cast. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is present.

### **6.04 Place of Meetings**

Meetings of the Board shall be held within the Council Area.

### **6.05 Annual and Quarterly Meetings**

Annual meetings of the Board shall be held either: (a) without notice immediately after the annual meeting of the membership, and at the same place, or (b) as soon as practicable after the annual meeting of the membership, on notice as provided above in Section 6.07 of these By-Laws. Quarterly meetings of the Board shall be held without formal notice immediately after the quarterly meeting of members, and at the same place, or at such times and places as the Board determines by prior written notice. If the day fixed for a regular meeting is a legal holiday, the meeting shall be held on the next succeeding business day not a legal holiday.

### **6.06 Special Meetings**

Special meetings of the Board may be called by the Chairman of the Board or by any two (2) of the directors. Only business related to the purposes set forth in the notice of the meeting may be transacted at such a special meeting.

### **6.07 Notice of Meetings; Waiver of Notice**

Notice of the time and place of each special meeting of the Board, and of each annual or quarterly meeting not held immediately after the respective meetings of the membership and at the same place, shall be given to each director at least 10 days before the meeting or, with regard to special meetings only, by delivering or telephoning or telegraphing notice to him at least two (2) hours before the meeting. Notice need not be given to any director who submits a signed waiver of notice before or after the meeting, or who attends the meeting without protesting before the end of the meeting the lack of notice to him.

### **6.08 Action Without a Meeting.**

Unless specifically prohibited by statute, the Certificate of Incorporation or these By-Laws, any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent to such action is signed by all members of the Board. Such written consent or consents shall be filed with the minutes or proceedings of the Board or committee. The written consent of Weichert must be obtained before any such action may be taken; a Weichert representative designated for that purpose by Weichert must be immediately informed in writing of the action taken; and, Weichert will have the right to veto any such action within two weeks of Weichert's receiving written notice the action in question.

### **6.09 Telephone Meeting.**

Any or all of the Directors may participate in a meeting of the Board by means of a telephone conference or any other means of communication by which all persons participating in the meeting are able to hear and speak with each other. A representative of Weichert must participate in all such meetings.

## **6.10 Resignation and Removal of Directors**

Any director may resign at any time. Any or all of the directors may be removed at any time by a vote of two-thirds of all of the members of that director's geographic region (voting on a one Office, one vote basis, with the limits on the votes of one member or commonly-controlled members provided in Section 4.03); provided, however, in the event that the membership of a director has been terminated, has expired or does not otherwise subsist, such director shall, for all purposes be deemed removed from the Board effective simultaneously with the effective date of expulsion or suspension of such director's membership.

## **6.11 Vacancies**

Any vacancy in the Board, including one created by an increase in the number of directors, may be filled for the unexpired term by a majority vote of the members present and voting at a meeting of members.

## **6.12 Annual Report of Directors**

The Board of Directors shall present at each annual meeting of members its report, which shall set forth the statements and shall be verified or certified in the manner prescribed by Section 519 of the Not-for-Profit-Corporation Law of the State of New York. Such report shall be filed with the records of the corporation and either a copy or an abstract of such annual report shall be distributed or available for distribution at each annual meeting of members.

# **7. COMMITTEES**

## **7.01 Committees**

The Board, by resolution adopted by a majority of the entire Board, may designate such committees composed of directors, members who are not directors, or a combination of both, to serve at the Board's pleasure, with such powers and duties and for such purposes as the Board determines.

# **8. OFFICERS**

## **8.01 Number**

The officers of the Corporation shall be the President, one or more Vice Presidents, a Secretary, and a Treasurer. Not more than one office may be held by the same person or entity, except that the Secretary and Treasurer may be a single person or entity. A director may serve as an officer of the Corporation.

## **8.02 Appointment; Term of Office**

The officers of the Corporation shall be appointed annually by the Board and shall hold office for two years and until the next annual meeting of the membership following the end of the second year and the appointment and qualification of his or her successor. Immediately after election of the Board, the directors shall appoint a Chairman of the Board, who shall thereafter be appointed by the Board to serve as President of the Corporation throughout his or her term. Immediately thereafter all other officers shall also be appointed by the Board of Directors.

## **8.03 Resignation and Removal of Officers**

Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any officer appointed by the Board may be removed either with or without cause by a vote of two-thirds of the members of the Board present and voting at any meeting of the Board.

## **8.04 Vacancies**

A vacancy in any office may be filled for the unexpired term in the manner prescribed in these By-Laws for appointment to that office.

### **8.05 The President**

The president, who shall be a director, shall be the chief executive officer of the Corporation and shall preside at all meetings of the Board and of the membership. Subject to the control of the Board, he shall have general supervision over the business of the Corporation and shall have such other powers and duties as presidents of corporations usually have or as the Board assigns to him. The President will also serve as the Council's representative to any Regional Advisory Council established by Weichert.

### **8.06 Vice President**

Each Vice President shall have such powers and duties as the Board or the President assigns to him.

### **8.07 The Treasurer**

The Treasurer shall be the chief financial officer of the Corporation and shall be in charge of the Corporation's books and accounts. Subject to the control of the Board, he shall have such other powers and duties as the Board or the President assigns to him or her.

### **8.08 The Secretary**

The Secretary shall be the secretary of, and keep the minutes of, all meetings of the Board and of the members; shall be responsible for giving notice of all meetings of the membership and of the Board; and, shall keep the Corporation's seal and, when authorized by the Board, shall apply it to any instrument requiring it. Subject to the control of the Board, he or she shall have such other powers and duties as the Board or the President assigns to him or her. The Board may, in its discretion, appoint an Assistant Secretary who shall possess and discharge such powers and duties as the Board may prescribe. In the absence of the Secretary from any meeting, the minutes shall be kept by the person appointed for that purpose by the chairman of the Board.

## **9. CORPORATE FUNDS**

### **9.01 General Use of Funds**

Council funds (including, without limitation, dues, special assessments, and any funds transferred by Weichert to the Council from the Local Marketing Fund) shall be expended for any and all or a combination of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for Council marketing and advertising; (viii) planning, negotiating, contracting and trafficking all media programs; (ix) employing advertising agencies to assist in the above activities and securing other technical and professional advice in connection with the above; (x) other public relations; (xi) sales rallies, awards banquets, special promotions and other such marketing and promotional activities; (xii) reimbursement of reasonable travel and lodging costs of the Council's elected or appointed representative to any Regional Advisory Councils; and, (xiii) administration of the Council, including legal and accounting services. It will not be a requirement that expenditures made by the Council be proportionate to the contributions of any member.

It shall be required that all, or as great a percentage as practicable, of the funds received in any given fiscal year by the Corporation from its members be expended for the above purposes during that fiscal year.

### **9.02 Contracts**

The Board of Directors, after having first secured the approval of the membership (when feasible and appropriate) may, from time to time, authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these By-Laws, and singly or jointly or in any other manner, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

### **9.03 Checks, Drafts, Etc.**

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall, from time to time, be determined by resolution of the Board of Directors.

### **9.04 Deposits**

All funds of the Corporation shall be promptly deposited, from time to time, to the credit of the Corporation in such banks, trust companies, or other depositories as the Board may select.

### **9.05 Gifts**

The Board may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

## **10. MEMBERSHIP CERTIFICATES**

### **10.01 Membership Certificates**

The Board may provide for the issuance of membership certificates evidencing status as a member in the Corporation, which certificates shall be in such form as determined by the Board; shall be non-transferable; and, shall bear on the face thereof, a conspicuous notation that the Corporation is a not-for-profit corporation and that the membership certificate is non-transferable. Such certificates shall be signed by the President or a Vice-President and by the Secretary or any Assistant Secretary and shall be sealed with the seal of the Corporation. The name, address and location of the Weichert Office(s) of each member and the date of issuance of the certificate shall be entered on the records of the Corporation. If any certificate shall become lost, mutilated or destroyed, a new certificate may be issued therefor, upon such terms and conditions as the Board may determine.

## **11. BOOKS AND RECORDS**

### **11.01 Books and Records**

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its membership, its Board of Directors and any committees having any of the authority of the board, and shall also keep a record bearing the names and addresses of Corporation members. All books and records of the Corporation shall be kept at the registered office or principal office of the Corporation and shall not be removed from such place except as necessary for purposes of auditing such books and records. All books and records of the Corporation may be inspected by any member or anyone authorized by law or contract for any proper purpose at any reasonable time, upon the giving of prior written notice to the President, Treasurer or Secretary or such other officer or person as the Board may determine.

### **11.02 Audits**

Immediately following the close of each fiscal year, the Corporation shall authorize an audit of its books and records to be made either by an Audit Committee or by an outside auditor chosen by the Board; provided, however, that no officer or director of the Corporation, acting as such during the audited period, shall be chosen as a member of the Audit Committee. Such reports of audits shall be presented to the Board as soon as practicable, which will, in turn, present such reports to the members of the Corporation at the next regular meeting, or at a special meeting if deemed necessary by the Board.

## **12. PAYMENTS BY MEMBERS**

### **12.01 Amount and Payment of Dues and Assessments**

The annual dues which each member shall pay to the Corporation shall be \$300; provided, however, that the amount of the annual dues shall be subject to modification by the Board from time-to-time as the Board deems appropriate, provided that the annual dues shall consist of not less than

\$300 per year per member nor more than \$2,000 per year per member unless other limits are established by a two-thirds vote of the members of the Council voting on a one Office, one vote basis as provided by Section 4.03 and subject to the proviso of Section 4.03 regarding the 25% limit on any member or group of commonly-controlled members. In addition to the annual dues, the members may impose, by a two-thirds vote of the members (voting as provided by Section 4.03 with the 25% limit provided in Section 4.03), special assessments for marketing, advertising and promotional purposes, in amounts no greater than a total of \$500 per Office per month, unless this maximum annual assessment is changed by a two-thirds vote of the members. Unless otherwise prescribed by the Board, all monthly assessments shall be due and payable the fifteenth day of each month for the preceding month.

## **12.02 Fines and Penalties**

The Board shall have the power to impose such fines and/or penalties upon any member, as the Board, in its sole discretion, deems appropriate as a result of a member's violation of any of the By-Laws or rules of the Corporation or failure promptly to pay when due duly authorized dues and/or special assessments of the Corporation, or for conduct prejudicial to the Corporation. Any such fines and/or penalties shall be due and payable on such terms as are fixed by the Board.

## **12.03 Default and Termination of Membership**

When any member shall be in default in the payment of any fees, dues, assessments, fines or penalties for a period of 60 days from the beginning of the period for which such amounts become payable, his or its membership may thereupon be terminated in the manner provided in Section 4.07 of these By-Laws. In addition, such default may result in termination of the member's rights under the member's Franchise Agreement.

## **12.04 Payments Non-Refundable**

Except upon the affirmative vote of two-thirds percent of the members present and voting in person or by proxy (pursuant to the provisions of Section 4.03) at any meeting of members, no member shall be entitled to a refund of any part of the dues, assessments, fines and/or penalties paid by such member to the Corporation.

# **13. INDEMNIFICATION OF DIRECTORS, OFFICERS, AND COMMITTEE MEMBERS**

## **13.01 Right to Indemnification**

The Corporation shall indemnify any person who is or was a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a director, officer, or member of a committee of the Corporation as follows:

- A. If the action, suit or proceeding is not by or in the right of the Corporation:
  - (1) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been successful on the merits or otherwise in defense of such action, suit or proceeding, or of any claim, issue or matter therein, and
  - (2) against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection therewith if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal

action or proceeding, had reasonable cause to believe that his conduct was unlawful.

- B. If the action, suit or proceeding is by or in the right of the Corporation:
- (1) against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith to the extent that he has been successful on the merits or otherwise in defense of such action, suit or proceeding, of any claim, issue or matter therein, and
  - (2) against expenses (including attorneys' fees), judgments and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement thereof if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the Corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have adjudged to be liable to the Corporation for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that a court of record of the county in which the registered office of the Corporation is located or the court in which such action, suit, or proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity.

### **13.02 Procedure to be Followed**

Any indemnification under paragraph (a)(2) or (b)(2) of Section 13.01 above (unless ordered by a court or made pursuant to a determination by a court as hereinafter provided) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, committee member or any other person who qualifies for indemnification under this Article 13 is proper under the circumstances because he has satisfied the requirements for indemnification as set forth in paragraphs A.(2) or B.(2) of Section 13.01 of these By-Laws, as the case may be. This determination shall be made (a) by independent legal counsel not in the employ of the Corporation in a written opinion, or (b) by the membership. In the absence of a determination that indemnification is proper as aforesaid, the director, officer, committee member, or other qualifying person may make application to a court of the county in which the registered office of the Corporation is located or the court in which the action, suit or proceeding was brought, which shall determine whether the trustee, officer, committee member or other qualifying person has met the applicable requirements for indemnification. If the court shall determine that indemnification is proper, indemnification shall be made under such paragraphs A.(2) or B.(2) of Section 13.01 of these By-Laws, as the case may be.

### **13.03 Payment of Expenses in Advance**

Expenses incurred in defending an action, suit or proceeding referred to in Section 13.01 of these By-Laws may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the membership or by a court, in the manner provided in Section 13.02 of these By-Laws, upon receipt of an undertaking by or on behalf of the director, officer, committee member or other qualifying person (regardless of his financial responsibility) to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article 13.

### **13.04 Other Rights**

The indemnification provided by these By-Laws shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any agreement, vote of members, or otherwise both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer or

committee member and shall inure to the benefit of the heirs, executors and administrators of such a person.

### **13.05 Insurance**

The Corporation shall have the power to purchase and maintain on behalf of any person who is or was a director, officer, committee member, employee or agent of the Corporation insurance against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of these By-Laws.

## **14. NOTICE**

### **14.01 Notice**

Any notice required to be given to any member, director, or officer under the provisions of these By-Laws, or otherwise, shall be in writing and shall (subject to the provisions of law, these By-Laws, and the Certificate of Incorporation of the Corporation) be deemed to be sufficiently given if such notice is delivered to such member, director or officer in person (and receipted on a copy of such notice) or mailed, faxed or telegraphed to such member, director or officer at his or its address, as the same appears on the books of the Corporation.

### **14.02 Waiver of Notice**

Any notice required to be given under the provisions of these By-Laws, or otherwise, may (subject to the provisions of law and the Certificate of Incorporation of this Corporation), be waived by the member, director, or officer to whom such notice is required to be given.

## **15. AMENDMENT OF BY-LAWS**

### **15.01 Amendment**

Any or all of the provisions of these By-Laws, whether contractual in nature or merely regulatory of the internal affairs of the Corporation, may be amended or repealed by vote of the members entitled to cast at least two-thirds of the votes which all members are entitled to cast thereon, at any regular or special meeting duly convened after notice of such purpose to the members; provided (a) that no member (or group of commonly-controlled members) may have more than 25% of the vote in the Council regardless of the number of Offices owned by the member or group of commonly-controlled members; (b) that a Weichert representative must attend any such meeting; and, (c) that Weichert but Weichert will have the right to veto any such amendment or repeal, which veto may be imposed by the Weichert representative at the meeting or by Weichert within two weeks following the meeting.



SUBLICENSE AGREEMENT

WEICHERT WORKS SOFTWARE LICENSE AGREEMENT

THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_, \_\_\_ (“Effective Date”) between WEICHERT REAL ESTATE AFFILIATES, INC., a Delaware corporation, with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 (“Licensor”) and \_\_\_\_\_, (“Licensee”).

(Print Name of Licensee)

a \_\_\_\_\_, (Print state of formation/organization and entity type)

with its principal address at:

Street Address

City

State and Zip Code

In consideration of the mutual covenants, representations and warranties contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

1. GRANT OF LICENSE

a. Grant of License. Licensor grants to Licensee a nontransferable, nonexclusive multi-site license for the use of those computer programs, software, system documentation manuals and other materials (hereinafter collectively referred to as “Weichert Works” or “Services”) supplied by Licensor to Licensee, subject to the terms and provisions of this Agreement. As used herein, the Services shall mean all such services, storage and applications as set forth in Exhibit A and incorporated herein for all purposes.

b. Revisions, Additions and Deletions. Licensor may, from time to time, revise Services or any part of Services. In doing so, Licensor incurs no obligation to furnish these revisions to Licensee. Licensor reserves the right to add and/or delete, at its sole option, computer programs and/or features to Services.

c. Rights of Licensor. Licensee recognizes that Licensor is supplying Services and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor’s proprietary rights. Licensee agrees with Licensor that Services and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled.

d. Title. Licensor retains title to Services, the system documentation manuals, and/or additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to



which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

e. **In-Office Support.** The Licensee shall designate in writing to the Licensor within five (5) business days of the Effective Date of this Agreement: (i) one or more employees (staff, sales associates, etc.) for purposes of coordinating and implementing the Services and activities contemplated by this Agreement, including, but not limited to acting as a first line of support to Licensee's Users (each, an *In-office User Support Coordinator "USC"*); *provided, however*, that the Licensee's USCs shall not have the authority to bind or obligate the Licensee other than to perform the obligations expressly stated in this Agreement; (ii) one (1) of USCs as "Senior USC" per office to communicate with the Licensor and/or the developer of the Services to report problems and seek assistance regarding the Services. Only the Licensee's appointed Senior USC may contact the Licensor of the Services for support.

f. **Equipment and Systems.** Licensee is responsible, at its own expense, for: (a) procuring, installing, and maintaining all hardware and software components, including the required internet browser(s), required to access and utilize the Services pursuant to this Agreement (see Exhibit A of this Agreement); (b) monitoring the performance of the Services and adopting reasonable measures to limit access by persons who are not registered Users.

g. **Customization.** Certain aspects of Weichert Works may be customized for the Licensee. All such customization is at the request of the Licensee. The Licensee is responsible for the accuracy and appropriateness of these items which include, but is not limited to, documents required by Licensee's state and/or local regulators and/or Licensee to initiate, process, and/or complete a transaction.

h. **Fees; Taxes; Associated Costs.** All fees due and payable by the Licensee to Licensor pursuant to this Agreement, including, without limitation, any initial set up fees, are set forth in Exhibit B attached hereto and incorporated herein for all purposes. Sales tax, where applicable, will be applied to all invoices using the latest tax rate associated with the Licensor's corporate office and all other taxes resulting from the Licensee's use of Services shall be borne by the Licensee. All costs associated with MLS IDX feed data shall be borne by the Licensee.

i. **Limited Availability.** Licensee acknowledges that some features of Weichert Works may not be available in every area of the country. As of the Effective Date, there are no currently known regional or financial limitations of the Weichert Works system where it has been deployed. As the rollout of Weichert Works throughout the country continues, specific regional, legal, or financial rules may prevent full adoption or deployment of Weichert Works. Specific examples include external IDX feeds may not be approved by a local MLS, a product offering may directly conflict with a Licensee's offering to their sales associates, or legal statutes that prohibit the use of electronic document storage. Licensor will work with Licensee to adequately support Licensee when possible which shall be on a best efforts basis.

j. **Additional Features.** Some additional features, such as telephone transfer from Licensee's office, may require additional equipment. Any costs for additional equipment, third party fees or surcharges will be paid for by Licensee.

k. **Level of Service.** Licensee has an option to use the Gold Service Plan, the Basic Service Plan or the Mandatory Plan for the Term of this Agreement. To allow Licensee an opportunity to make an informed decision on which of these Plans would best fit their company's needs, the Licensee may opt one time to participate in an Introductory Period consisting of the first 3 full months following the date Licensor grants access to Weichert Works to the majority of your company. Licensee selects a Level of Service for Introduction Period using the form in Exhibit D. Licensee may change their Level of Service company will use for the balance of the Term of this Agreement by notifying Licensor not more than 30 days or less than 15 days prior to the expiration of the Introduction Period as provided in Exhibit E of this Agreement. If Licensee does not select a different Plan as provided, Licensee's Initial Plan Selection will continue to the end of this Agreement.

## 2. **TERM**

a. **Term.** This License Agreement shall commence on the Effective Date and shall continue for an initial term ending on the last day of the fifteenth (15<sup>th</sup>) month following the start of the Introductory Period. Thereafter, this License Agreement shall automatically be renewed for an additional term of twelve (12) months on each subsequent anniversary of the Effective Date of this Agreement, unless and until this Agreement is terminated in accordance with Section.

### b. **Termination** (also see Section 9)

i. Licensee may terminate this License Agreement on the Expiration Date of any term of this Agreement by giving written notice to Licensee not more than 60 days or less than 30 days prior to the Expiration Date of this Agreement.

ii. Licensor may terminate this License Agreement at anytime for any reason or for no reason upon notice to the Licensee.

iii. Subject to the termination provisions set forth herein, this License Agreement is effective from the date of execution by Licensor and will remain in full force so long as Licensee remains a Franchisee in good standing under to the Weichert Franchise Agreement(s) entered into between Weichert Real Estate Affiliates, Inc. and Licensee, dated \_\_\_\_\_

(the "Franchise Agreement"). The Franchise Agreement is incorporated in this Agreement as though set forth in full. Unless otherwise specified, all terms shall have those meanings ascribed to them in the Franchise Agreement.

## 3. **RESTRICTIONS ON LICENSEE**

### a. **Multi-Site Use**

i. Licensor hereby grants to Licensee a non-exclusive and non-transferable License to use Services up to the limit of number of Users registered with Licensor and in the Services database. Each User of the Software must be registered in the Services database as a User. The

term of this License shall be as set forth in Section 2 hereof, unless sooner terminated as provided herein, and Customer's use of the Software shall be limited as provided in this Agreement.

ii. Services may only be used by the Licensee and its employees, agents and other persons authorized by the Licensee who are registered as Users.

b. **Modification.** Licensee agrees that while this license is in effect, or while Licensor has custody or possession of any property of Licensor, Licensee will not modify, translate or enhance Services.

c. **Transfer of Services.** If Licensee transfers possession of any copy, modification, translation or merged portion of Services to another party, the attempt at transfer is void and this license is automatically terminated.

## 4. PROTECTION AND SECURITY

### a. Non-Disclosure

i. Licensee agrees not to disclose, publish, translate, release, transfer or otherwise make available Services, any part of the Services or any other materials furnished by Licensor in any form to any person, without the written consent of Licensor, which may be withheld with or without cause. Licensee agrees that it will take all necessary action including, but not necessarily limited to, instructing and entering into agreements with all of Licensee's employees, agents, representatives, affiliates, subsidiaries, and/or other third persons/entities associated with Licensee to protect the copyright and trade secrets of Licensor in and to those materials licensed under this Agreement and to assure Licensee's compliance with its obligations under this Agreement. The provisions of this Section 4.01 will survive the termination of this Agreement.

ii. Licensee understands and agrees that Licensor may from time to time adopt whatever mechanical or other electronic methods that Licensor deems necessary (in its sole and exclusive judgment) to prevent the unauthorized use and/or distribution of Services.

5. **UNAUTHORIZED ACTS.** Licensee agrees to notify Licensor immediately of the unauthorized possession, use or knowledge of any item supplied through this license and of other information made available, to Licensee under this Agreement, by any person or organization not authorized by this Agreement to have such possession, use or knowledge. Licensee agrees to promptly furnish full details of the possession, use or knowledge to Licensor, to assist in preventing the recurrence of the possession, use or knowledge, and to cooperate with Licensor in any litigation against third parties deemed necessary by Licensor to protect its proprietary rights. Licensee's compliance with this paragraph will not be construed in any way as a waiver of Licensor's rights to recover damages or obtain other relief against Licensee for its negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

6. **INSPECTION.** To assist Licensor in the protection of its proprietary rights, Licensee agrees to permit representatives of Licensor to inspect, during normal business hours, any location at which items supplied under this Agreement are being used or kept.

## 7. ASSIGNMENT OF LICENSE RIGHTS

a. **Assignment by Licensor.** Licensor will have the right to assign this Agreement, and all of its rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

b. **Assignment by Licensee.** With respect to Licensee's obligations under this Agreement, this License Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Licensee, and the trust and confidentiality reposed in Licensee by Licensor. Therefore, neither Licensee's interest in this Agreement nor any of Licensee's rights or privileges under this Agreement, may be assigned, sold, transferred, shared, redeemed, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Licensor. Any actual or attempted assignment, transfer or sale of this Agreement, or any interest in this Agreement, or of the franchised business, made or accomplished in violation of the terms of this Article will be null and void and will constitute an incurable breach of this Agreement by Licensee, and, if this occurs, this Agreement will automatically terminate without further notice.

8. **INJUNCTION.** If Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), Licensor will have, in addition to any other remedies available to it, the right to injunctive relief enjoining such action. Licensee acknowledges that other remedies are inadequate.

## 9. DEFAULT AND TERMINATION

### a. **Termination**

i. Licensor reserves the right to immediately terminate this License Agreement, at Licensor's sole and exclusive option, if Licensee breached any term of this Agreement or of the Franchise Agreement. This termination will be without prejudice to any right or claims Licensor may have and all rights granted under this Agreement will immediately revert to Licensor. If Licensor terminates this Agreement, Licensee agrees to return to Licensor all property of and/or materials supplied by Licensor immediately after the termination.

ii. The termination or expiration of this Agreement or of the Franchise Agreement for any reason whatsoever will not relieve Licensee of its obligations of confidentiality, protection and security under this Agreement, or of the restriction on copying and use as provided in this Agreement, with respect to Services.

iii. Upon termination or expiration of this Agreement or of the Franchise Agreement for any reason, Licensee agrees to immediately return to Licensor Services, including, without limitation, all computer software, disks, tapes and other magnetic storage media (and any future technological substitutions for any of them) in good condition, allowing for normal wear and tear.

b. **Cross-Default.** Any default or breach by Licensee of any other agreement between Licensor, or its parent or the subsidiary, affiliate or designee of either entity (collectively, Licensor's "Affiliates") and Licensee will be deemed a default under this Agreement, and any default or breach of this Agreement by Licensee will be deemed a default or breach under any and all other agreements between Licensor (or any of its Affiliates) and Licensee. If the nature of such default under any other agreement would have permitted Licensor to terminate this Agreement if default had occurred under this Agreement, then Licensor (or its Affiliates) will have the right to terminate all the other agreements between Licensor (or its Affiliates) and Licensee in the same manner provided for in this Agreement for termination of this Agreement.

10. **BINDING EFFECT.** Licensee agrees that this Agreement binds the named Licensee and each of its employees, agents, representatives and persons associated with it. This Agreement further binds each affiliated and subsidiary firm, corporation, or other organization and any person, firm, corporation or other organization with which the Licensee may enter a joint venture or other cooperative enterprise.

11. **SECURITY INTEREST.** Licensee hereby gives to Licensor a security interest in and to Services and other materials furnished under this Agreement as security for Licensee's performance of all its obligations under this Agreement, together with the right, without liability, to repossess Services and other materials licensed under this Agreement, with or without notice, in the event of default in any of Licensee's obligations under this Agreement.

## 12. **WAIVER OR DELAY; AMENDMENT**

a. **Waiver or Delay.** No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Licensee under this Agreement shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

b. **Amendment.** This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties hereto. Licensee expressly acknowledges that no oral promises or declarations were made to him and that the obligations of Licensor are confined exclusively to the terms of this Agreement.

13. **DISCLAIMER.** LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE, OF QUALITY OR PRODUCTIVENESS OR CAPACITY.

IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSE, SERVICES AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON (EXPRESSLY EXCLUDING ANY THIRD PARTY OWNER OF ANY PROVIDED SOFTWARE) CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL DAMAGES, INCIDENTAL DAMAGES, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED WEICHERT WORKS SOFTWARE, MATERIALS OR INFORMATION FURNISHED, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH SERVICES OR ANY EQUIPMENT USED WITH SERVICES.

**14. LIMITATION OF LIABILITY.** Licensor's liability for damages under this Agreement, regardless of the form of action, will not exceed the cost of replacement of the software licensed under this Agreement. This will be Licensee's sole and exclusive remedy and Licensee shall have no recourse against any other 3<sup>rd</sup> party therefrom.

**15. INTERRUPTION OF SERVICE.** The Parties expressly acknowledge and agree that Licensor (which shall include, without limitation, any owner, employee, representative, agent, contractor and/or affiliate of Licensor) shall not be liable for deficiency in performance caused in whole or in part by acts or omissions of third parties not under the control and/or direction of Licensor, and any delays, failures to perform, damages, losses, destruction, malfunction of the Services and any equipment provided by Licensor caused or occasioned by, or due to, fire, flood, water, the elements, labor disputes, shortages of labor or material, explosions, civil disturbances, governmental actions, shortages of equipment or supplies, unavailability of transportation, unavailability of internet services, or any other cause beyond Licensor's reasonable control, including the transfer of Weichert Works from one hosting provider to another.

**16. SEVERABILITY.** Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.



**17. GOVERNING LAW; VENUE**

a. **Governing Law.** This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New Jersey without recourse to New Jersey (or any other) choice of law or conflicts of law principles. Nothing in this Section intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of New Jersey or any other state, which would not otherwise apply.

b. **Venue.** Licensee agrees that any disputes arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, will be resolved exclusively in the manner designated in Article 28 of the Franchise Agreement, which is incorporated herein by reference. Licensee hereby waives and covenants never to assert or claim that the dispute resolution provisions in Article 28 of the Franchise Agreement are for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

**18. COSTS OF ENFORCEMENT; ATTORNEYS' FEES**

**19. Costs of Enforcement.** Licensor will be entitled to recover from Licensee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensor prevails in any action instituted against Licensee in order to secure or protect those rights inuring to Licensor under this Agreement, or to enforce the terms of this Agreement.

**20. Attorneys' Fees.** If Licensor becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensee or Licensee's authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor's authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys' fees, experts' fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Licensee.

**21. SUBMISSION OF AGREEMENT.** The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon execution of this Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this Agreement.

**22. INTEGRATION OF AGREEMENT.** This License Agreement and all ancillary agreements executed contemporaneously with this License Agreement constitute the entire agreement between the parties with reference to Weichert Works and supersedes any and all prior WeichertWorks software license agreements.

**23. COUNTERPARTS.** This License Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the

same instrument. Facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

THIS AGREEMENT WILL NOT BE BINDING ON LICENSOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF LICENSOR. LICENSEE HAS READ ALL OF THE FOREGOING AGREEMENT AND HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF.

**LICENSEE:**

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**LICENSOR:**

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_  
Name:  
Title:  
Date:



## **EXHIBIT A of Sublicense Agreement**

### **TECHNOLOGY SYSTEM REQUIREMENTS and PLAN FEATURES OVERVIEW**

The available features in the Services are organized in to one of two levels: Basic Plan Level and Gold Plan Level. The full set of features that most agents prefer is included in the Gold Plan. All accounts can be offered optional extended “Add-On” features by Licensor or BackAgent as authorized by the Licensee. These optional extended “Add-On” features are listed in **Exhibit C** and require either a per use or per User pricing.

#### **User’s Technology System Requirements**

Before Licensee begins using Weichert Works, Licensee must procure and install, at its expense, the technology system Licensor requires as of the Effective Date, consisting of the technology hardware, software, power supplies, and other technology accessories, peripherals and equipment that Licensor then specifies. The current minimum technology specifications are as follows:

Latency of less than 100 ms. This can be determined by going to an Internet speed test site, e.g. [SpeedTest.net](http://SpeedTest.net).

**Hardware** devices accessing the system:

- Visual Display capability of at least 1024x768 pixels, a typical desktop display size.
- Computer memory of 2GB to support quickly opening up new windows and programs.
- A dual-core CPU to support quickly opening up new windows and programs.

**Operating System** - The system can be accessed on any operating system that can run the identified web browsers listed below.

**Internet Connection** - The BackAgent system is completely web-based, access to the system requires an Internet connection. The system is optimized to support devices on a wide range of Internet connections. For an optimum experience, it is recommended to have an Internet connection capable of 2mbps download speeds, 1mbps upload speeds, and a latency of less than 100 ms. This can be determined by going to an Internet speed test site, e.g. [SpeedTest.net](http://SpeedTest.net).

**Web Browser** - any of the following web browsers may be utilized:

- Microsoft Internet Explorer 9
- Google Chrome
- Apple Safari
- Mozilla Firefox

For best results, always use the latest version of any of the above web browsers.

Note: The system does not support Internet Explorer versions 6 and earlier; degraded visual appearance is shown in versions 7 and 8.

Mobile browsers from Google Chrome, Apple Safari and Mozilla Firefox are supported. Cookies and Javascript must be enabled on your web browser; these usually are enabled by default.

**Third Party Software** - The following two (2) products are recommended for Windows desktop computers in an office:

- Adobe Flash 10.6 or higher - This supports animations and individual desk security in an office.
- Adobe Reader 10.0 or higher - The industry standard for viewing PDF documents.

Operating Weichert Works via a technology system that does not meet these minimums may result in feature and/or functionality loss. Licensee must, at Licensee's expense, keep its technology system in good maintenance and repair. As a new feature and/or functionality is added it may require upgrades to Licensee's technology system to function properly. Any upgrade to Licensee's technology system is at Licensee's expense.

The Licensor is required to define, authorize, restrict and otherwise approve of the BackAgent features available in each Plan Level for Licensee and each User.

## **Service Plan Levels**

- **Basic Level Plan – Intranet Only Account.** Base account to access the Weichert Works system, enables Licensee to access the WREA Reporting System and Users to access office feed wall, calendar, documents, and general intranet features.
- **Gold Level Plan.** Has all of the Basic Plan features and adds Transaction workflow and available IDX feed integrations. There may be additional costs to access MLS/IDX information the cost of which Licensee must pay.

## **FEATURES, SERVICES, and FUNCTIONALITY of each SERVICE PLAN**

The following identifies the features, services and/or functionality in Weichert Works.

### **Basic Plan**

- **SSL Security** - The intranet system is secured with 256-bit secured socket layer encryption to protect sensitive office communications and transaction data from being sent through unsecured channels.
- **Branding Customizations** - The intranet header is customized to be fully branded to match the provided branding for each client. Offices with varying sub-brand logos can also be supported.
- **Quick Help** - Timely support is key to the adoption and continued use of the intranet system. The Quick Help tab at the top of each page enables associates to submit support tickets to the BackAgent Support team or the associate support staff for the office.
- **At Office Tracking** - Office managers can identify the Internet connections used by a physical office. Once activated, associates and staff can see who is currently signed in on a device in a given office. This can be a valuable security and support tool. The system also can identify the specific computer being used by an associate; this information is only shown to a manager.
- **Organizational Levels** - When a multi-office client database is created, a hierarchical tree is established to mirror or emulate the existing legal, regional, or client requested divisions of the organization. This 'Org Tree' is used throughout the intranet system to publish and manage all content. The tree can be adjusted at anytime.

- **Security Roles** - There is a wide range of permissions that are available to be assigned to staff accounts. Authorized client staff can create new staff accounts and assign the appropriate permissions. If a specific use case can't be accommodated with the provided security roles, custom roles can be created.
- **Office Departments** - Key manager activities are assigned to departments instead of individual staff members. (e.g. Funding department receives transaction review tasks.) Staff members can be assigned to multiple departments. By working in defined departments, secondary staff can fill in when a primary role staff member is out of the office.
- **Office Groups** - Staff members can create groups of associates to enable focused collaboration. The groups can be used for email communication through the system. Associates who are added as a member of a group can message the group at anytime. Emails sent to the group have verbiage that instructs associates to request to be removed from the group if they do not wish to receive any further messages.
- **Office Calendar** - Calendar events are managed and displayed in a unified calendar system with the following categories: Personal, Transaction, Office, Training, Community, & Staff. Associates can add their own personal events and transaction events are automatically assigned to the calendar once the associated dates are entered. Office staff can add events for the remaining categories with additional features like event registration and publishing events at the highest organizational level. The calendar can be configured to synchronize with a remote calendaring system through the 'Subscribe' section, one way.
- **Office Posts** - The 'Start' page of the intranet displays the constantly updating posts that are created by associates, staff, and external RSS feeds. Associates are able to post to authorized channels; staff can select which channels are available. Staff accounts can post to the available office channels. Email alerts can be activated whenever a new post is published. Photos, images, and PDF documents can be attached to the posts.
- **Office Tasks** - Emails and voicemails can be forgotten, but tasks demand attention. The tasks system enables associates to send a task to a peer or an office department. Staff can send tasks to associates directly or to associates in the capacity of a department. The department-based tasks are designed to enable any one member of the department to handle the task, once complete it is removed from all department members' screens. Staff can also attach restrictions to a task if it is not completed on time or to an acceptable level.
- **Office Notices** - Mission critical office messages are best delivered through this feature. The notices are the site disrupting drop-down message panels that contain important news or announcements from an office manager. It is highly recommended to use this feature exclusively for delivering information that must be acknowledged or seen by all recipients. Emails and Office Posts may be ignored, but notices are seen. If notices are sent with non-critical alerts, agents may begin to ignore them. There is an option to send an email alert about the notice when it is being sent. The email does not contain the full message, only the title and first few lines of the content message are included. You can see if an associate has viewed a specific notice from within their profile on the intranet.
- **Office Documents** - Staff members can publish documents to a central, shared file repository. The files can be organized into sub-sections for quick navigation. Most of the standard office document file formats are supported in addition to hyperlinks to external resources. If there is a document that is requested by the associates on a regular basis, it should most likely have a place in the Office / Documents section. Certain sub-sections can be restricted to staff use only.
- **Office Resources** - If there are shared conference rooms, floor/property time desks, or similar resources; staff members can create a custom resource calendar for each item. Resource

scheduling is supported in both the open registration and specific shift-based formats. Open registration enables associates to reserve the resource at a time and duration of their choosing. Shift-based resources have specific shifts established by staff and associates can reserve any available shifts. Staff can configure a wide range of rules and limits that can be applied to a resource calendar.

- **Digest Emails** - By default, the intranet system encourages regular usage of the system by not transmitting all activity via email. Associates need to access the system to see what is on the calendar or posted to the 'Start' page. Associates can modify their preferences to activate the daily, weekly, or monthly digests. These are compact, timely snapshots of activity in the office intranet that identify upcoming events, recent office & associate posts, and new office documents.
- **Office Messaging** - Direct professional emails are great for getting information to an associate or peer. Staff members can send bulk messages to associates to make general announcements. Associates cannot unsubscribe from this feature. For that reason and others, this feature cannot be used for soliciting or advertising. The messaging system is also used by staff and associate members to send message to an Office Group.
- **Video Integration** - By default, recent videos published by NAR are displayed on the right-side of the 'Start' page. These typically include timely reports on the real estate industry at a national level. This feed can be replaced by a custom feed. The preferred format is a YouTube video channel, created by the office staff. Additional integration options are available.
- **Web Link to WeichertOne / Weichert University** – A quick link will be created to enable Users to access the various web sites and services provided by Weichert corporate. Where available, further integration will be completed to enable one-click sign in to the remote services. The additional integration will require approval and assistance by Weichert corporate.
- **Web Link to WeichertEvents.com** - A quick link will be created to enable associates to access the various web sites and services provided by Weichert corporate. Where available, further integration will be completed to enable one-click sign in to the remote services. The additional integration will require approval and assistance by Weichert corporate.
- **Web Link to WLN Portal** - A quick link will be created to enable associates to access the various web sites and services provided by Weichert corporate. Where available, further integration will be completed to enable one-click sign in to the remote services. The additional integration will require approval and assistance by Weichert corporate.
- **Web Links customizable i.e. email, weather, news, social media** - Licensee can add additional bookmark style links to external websites through the Quick Links interface. No customization of email, weather, news, or social media can be performed through the intranet directly. Specific change requests can be submitted to BackAgent support.
- **Allows RSS Feeds<sup>1</sup> Web Link to Office's Web Site** – Custom RSS feeds can be integrated by request of a Sublicensee. Some data deliveries via RSS may require a fee for their data. If so, this cost must be borne by Sublicensee. The feeds are added with the other regionally published feeds. The front page uses a variety of sources to publish approx 1-2 posts per day on the front page.
- **Web Link to User Agent's Web Site**

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<sup>1</sup> May require a fee to the RSS Feed provider. If so, this cost must be borne by Licensee.

# **Weichert** Works

- **Award Level Status<sup>2\*</sup>** - Based on data provided on a daily basis from WREA, a summary of the Award Level Status will be displayed in a custom panel on the Start page of the Intranet. The exact layout and content to be displayed has not yet been fully identified.
- **Contact Manager** – Associates can create private contacts in the system and update them as needed. The contacts can then be attached to a transaction. The contacts are private to the agent until they are added to a transaction, at that time office staff can see the contact.
- **New WLN Lead auto-populated<sup>3\*</sup>** - The goal for this feature is to enable a seamless connection between a WLN lead assignment and a new lead in Weichert Works. The specific execution and flow of this feature has not yet been identified.
- **WREA Reporting System Entry** - Reporting capability for Licensee to enter WREA required information into the WREA Reporting System.

## **Gold Plan**

- **Basic Plan** - All Features, Services and Functionality of the Basic Plan, plus the below:
- **Enhanced WREA Reporting System Entry** - Automatic FTP feed of information WREA requires each franchised office to report to WREA. This FTP feed will transfer data at least daily to the Company. The automated process will require only single entry of this information by any number of Users affiliated with the office and will aggregate this information into the office's portion of the daily FTP.
- **Manual Flyer Creation** - Associates can create flyers in a variety of basic templates. Property photos can be uploaded and arranged. Property details can be quickly editing in a visual format. Once completed, a PDF-format file is created and made available to share.
- **New Lead from Office Alert** - When an office manager assigns a lead, an onscreen alert is shown to the associate if they are actively signed in and an email alert is sent to the primary email address. The alert encourages the associate to go to the main Leads interface to review and process the new lead.
- **Lead Follow Up Plans<sup>4\*</sup>** - The goal of this feature is to enable multiple touch action plans for an identified lead or contact. The follow up plans enable the associate to be sure and follow the best practices of the brokerage. Email alerts will be sent out in advance to make sure the associate is aware of what is expected of them for a given time period.
- **Mobile Access** – The main content published on the Intranet can be accessed through many mobile devices such as tablets and mobile smartphones with Internet access. An additional mobile phone-only site is for quick data access while on the go, this service offers a subset of the info published in the full intranet.
- **Marketing Campaigns<sup>5\*</sup>** - The specific features for this section have not been finalized, but this may include new listing alerts, saved search updates, periodic email announcements, and associated communications from the Follow Up Plans. Additional costs may be involved to deliver bulk email to lead lists for each associate.

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<sup>2</sup> \*As of January 1, 2013 these features and/or services are not yet available

<sup>3</sup> \*As of January 1, 2013 these features and/or services are not yet available

<sup>4</sup> \*As of January 1, 2013 these features and/or services are not yet available

<sup>5</sup> \*As of January 1, 2013 these features and/or services are not yet available

## Transaction Workflow

- **Transaction Approval Process** - Associates create a transaction by selecting the basic type of deal and provide the contact info for their client. From there, the transaction follows a linear path from Start to Submit with a series of tabs that highlight to identify required items. As new information is entered, additional questions or documents may become required. The overall transaction requirements dynamically expand to custom fit the expectations of the brokerage. The general goal is to have the system identify the fundamental documents and information needed to meet the E&O liability expectations of the broker. Associates are expected to attach all documents in the transaction over and above the minimum requirements and they will need to make sure they work with their broker to identify any addendums that may be expected but not specifically required by the system. A careful balance of programmed transaction requirements and real estate agent experience should maintain a streamlined, easy to use interface that collects all needed information.
- **State/Regional Requirement Sharing** - A collection of document requirements and recommendations are shared globally with all offices in a particular state or region. Individual brokerages can suggest changes to these shared requirements and affected brokerages will have an option to accept or defer each change. Adjustments can be made to these requirements on a per office basis. The key benefit to this format is the collective mind of all brokerages working to identify and deploy new changes.
- **Customized Transaction Requirements** - A default set of document requirements are assigned to all offices based on the location of each office. During the initial setup process of an office, the specific document requirements are reviewed and adjusted to meet the expectations of the broker. By written request of a Licensee, the BackAgent staff can make changes to these requirements on a periodic basis. BackAgent will work with the office staff to identify a streamlined approach for collecting any associated dates and info values.
- **Document Requirement Templates** - A set of named document placeholders are identified for various locales and transaction types. These document names are displayed during the document attaching process to eliminate or drastically reduce the amount of hand-typing needed for document titles. The templates are intended to be localized as best as possible. There are exceptions to this, for example instead of trying to identify which specific contract is being used for a given transaction the template displayed will read 'Residential Contract' instead of '1 to 4 Family Residential Contract' or 'Land/Lot Contract'. This is implemented to create a simpler requirements list with fewer questions. Specific expertise by the real estate agent will be needed to know which document should be executed and attached.
- **Document Storage** - From the moment a document is attached to a transaction the associated file is stored in a long term storage system. Documents can be stored and kept on file for as long as a broker requests, with a limit of 10 years. A broker must specifically request in writing if they want their transaction documents and associated details destroyed after a given time period. By default, the documents are expected to be stored for 10 years.
- **External Backup<sup>6\*</sup>** - A backup copy of all paperwork and associated details for a given transaction can be downloaded in an archived file format. This feature is available to the associate and authorized staff for a given transaction. The file can be downloaded again if changes are made to the transaction.

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<sup>6\*</sup>As of January 1, 2013 these features and/or services are not yet available



## Lead Routing & Follow Up

- **Associate Lead Interface** - A central list of all assigned or created leads for an associate. Leads can be scheduled for a future follow up, assigned to a transaction, and recent activities can be logged. Leads can be referred to other associates.
- **Lead Dashboard** - Available to staff members and on a limited basis to associates, this interface displays a quick review of the lead system. It identifies the amount of leads being entered, received, and processed. There are additional views to find leads by various types or statuses and ways to see how associates are handling any assigned leads.
- **Lead Digester** - To reduce manual entry of data, there are multiple ways of configuring external systems to dynamically submit new leads into the system. This service supports API calls, email processing, and dynamic scripting integrations.

## Management Features

- **Office Reports**
  - Associate Snapshot - See current active associate counts by office.
  - Associate History - See your active associate trend over time, with breakdowns by office, annual income level, accounting group, and member plan.
  - Associate Activity - View usage of the system by associate.
  - Office Activity - View usage of the system by office.
  - New Associates - See all associates recently added to the system.
  - Past Associates - See all associates recently removed from the system.
  - Inactive Associates - See all associates who have not been seen for a while.
  - Associate Photo Audit - Find an associate by photo and verify brand standards.
  - Expired License - See all associates who have an expired license.
  - Associate Sign In Audit - Review all associate sign in sessions.
- **Transaction Reports**
  - Active Closing Calendar - See all future or completed transactions in the system in a standard calendar view.
  - Expired Listings - See listing transactions with expired and soon-to-be expired listing agreements.
  - Closing History - See your offices' closing and income trends over time, with breakdowns by office, type, review state, funding status, accounting group, and member plan.
  - Contract History - See your offices' contracts written and sales volume trends over time, with breakdowns by office, type, accounting group, and member plan.
  - Vendor History - See transaction history per co-op agent or vendor.
  - Unapproved Documents - Review recently added documents.
- **Transaction Review & Approval** - When an associate completes a transaction, the system is designed to have the transaction be submitted to the Funding department for that office. The review process is separated into phases which include the initial document approval, funding approval, and the filing process. If a transaction is approved or denied, a notice is sent to the associate to alert them.
- **Associate Account Management** - Authorized staff accounts can create new associates for an office. An associate profile has a number of attributes that can only be modified by a manager, e.g. state license number/expiration date, MLS Public ID/username, etc.

# **Weichert®** Works

- **IDX Listing Search<sup>7\*\*</sup>** - Searchable display of active listings in three views: associate listings, brokerage listings, and all MLS listings. Specific feature may be limited due to local MLS rules.
- **Property Quick Add Feature<sup>8\*\*</sup>** - The property for a given transaction can be automatically populated by entering a MLS number or street address. Matching properties are shown and then used to update the transaction once they are selected.
- **Auto-Load Flyers<sup>9\*\*</sup>** - Expanding the basic flyer system, an IDX integration enables the property details and photos to be automatically loaded into the initial flyer editor. This saves a lot of time for the associate and helps to make sure the right information is loaded.

Additional features and/or services may be added in the future. Other features and/or services may be changed or removed in their entirety.

Optional “Add-On” Services currently available from BackAgent for an additional fee are listed in **Exhibit C**

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<sup>7</sup> \*\*These features may require Licensee to subscribe to and/or pay fees to a 3<sup>rd</sup> party vendor (i.e. MLS)

<sup>8</sup> \*\*These features may require Licensee to subscribe to and/or pay fees to a 3<sup>rd</sup> party vendor (i.e. MLS)

<sup>9</sup> \*\*These features may require Licensee to subscribe to and/or pay fees to a 3<sup>rd</sup> party vendor (i.e. MLS)



## **EXHIBIT B of Sublicense Agreement**

### **PRICING**

Fees for all Plan Levels are based upon the number of Users Licensee has each month, and Licensee shall pay Licensor the fees described herein for the applicable plan selected and/or ordered by Licensee per Exhibit D. Refer to Exhibit A of this Agreement for Plan features.

#### **1. Monthly Fees**

##### **a. Basic Level Plan**

- i. The Monthly Fee for the Basic Level Plan is \$5.00 per month for each person Licensee has listed for their franchise in the WREA Reporting System.
- ii. There is no Set Up Fee.

##### **b. Gold Level Plan**

- i. The Monthly Fee for the Gold Level Plan is \$10.00 per month for each person Licensee has listed for their franchise in the WREA Reporting System.
- ii. The Set Up Fee for the Gold Level Plan is \$250.00 per office.

##### **c. Mandatory Plan** - This Level Plan consists of one License (User) only, for the purpose of Franchise Reporting as required by the Franchise Agreement (required if neither the Basic nor Gold Plans are selected) and to receive communiqués from Licensor.

- i. There is no Set Up Fee.
- ii. There is no Monthly Fee

2. **Set Up Fee.** There is a one-time, non-refundable Set Up Fee per office of Licensee to activate the Gold Level Plan that is due and payable upon signing this Sublicense Agreement.

3. **Authorized User(s) or User(s)** mean all persons listed in the Licensor's Reporting System and any other additional persons authorized by the Licensee, this included but is not limited to, Licensee's employees, owners, managers, and sales associates.

4. **Payment Process.** On the 25<sup>th</sup> of each month Licensee will generate a roster via the WREA Reporting System of personnel (i.e. sales associates, managers, receptionists, owners, etc. aka "Users") listed for each of Licensee's offices. The sum of all persons on that list will be multiplied by the appropriate Per User Monthly Fee to determine the total amount of Monthly Fee due and payable to Licensor on the last day of that same month via wire transfer. For example: Payment of the Monthly Fee for the roster a Licensee generated on March 25<sup>th</sup> is due and payable to the Licensor on March 31<sup>st</sup> for the month of April.

5. **Adjustments to Monthly Fee Payment.** Licensee may bring any discrepancies to the Licensor's attention for confirmation. If the Licensor confirms the discrepancy, an adjustment will be made in the following month's Monthly Fee Payment. If Licensee does not bring a discrepancy to the Licensor's attention within three (3) months of the occurrence, the Licensor is not obligated to make an adjustment.

6. **Late Payments.** Late Payments are subject to a Late Payment Fee of \$35.00 or 10%, whichever is greater. If a payment is not received, in full within ten (10) days after it is due, Services may be suspended until full payment is received by Licensor. There may be a delay to restore Services due to the work involved to reinstate Users.

## **EXHIBIT C of Sublicense Agreement**

### **ADD-ON FEATURES/SERVICES**

In addition to the Features and Services available to Licensee in Exhibit A, Licensee and/or Licensee's Users may, at their discretion, select from the following optional Add-On features and/or services by contracting directly with BackAgent to purchase these Add-On services.

Multiple features and/or services may be grouped and offered as a bundle.

**Contract** – Users must sign a contract with BackAgent for all Optional Add-On Service Plans.

**Prerequisites** – In order to take advantage of Optional Add-On Services, certain prerequisites apply: The Enhanced Optional Add-On Service requires the Gold Service Plan Level; The Premium Add-On Service requires the Gold Service Plan Level and connection to the User's MLS allowing an IDX feed to the Services.

**Payments** – The Optional Add-On Services will be billed to the User's Active Account directly by BackAgent via automatic draft from User's credit card.

### **FEATURE MATRIX for OPTIONAL ADD-ON FEATURES and/or SERVICES**

The following identifies the features, services and/or functionality available from BackAgent:

#### **Individual User Optional Add On Plans**

- ENHANCED PLAN – Integrated Fax Service
- PREMIUM PLAN – Personal Agent Website
- PREMIUM PLUS PLAN – Premium Plan plus Integrated Fax Service

#### **Licensee User (Office) Optional Add On Plans**

- ENHANCED OFFICE PLAN – Licensee Promotional Banners
- PREMIUM OFFICE PLAN – Enhanced Office Plan plus Brokerage Website and Integrated Office Fax Service

#### **Optional Add-On Features and/or Services**

- **Integrated Fax Service** - By request, an associate account can be upgraded to include a private fax line with a unique fax number with a local area code. This service can also receive files via email with a similarly unique email address. If a local area code number cannot be obtained, a toll free line may be assigned at no additional cost. The page limit is set at 250 pages per fax.
- **Personal Agent Website** - A public website for an individual associate. Primary features of the service is to display the primary contact info for the associate along with any additional descriptive content on the about page. An option to add IDX property search may be available once a broker has an established IDX feed.

- **Brokerage Website** - A public website for an individual office or multi-office brokerage. Primary features of the service is to display the primary contact info for the associate along with any additional descriptive content on the about page. An option to add IDX property search may be available once a broker has an established IDX feed.
- **Licensee Promotional Banners** - Large, graphical banners are published on the 'Start' page to attract attention to a given vendor integration/promotion or company benefit. The banners track the number of click-throughs and link to either a sub-page on the intranet or an external resource. The goal of the banner is to identify a benefit to the associates or company affiliation instead of a mere advertisement of services. There are two (2) sizes of banners, large and small. These smaller banners are displayed on a variety of pages throughout the site. Accent photos can be published for offices that do not have the banner management option activated.
- **Integrated Office Fax Service** - By request, an office account can be upgraded to include a private fax line with a unique fax number with a local area code. This service can also receive files via email with a similarly unique email address. If a local area code number cannot be obtained, a toll free line may be assigned at no additional cost. The page limit is set at 250 pages per fax.

**EXHIBIT D of Sublicense Agreement**

**Initial Service Plan Selection**

Selecting a Service Plan is easy. Licensee has an option to use the Gold Service Plan, the Basic Service Plan or the Mandatory Plan for the Term of this Agreement. To allow Licensee an opportunity to make an informed decision on which of these Plans would best fit their company’s needs, the Licensee can participate in an Introduction Period consisting of the first 3 full months of this Sublicense Agreement.

**Selection Process:**

1. **Initial Selection:** Licensee selects Plan for Introduction Period using this form (Exhibit D).
2. **Right to Change Plan:** Not more than 30 days or less than 15 days prior to the expiration of the Introduction Period Licensee can select a different Plan Licensee’s company will use for the balance of the Term of this Agreement as provided in Exhibit E of this Agreement. If Licensee does not select a different Plan as provided, Licensee’s Initial Plan Selection will continue to the end of this Agreement.

**Monthly Fees** (subject to Exhibit B of the Sublicense Agreement):

- Basic Level Plan**
  - The Monthly Fee for the Basic Level Plan is \$5.00 per month for each person Licensee has listed for their franchise in the WREA Reporting System.
  - There is no Set Up Fee.
  
- Gold Level Plan**
  - The Monthly Fee for the Gold Level Plan is \$10.00 per month for each person Licensee has listed for their franchise in the WREA Reporting System. This \$10.00 is reduced to **\$5.00 during the Introduction Period ONLY.**
  - The Set Up Fee for the Gold Level Plan is \$250.00 per office.
  
- Mandatory Plan** - This Level Plan consists of one License (User) only, for the purpose of Franchise Reporting as required by the Franchise Agreement (required if neither the Basic nor Gold Plans are selected) and to receive communiqués from Licensor.
  - There is no Set Up Fee.
  - There is no Monthly Fee

✓ CHECK THE BOX NEXT TO THE PLAN LEVEL YOU WANT TO USE DURING THE INTRODUCTION PERIOD. SIGN AND FAX TO LICENSOR AT 973-292-1428.

**LICENSEE:** Weichert, Realtors® -

City: \_\_\_\_\_ State: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name/Title: \_\_\_\_\_

**EXHIBIT E of Sublicense Agreement**

**CHANGE Service Plan Selection**

Changing the Service Plan Selection is easy. Licensee has an opportunity to change their previous selection of the Gold Service Plan, the Basic Service Plan or the Mandatory Plan for the remaining balance of the Term of this Agreement two (2) times during this Agreement:

- A. **Prior to the Expiration of the Introduction Period** - Not more than 30 days or less than 15 days prior to the expiration of the Introduction Period Licensee can select a different Plan Licensee’s company will use for the balance of the Term of this Agreement as provided in this Exhibit. If Licensee does not select a different Plan during this time as provided, Licensee’s Initial Plan Selection will continue to the end of this Agreement.
- B. **Prior to the Expiration of this Agreement** - Not more than 60 days or less than 30 days prior to the expiration of this Agreement Licensee can select a different Plan Licensee’s company will use during the Term of the Renewal of this Agreement. If Licensee renews this Agreement, but does not select a different Plan during this time as provided, Licensee’s existing Plan Selection will continue to the end of renewal of this Agreement.

**Monthly Fees following Introduction Period** (subject to Exhibit B of the Sublicense Agreement):

- Basic Level Plan**
  - The Monthly Fee for the Basic Level Plan is \$5.00 per month for each person Licensee has listed for their franchise in the WREA Reporting System.
  - There is no Set Up Fee.
- Gold Level Plan**
  - The Monthly Fee for the Gold Level Plan is \$10.00 per month for each person Licensee has listed for their franchise in the WREA Reporting System.
  - The Set Up Fee for the Gold Level Plan is \$250.00 per office. This applies only if Licensee is changing from Basic or Mandatory Plan Levels to Gold Plan Level.
- Mandatory Plan** - This Level Plan consists of one License (User) only, for the purpose of Franchise Reporting as required by the Franchise Agreement (required if neither the Basic nor Gold Plans are selected) and to receive communiqués from Licensor.
  - There is no Set Up Fee.
  - There is no Monthly Fee

√ CHECK THE BOX NEXT TO THE PLAN LEVEL YOU WANT TO CHANGE TO. SIGN AND FAX TO LICENSOR AT 973-292-1428.

**LICENSEE:** Weichert, Realtor® -

City: \_\_\_\_\_ State: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name/Title: \_\_\_\_\_

**STATE ADDENDA TO SOFTWARE LICENSE AGREEMENT**

**ILLINOIS ADDENDUM TO WEICHERT SOFTWARE LICENSE AGREEMENT**

The provisions of the Weichert Software License Agreement concerning governing law, jurisdiction and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.

Dated: \_\_\_\_\_

LICENSEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**INDIANA ADDENDUM TO WEICHERT SOFTWARE LICENSE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Weichert Software License Agreement, the following provisions will supersede and apply:

1. Article 8 of the Software License Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
2. Article 16 (A) of the Software License Agreement will not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede such provision or New York law if such provision is in conflict with Indiana law.
3. The third sentence of Article 14 of the Software License Agreement ("Limitation of Liability") will not apply to franchises offered and sold in the State of Indiana.

Dated: \_\_\_\_\_

LICENSEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**MYWEICHERT NON-EXCLUSIVE SOFTWARE LICENSE AGREEMENT**

THIS NON-EXCLUSIVE SOFTWARE LICENSE AGREEMENT (“*License Agreement*”) is made and entered into this \_\_\_ day of \_\_\_\_\_, \_\_ (“*Effective Date*”) between WEICHERT REAL ESTATE AFFILIATES, INC., a Delaware corporation, with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 (“*Licensor*”) and

\_\_\_\_\_, (“*Licensee*”).  
(Print Name of Licensee)

a \_\_\_\_\_,  
(Print state of formation/organization and entity type)

with its principal address at: \_\_\_\_\_  
Street Address  
\_\_\_\_\_  
City  
\_\_\_\_\_  
State and Zip Code

WHEREAS, Licensee and Licensor entered into that Weichert Franchise Agreement dated \_\_\_\_\_ (as amended, modified, supplemented or restated from time to time, the “*Franchise Agreement*”; capitalized terms used herein shall have the meanings ascribed thereto in the Franchise Agreement unless otherwise defined therein), and among other things Licensor granted Licensee the right and obligation to operate a Weichert® Business known as \_\_\_\_\_.

WHEREAS, Section 7.08(D) of the Franchise Agreement provides, among other things, that Licensor will provide the base version of the proprietary software developed by Licensor to Licensee at no charge; Licensee agrees to install and use the proprietary software in connection with its operation of the franchised Business; and, Licensee agrees to sign Licensor’s standard, then-current form of Software License Agreement;

WHEREAS, InsideRE, LLC. (“*IRE*”) and all other companies owned by **IRE (“*Vendors*”)** have granted a non-exclusive license (the “*Master License*”) to certain components and services of myWeichert (defined in Section 1 below) to Weichert Co. and its Affiliates (as defined in Section 10(g) below), including Weichert Real Estate Affiliates, Inc. (collectively, “*Weichert*”), and any Master License granted to Weichert permits Weichert to sublicense certain components and services of myWeichert to Authorized Users (defined in Section 3(c) below) of: (i) independently owned and operated WEICHERT® franchised offices; and (ii) real brokerage companies affiliated with Weichert that do business as “Weichert, Realtors®”;

WHEREAS, Licensor will provide myWeichert as described in Exhibit A to Licensee subject to the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the mutual promises of the parties and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

## 1. GRANT OF LICENSE

a. **Grant of License.** Licensor grants to Licensee a nontransferable, nonexclusive right (the “*License*”) during the term of this License Agreement to use those computer programs, software, system documentation manuals and other materials described in Exhibit A (hereinafter collectively referred to as “*myWeichert*”) supplied by Licensor to Licensee, solely in connection with the operation of Licensee’s franchised Business as required under Section 7.08(D) of the Franchise Agreement and the operations of its Authorized Users subject to the terms and provisions of this License Agreement.

b. **Revisions, Additions and Deletions.** Licensor may, from time to time, revise myWeichert or any part of myWeichert. In doing so, Licensor incurs no obligation to furnish these revisions to Licensee. Licensor reserves the right to add, change and/or delete, at its sole option, myWeichert in its entirety or any or all applications, programs, components and/or features of myWeichert.

c. **Rights of Licensor.** Licensee recognizes that Licensor is supplying myWeichert and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor’s proprietary rights. Licensee agrees with Licensor that myWeichert and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled.

d. **Title.** Licensor retains title to myWeichert, the system documentation manuals, and/or additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

e. **In-Office Support.** The Licensee shall designate in writing to the Licensor within five (5) business days of the Effective Date of this License Agreement: (i) one or more employees (staff, sales associates, etc.) for purposes of coordinating and implementing myWeichert and activities contemplated by this License Agreement, including, but not limited to acting as a first line of support to Licensee’s Authorized Users (each, an *In-office Authorized User Support Coordinator “USC”*); *provided, however*, that the Licensee’s USCs shall not have the authority to bind or obligate the Licensee other than to perform the obligations expressly stated in this License Agreement; (ii) one (1) of USCs as “*Senior USC*” per office to communicate with the Licensor and/or the developer of myWeichert to report problems and seek assistance regarding myWeichert. Only the Licensee’s appointed Senior USC may contact the Licensor for support.

f. **Equipment and Systems.** Licensee is responsible, at its own expense, for: (a) procuring, installing, and maintaining all hardware and software components, including the required internet browser(s), required to access and utilize myWeichert pursuant to this License

Agreement (see Exhibit A of this License Agreement); (b) monitoring the performance of myWeichert and adopting reasonable measures to limit access by persons who are not registered Authorized Users.

g. **Customization.** If certain aspects of myWeichert may be customized for the Licensee, all such customization is at the request of the Licensee. The Licensee is responsible for the cost of such customization, the accuracy and appropriateness of these items which may include documents required by Licensee's state and/or local regulators and/or Licensee to initiate, process, and/or complete a transaction.

h. **Fees; Taxes; Associated Costs.** All fees due and payable by the Licensee to Licensor pursuant to this License Agreement, including, without limitation, any initial set up fees, are set forth in Exhibit B attached hereto and incorporated herein for all purposes. Sales tax, where applicable, will be applied to all invoices using the latest tax rate associated with the Licensor's corporate office and all other taxes resulting from the Licensee's use of myWeichert shall be borne by the Licensee.

i. **Limited Availability.** Licensee acknowledges that some features of myWeichert may not be available in every area of the country. As of the Effective Date, there are no currently known regional or financial limitations of myWeichert system where it has been deployed. As the rollout of myWeichert throughout the country continues, specific regional, legal, or financial rules may prevent full adoption or deployment of myWeichert. Specific examples include external IDX feeds may not be approved by a local MLS, a product offering may directly conflict with a Licensee's offering to their sales associates, or legal statutes that prohibit the use of electronic document storage. Licensor will work with Licensee to adequately support Licensee when possible which shall be on a best efforts basis.

j. **Additional Features.** Some additional features may require additional equipment. Any costs for additional equipment, third party fees or surcharges will be paid for by Licensee.

2. **TERM.** This License Agreement shall commence on the Effective Date and shall continue unless and until this License Agreement is terminated in accordance with Section 10 below.

### 3. **OBLIGATIONS AND RESTRICTIONS ON LICENSEE**

a. To satisfy Licensee's obligations under Section 7.08(C) of the Franchise Agreement, Licensee agrees that it shall use any component or feature of myWeichert (described on Exhibit A) supplied and designated by Licensor.

b. Licensee hereby agrees to be bound by IRE's Terms of Service available at <https://insiderealestate.com/tos/> and the terms and conditions or similar document for any vendor of any features added to myWeichert during the term of this License Agreement.

c. The License permits Authorized Users (defined below) of Licensee to use myWeichert subject to Licensee and each of its Authorized Users agreeing to the Terms and Use of myWeichert available at initial login at [www.my.weichert.com](http://www.my.weichert.com), IRE's Terms of Service

available at <https://insiderealestate.com/tos/>, and the terms and conditions or similar document for any vendor of any features added to myWeichert during the term of this License Agreement. **“Authorized User(s)”** means any of Licensee’s employees, owners, managers, and licensed real estate salespersons registered in the Licensor’s Reporting System. Licensee agrees that myWeichert may only be used by the Licensee and its Authorized Users.

d. **Modification.** Licensee may not change, alter or modify myWeichert, create derivative works, or translate, reverse assemble, reverse compile, disassemble, or in any way reverse engineer myWeichert.

e. **Updates; Version Releases.** During any term of this License, Licensor may at its sole discretion add, change, modify or remove features and/or services of myWeichert. Any updates or new versions of myWeichert received by Licensee from Licensor shall also become part of myWeichert and shall governed by the terms of this License Agreement.

f. **Transfer of myWeichert.** If Licensee transfers possession of any copy, modification, translation or merged portion of myWeichert to another party, the attempt at transfer is void and this license is automatically terminated.

g. **MLS/IDX Instructions.** To begin the process of setting up Licensee’s IDX connection, and depending on the individual Multiple Listing Service (each, and **“MLS”**) either a vendor agreement will need to be signed with the MLS, or if no vendor agreement is required by the MLS, Licensee shall provide its login and password to Licensor and/or IRE. After receipt of Licensee’s MLS connection information, Licensee will be notified if additional information is required to complete the setup of the IDX connection. Licensee understands and acknowledges that the MLS may charge a fee for data access, vender access, or annual fees, and that Licensors and/or IRE is **NOT RESPONSIBLE** for any IDX setup or access fees, and/or fees assessed to either Licensor or IRE. Any fees charged to IRE or Licensor on Licensee’s behalf will be billed back to Licensee on the monthly billing or invoice if applicable.

h. **GDPR Compliance.** By signing this License Agreement or by accessing the myWeichert, Licensee agrees that it will not use any of the services provided hereunder to collect the personal information of any individual residing within the European Union (or cause or allow any of its employees, independent contractors, or affiliates to do so) without first obtaining the express written consent of such individual and otherwise complying with the requirements of the European Union’s General Data Protection Regulation (the **“GDPR”**). In the event Licensee should use the services provided herein to violate any provisions of the GDPR, Licensee hereby agrees to indemnify Licensor against any and all costs and liabilities of incurred by Licensor.

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a. **Assignment by Licensor.** Licensor will have the right to assign this License Agreement, and all of its rights and privileges under this License Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this License Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this License Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

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ii. a third party commences a lawsuit against IRE, its successor or assigns, which materially interferes with the Master License or Licensor's ability to perform its obligations under this License Agreement; or

iii. Licensor determines that the continuation of this License Agreement, or the manner in which this License Agreement is being performed, constitutes a violation of any law, government regulation, order or would otherwise be considered an unethical or inappropriate business practice.

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17. **NON-SOLICITATION OF VENDOR EMPLOYEES.** For the period beginning the Effective Date and terminating eighteen (18) months following the termination of this License Agreement, Licensee is prohibited from actively soliciting, interfering with, or endeavoring to entice away, any person who at any time during the term of this License Agreement, was a director, officer and/or employee, directly or indirectly, of any Vendor without the prior consent of said Vendor. Notwithstanding the foregoing, this restriction shall not prevent Licensee from employing such person who responds to a general advertisement for recruitment without any other direct or indirect solicitation or encouragement by the other Party.

18. **SEVERABILITY.** Nothing contained in this License Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this License Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this License Agreement, the latter will prevail, but the affected provision of this License Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this License Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this License Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this License Agreement and this License Agreement will be valid and enforceable, and the parties agree to be bound by and perform this License Agreement as so modified.

19. **GOVERNING LAW; VENUE**

a. **Governing Law.** This License Agreement, all relations between the parties, and any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of New Jersey without recourse to New Jersey (or any other) choice of law or conflicts of law principles. Nothing in this Section intended to invoke the application of any franchise, business opportunity, antitrust, “*implied covenant*”, unfair competition, fiduciary or any other doctrine of law of the State of New Jersey or any other state, which would not otherwise apply.

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21. **COSTS OF ENFORCEMENT; ATTORNEYS’ FEES; FINES**

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b. **Attorneys’ Fees.** If Licensor becomes a party to any litigation or other proceeding concerning this License Agreement by reason of any act or omission of Licensee or Licensee’s authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor’s authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys’ fees, experts’ fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys’ fees and experts’ fees to its proof of claim in any insolvency proceedings filed by Licensee.

c. **Fines.** Licensee acknowledges and agrees that it shall be solely responsible for the payment of all penalties, fines or other sanctions imposed and/or assessed by any governmental regulatory agency, administrative agency and/or court for the violation of any regulation, rule, law and/or statute related to the use of myWeichert by Licensee and/or any of its Authorized Users.

22. **LIMITED EFFECT.** Except as expressly stated forth herein, the Franchise Agreement shall continue in full force and effect in accordance with its terms. Reference to this License Agreement need not be made in the Franchise Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Franchise Agreement, any reference in any of such items to the Franchise Agreement being sufficient to refer to this License Agreement.

23. **INTERPRETATION.** In the event of any conflict between the terms and conditions stated within this License Agreement and those contained within the Franchise Agreement or understanding between the parties, written, oral or implied, the terms of the Franchise Agreement shall govern (unless expressly stated otherwise herein in regard to particular terms).

24. **SUBMISSION OF AGREEMENT.** The submission of this License Agreement does not constitute an offer and this License Agreement will become effective only upon execution of this License Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this License Agreement.

25. **INTEGRATION OF AGREEMENT.** This License Agreement and all ancillary agreements executed contemporaneously with this License Agreement constitute the entire agreement between the parties with reference to myWeichert and supersedes any and all prior myWeichert software license agreements.

26. **COUNTERPARTS.** This License Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

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**LICENSEE:**

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**LICENSOR:**

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_  
Name:  
Title:  
Date:

## EXHIBIT A

### TECHNOLOGY SYSTEM REQUIREMENTS and PLAN FEATURES OVERVIEW

The following identifies the features, services and/or functionality in myWeichert.

1. **Technology System Requirements.** Before Licensee begins using myWeichert, Licensee must procure and install, at its expense, the technology system Licensor requires as of the Effective Date, consisting of the technology hardware, software, power supplies, and other technology accessories, peripherals and equipment the Licensor then specifies. The current minimum technology specifications are as follows:

i. **Hardware** devices accessing the system: Our current minimum computer specifications for the hardware are:

- a. Intel Core I5 (dual core), or equivalent AMD processor, with minimum 2.4 ghz speed;
- b. 500 gigabyte hard disk drive or 256 gigabyte solid state drive;
- c. 4 gigabytes of RAM;
- d. Visual Display capability of at least 1024x768 pixels, a typical desktop display size.

ii. **Operating System.**

a. The system can be accessed on any operating system that can run the identified web browsers listed below:

- A. Google Chrome is the preferred browser (There are several known (small) compatibility issues when users run kvCORE on a Chromebook. We recommend using a full laptop combined with the kvCORE mobile app.);
- B. Apple Safari (versions 6+, 7+);
- C. Mozilla Firefox; and
- D. Windows 10 Professional (or later version) operating system.

b. For best results, always use the latest version of any of the above web browsers.

c. The system does not support Internet Explorer versions 6 and earlier and degraded visual appearance is shown in versions 7 and 8.

iii. **Internet Connection.**

a. MyWeichert is web-based, access to the system requires an Internet connection. The system is optimized to support devices on a wide range of Internet connections. For an optimum experience, it is recommended to have an Internet connection capable of 2mbps download speeds, 1mbps upload speeds, and a latency of less

than 100 ms. This can be determined by going to an Internet speed test site, e.g. [SpeedTest.net](http://SpeedTest.net).

b. Licensee acknowledges that internet speed and usage may be affected by many variables, and the actual speed experienced by users of myWeichert may be lower than the maximum speed it is provisioned for. The actual speed users will experience while using the internet to access myWeichert depends upon a variety of conditions, many of which are beyond the control of Licensor, include but are not limited to:

A. Performance of the user's computers, including their age, processing capability, operating system, the number of applications running simultaneously, and the presence of any malicious software, malware and viruses;

B. Type of connection between the user's computers and modems. For example, wireless connections may be slower than direct connections into a router or modem. Wireless connections also may be subject to greater fluctuations, interference and congestion;

C. The distance packets travel between computers used by user and their final destination on the internet, including the number and quality of the networks of various operators in the transmission path;

D. Congestion or high usage levels at myWeichert. If a large number of users are accessing myWeichert at the same time, the connection may be affected depending on the then available capacity to serve all users efficiently;

E. The capacity and performance of the modem/router and other equipment used by users; and

F. Other factors include, the physical condition of the line, the quality of the inside wiring within the user's premises, usage of the user's internet service provider's network during peak periods of the day.

iv. **Mobile Devices.**

a. myWeichert requires the following operating systems for Mobile Devices: IOS 10 and above, Android version 7 and above. The coding language we use does not support Microsoft operating systems.

b. Mobile browsers from Google Chrome, Apple Safari and Mozilla Firefox are supported. Cookies and Javascript must be enabled on your web browser; these usually are enabled by default.

v. **Third Party Software.** The following two (2) products are recommended for Windows desktop computers in an office:



- a. Adobe Flash 10.6 or higher - This supports animations and individual desk security in an office; and
- b. Adobe Reader 10.0 or higher - The industry standard for viewing PDF documents.

vi. Operating myWeichert via a technology system that does not meet these minimums may result in feature and/or functionality loss. Licensee must, at Licensee's expense, keep its technology system in good maintenance and repair. As a new feature and/or functionality is added it may require upgrades to Licensee's technology system to function properly. Any upgrade to Licensee's technology system is at Licensee's expense.

## 2. **Features and Components.**

i. **Basic Features Components.** The following components of myWeichert are provided to Licensee at no cost.

- a. **The myWeichert for All Agents**
  - A. Website
  - B. CRM

ii. **Optional Add-Ons.** There are now and may be additional components of myWeichert available for an additional cost to be determined by Vendor such as:

- a. Core Team Add-Ons; and
- b. Other Marketplace subscriptions and products.

iii. Subject to Section 3(e) of the License Agreement, additional features and/or services may be added, or features and/or services may be changed or removed in their entirety.

## EXHIBIT B

### PRICING

The following identifies prices for certain features, services and/or functionality in myWeichert.

#### 1. kvCORE PRICING.

a. **MLS/IDX Instructions.** As described in the IRE T&Cs, when setting up Licensee's IDX connection with an individual Multiple Listing Service (each, an "**MLS**"), the MLS may charge a fee for data access, vender access, or annual fee. Any fees charged by the MLS on behalf Licensee and/or an Authorized User will be billed back to Licensee. LICENSEE IS RESPONSIBLE for any MLS fees including IDX setup or access fees.

b. **Contact Limit.** During the term of this License Agreement, each Authorized User may not have more than two-thousand (2,000) contacts ("**Contact Limit**") at any time, unless approved in writing by Licensee. Licensor may also bill Licensee at then current rates for a user that exceeds the Contact Limit ("**Contact Fee**"). The aggregate Contact Limit is determined by multiplying the number of Authorized Users by the Contact Limit. For example, the aggregate Contact Limit for a Licensee with 50 Authorized Users is 100,000 contacts (50 x 2,000).

c. **Communication Limits.** As described in the IRE T&Cs, fees may be charged for communications, including emails, minutes, texts or other usage-based forms of communication ("**Communication Fees**"). Each month each Authorized User is provided with the ability to send seven-hundred fifty (750) emails and twenty-five (25) texts, and thirty (30) phone minutes ("**Communication Limit**"). The aggregate Communication Limit is determined by multiplying the number of Authorized Users by the Communication Limit. For example, the monthly aggregate Communication Limit for a Licensee with 50 Authorized Users is 37,500 emails (50 x 750), 1,250 texts (50 x 25) and 1,500 phone minutes (30 x 50).

d. **Contact and Communication Fees.** If Licensee exceeds any of the aggregate Contact Limit and/or monthly aggregate Communication Limit for its Authorized Users, Licensor at its sole discretion may bill Licensee at then current rates for activities that exceed the aggregate Contact Limit and/or monthly aggregate Communication Limit. As of the Effective Date of this License Agreement the Licensor will bill Licensee:

i. A Contact Fee at a rate of \$2 per 1,000 contacts the exceeding the aggregate Contact Limit.

ii. Communication Fees at the rates of \$2 per 1,000 emails, \$2 per 100 text messages, and/or \$2 per 30 phone minutes the exceeding the aggregate Communication Limit.

e. **Reinstatement Fee.** If Licensee's and/or any Authorized Users' access to myWeichert is suspended or terminated ("**Suspended Authorized User**"), and a Suspended Authorized User is permitted to resume access to myWeichert after any suspension or termination,

then as a condition of such access such Suspended Authorized User may be required to pay Reinstatement Fee of \$399 in addition to all past due charges and other fees.

f. **Payment Process.** Any payments shall be made in accordance with payment process set forth in the Franchise Agreement.

## 2. **CORE Listing Machine and CORE Social Pricing.**

a. **Voluntary Program.** Usage of the CORE Listing Machine and CORE Social features is voluntary.

b. **MLS/IDX Instructions.** As described in the IRE T&Cs, when setting up Licensee's IDX connection with an individual Multiple Listing Service (each, an "**MLS**"), the MLS may charge a fee for data access, vender access, or annual fee. Any fees charged by the MLS on behalf Licensee and/or an Authorized User will be billed back to Licensee. **LICENSEE IS RESPONSIBLE** for any MLS fees including IDX setup or access fees.

c. **Monthly Fee.** Minimum \$199 per month per franchised company or \$7/user (agent)/month (company has to be fully opted in – charge would be based on all agents in the company each month), whichever is greater.

**STATE ADDENDA TO SOFTWARE LICENSE AGREEMENT**

**ILLINOIS ADDENDUM TO WEICHERT SOFTWARE LICENSE AGREEMENT**

The provisions of the Weichert Software License Agreement concerning governing law, jurisdiction and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.

Dated: \_\_\_\_\_

LICENSEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**INDIANA ADDENDUM TO WEICHERT SOFTWARE LICENSE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Weichert Software License Agreement, the following provisions will supersede and apply:

1. Article 9 of the Software License Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
2. Article 19 (A) of the Software License Agreement will not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede such provision or New Jersey if such provision is in conflict with Indiana law.
3. The second sentence of Article 15 of the Software License Agreement ("Limitation of Liability") will not apply to franchises offered and sold in the State of Indiana.

Dated: \_\_\_\_\_

LICENSEE:

If an entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Print Name)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

Dated: \_\_\_\_\_

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**RECEIPT FOR CONFIDENTIAL OPERATIONS MANUAL**

**RECEIPT FOR CONFIDENTIAL OPERATIONS MANUAL**

We, Weichert Real Estate Affiliates, Inc., have provided you with our current Confidential Operations Manual (the "Confidential Operations Manual"). You acknowledge that we are the owner of all proprietary rights in the Confidential Operations Manual, and that you are acquiring no proprietary or other right to them. The Confidential Operations Manual will remain our property at all times. You promise that you, your agents, independent contractors, and employees will treat the Confidential Operations Manual and the information contained in it as confidential; use all reasonable efforts to maintain this information as secret and confidential; at no time copy, duplicate, record or otherwise reproduce the Confidential Operations Manual. If you or we decide not to enter into a franchise agreement, you agree to immediately return the Confidential Operations Manual to us, or at our direction obliterate or destroy it. You further agree that if you or we decide not to enter into a franchise agreement, you, your agents, independent contractors, and employees will not use the information contained in the Confidential Operations Manual for any purpose whatsoever.

\* \* \*

I acknowledge that I have received the Confidential Operations Manual. I further acknowledge that neither the furnishing of the Operations Manual to me nor my execution of this Receipt constitutes an agreement or offer by Weichert Real Estate Affiliates, Inc. or me to enter into a franchise agreement

Dated: \_\_\_\_\_

PROSPECTIVE FRANCHISEE:

If an entity:

If an individual:

\_\_\_\_\_  
(Name of Entity)

\_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Print Name)

Its \_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)



**ADMINISTRATIVE OFFICE ADDENDUM**

THIS ADMINISTRATIVE OFFICE ADDENDUM is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between WEICHERT REAL ESTATE AFFILIATES, INC., a Delaware corporation with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 ("we," "us," "our," "Franchisor" or "the Company") and \_\_\_\_\_, whose principal address is \_\_\_\_\_ ("you," "your" or "Franchisee").

**WITNESSETH:**

WHEREAS, Franchisee and Franchisor entered into that Office Franchise Agreement dated \_\_\_\_\_ (as amended, modified, supplemented or restated from time to time, the "**Franchise Agreement**"; capitalized terms used herein shall have the meanings ascribed thereto in the Franchise Agreement unless otherwise defined therein), and among other things Franchisor granted Franchisee the right and obligation to operate a Weichert® Business for the Territory and the Weichert Business is known as \_\_\_\_\_ and is located at \_\_\_\_\_ (the "**Office**");

WHEREAS, the Franchise Agreement provides, subject to the terms and provisions of the Operations Manual and all related agreements and documents (collectively, the "**Franchise Documents**"), that we may allow you to operate a temporary Administrative Office, solely for administrative purposes, which by way of example includes, private office space for your business manager, accounting, legal and payroll services, assembling and placing advertising, sales training, corporate relocation, mortgage processing and settlement services. The indirect or direct offering or selling of any Services or any Ancillary Products or Services from the Administrative Office is prohibited and any permission granted by us is conditioned upon you signing an addendum to the Franchise Agreement. The operation of an Administrative Office is subject to certain restrictions and requirements.

WHEREAS, subject to the terms and conditions set forth in the Franchise Documents and this Addendum, you have requested our permission to operate a temporary Administrative Office located at \_\_\_\_\_ (the "**Administrative Office**");

WHEREAS, we are willing to grant permission to you to operate the Administrative Office subject to the terms and conditions set forth in the Franchise Documents and this Addendum; and

NOW THEREFORE, in the consideration of the premises, and for other goods and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows

1. Permission to Operate the Administrative Office. We grant you permission to operate the Administrative Office, subject to the terms and provisions of the Franchise Documents. You also agree that you shall not open any other Administrative Office or other office without our written permission, nor shall you move the Administrative Office to any other location without our written permission.
2. Purpose of Administrative Office. The Administrative Office shall be used only for administrative purposes in support of your Office as more fully described in the Franchise Documents. You agree that you shall not provide any Services or directly sell any Ancillary Products or Services from the Administrative Office.
3. Term. The rights granted to you under this Addendum to operate the Administrative Office shall begin on \_\_\_\_\_ and shall terminate on \_\_\_\_\_. Upon the termination of this Addendum, you agree to immediately close the Administrative Office and cease all operations from the Administrative Office. Notwithstanding, we have the right, in our sole judgment, to extend this Addendum for an additional period(s) as we may determine, subject to the terms and

conditions of our then current Franchise Documents and other any other specific terms and restrictions we may impose.

4. Administrative Fee. Upon the execution of this Addendum and any renewal of this Addendum, but no later than the date you open the Administrative Office, you agree to pay us an administrative fee of \$1,000. You also agree to pay the then current administrative fee as set forth in the Franchise Documents upon each renewal of this Addendum. The Administrative Office is not subject to an Additional Office Fee. If you provide any Services or directly sell any Ancillary Products or Services from the Administrative Office you agree to pay us an Additional Office Fee and, in addition to our termination rights set forth below and under the Franchise Agreement, we also have the right to revoke the permission for the Administrative Office or require you comply with all terms and requirements for Offices.

5. Compliance with Policies and Procedures.

a. You agree to comply with the terms and conditions for Administrative Offices as set forth in Operations Manual, which may from time to time be revised, modified and/or supplemented and you further agree to comply with any such revisions, modifications and/or supplements are adopted.

b. Your Administrative Office shall have a telephone number different than that of your Office. You agree that you will answer the telephone of your Administrative Office in one of two ways:

- i. "Weichert, Realtors® - \_\_\_\_\_, Corporate Office", or
- ii. "Weichert, Realtors® - \_\_\_\_\_, Administrative Office

c. You further agree that you will not advertise the existence of the Administrative Office, and you will not cause or permit to cause, to be produced for yourself and/or your sales associates, agents, or employees, any business cards, stationary, advertising, or any other material, containing the address and telephone of the Administrative Office.

d. You further agree that you may not meet customers at the Administrative Office and your real estate brokers and sales associates are not permitted to operate from this Administrative Office.

6. Inspection and Operational Audit of Your Administrative Office. You agree that that we (or any of our authorized agents or representatives) may at any time during normal business hours enter your Administrative Office to conduct an inspection and operational audit to determine compliance with this Addendum the books and records of the Administrative Office. Our rights hereunder are in addition to the inspection and audits rights we have under the Franchise Documents.

7. Termination. In addition to the termination provisions set forth in the Franchise Agreement, you agree that your failure to comply with any of the terms of this Addendum will be grounds for the termination of this Addendum and your Franchise Agreement. You also agree and understand that the termination or expiration of the Franchise Agreement shall also result in the termination of this Addendum. In addition to our termination rights set forth in the Franchise Agreement, we have the right to terminate this Addendum if you do not commence operation of the Administrative Office on or before the commencement date set forth in Paragraph 3 above, and/or at any time you cease to operate the Administrative Office, or abandon the Administrative Office by failing to operate the Administrative Office for five (5) consecutive days during which you are required to operate the Administrative Office (or any shorter period of time after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to operate the Administrative Office), unless your failure to operate is due to fire, flood, other Acts of God or other similar causes beyond your control.

8. Representations. In order to induce us to execute and deliver this Addendum, you hereby represent that as of the date hereof, and after giving effect to this Addendum, you are in full compliance with all of the terms and conditions of the Franchise Documents.

9. Compliance with Franchise Documents and Laws. You represent and warrant to us that the Administrative Office and all operations conducted from the Administrative Office will comply with the Franchise Documents and all state and local real estate licensing laws and regulations, as well as all other applicable laws and regulations; provide, however, that if you are required by state law or local ordinance to erect a sign, then you agree that any such signage shall conform to our signage requirements as set forth in the Franchise Documents and clearly indicate that the location approved for your Administrative Office is an "Administrative" or "Corporate" office. Any such signage shall direct customers to your Office.

10. Limited Effect. Except as expressly stated forth herein, the Franchise Agreement shall continue in full force and effect in accordance with its terms. Reference to this Addendum need not be made in the Franchise Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Franchise Agreement, any reference in any of such items to the Franchise Agreement being sufficient to refer to this Addendum.

11. Interpretation. In the event of any conflict between the terms and conditions stated within this Addendum and those contained within the Franchise Agreement or understanding between the parties, written, oral or implied, the terms of the Franchise Agreement shall govern.

12. Execution. This Addendum may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHER AUTHORIZED REPRESENTATIVE AND IS DULY AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereby sign this Addendum on the date hereinabove set forth.

FRANCHISEE:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name/Print Title)

FRANCHISOR:

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**TEMPORARY OFFICE ADDENDUM**

THIS TEMPORARY OFFICE ADDENDUM is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between WEICHERT REAL ESTATE AFFILIATES, INC., a Delaware corporation with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 ("we," "us," "our," "Franchisor" or "the Company") and \_\_\_\_\_, whose principal address is \_\_\_\_\_ ("you," "your" or " Franchisee").

**WITNESSETH:**

WHEREAS, Franchisee and Franchisor entered into that Office Franchise Agreement dated \_\_\_\_\_ (as amended, modified, supplemented or restated from time to time, the "**Franchise Agreement**"; capitalized terms used herein shall have the meanings ascribed thereto in the Franchise Agreement unless otherwise defined therein), and among other things Franchisor granted Franchisee the right and obligation to operate a Weichert® Business for the Territory and the Weichert Business is known as \_\_\_\_\_ and is located at \_\_\_\_\_ (the "**Office**");

WHEREAS, the Franchise Agreement provides, subject to the terms and provisions of the Operations Manual and all related agreements and documents (collectively, the "**Franchise Documents**"), that we may allow you to operate a Temporary Office, which, by way of example, includes sales offices located in or near a new housing tract or subdivision, sales offices that you use while your Initial Office is temporarily unavailable, and other arrangements, where there are facts and circumstances that we determine, in our sole judgment, warrant a Temporary Office, and from which Services and Ancillary Services or Products are provided to customers, and any permission granted by us is conditioned upon you signing an addendum to the Franchise Agreement. The operation of a Temporary Office is subject to certain restrictions and requirements;

WHEREAS, subject to the terms and conditions set forth in the Franchise Documents and this Addendum, you have requested our permission to operate a Temporary Office located at \_\_\_\_\_ (the "**Temporary Office**");

WHEREAS, we are willing to grant permission to you to operate the Temporary Office subject to the terms and conditions set forth in the Franchise Documents and this Addendum; and

NOW THEREFORE, in the consideration of the premises, and for other goods and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows

1. Permission to Operate the Temporary Office. We grant you permission to operate the Temporary Office, subject to the terms and provisions of the Franchise Documents. You agree that you shall not open any other Temporary Office or other office without our written permission, nor shall you move the Temporary Office to any other location without our written permission.
2. Purpose of Temporary Office. The Temporary Office shall be used only for providing Services and Ancillary Services or Products to customers, subject to the following limitations: [INSERT APPLICABLE LIMITATIONS].
3. Term. The rights granted to you under this Addendum to operate the Temporary Office shall begin on \_\_\_\_\_ and shall terminate on \_\_\_\_\_. Upon the termination of this Addendum, you agree to immediately close the Temporary Office and cease all operations from the Temporary Office. Notwithstanding, we have the right, in our sole judgment, to extend this Addendum for an additional period(s) as we may determine, subject to the terms and conditions of our then current Franchise Documents and other any other specific terms and restrictions we may impose.

4. Administrative Fees. Upon the execution of this Addendum, but no later than the date you open the Temporary Office, you agree to pay us an administrative fee of \$2,000. In addition, you also agree to pay us the on-going annual administrative fees in the amount set forth in Section 5.03(C) of the Franchise Agreement. The Temporary Office is not subject to an Additional Office Fee.

5. Compliance with Policies and Procedures.

a. You agree to comply with the terms and conditions for Temporary Offices as set forth in Operations Manual, which may from time to time be revised, modified and/or supplemented and you further agree to comply with any such revisions, modifications and/or supplements are adopted.

b. In addition to complying with the requirements for operations at the Temporary Office as set forth in the Franchise Documents, you agree to keep the Temporary Office open at all times during the regular business hours of your Office, or the hours required by the landlord or operator of the shopping mall or other site in which the Temporary Office is located.

c. You are not required to send any manager or representative of the Temporary Office to the Weichert Management Academy initial training program, and we have no obligation to pay all or any part of the costs of attendance of any such manager or representative of the Temporary Office that attends the Weichert Management Academy initial training program.

d. You are not required, as a result of your Temporary Office, to join Local Broker Council or any other council as provided in the Franchise Agreement. However, you acknowledge your understanding that this paragraph shall in no way modify or excuse your Local Broker Council obligations as set forth in the Franchise Documents.

e. You agree that your Temporary Office shall prominently display signage that conforms to our signage requirements as set forth in the Franchise Documents. In the event that the Subdivision requires signage different than our requirements, you shall submit such different signage to us for our approval prior to installing any such signage. Further, you agree that to have a sign stating that the Temporary Office is solely for the purpose of selling units in the Subdivision.

f. You agree to have a telephone number for the Temporary Office that is different than that of your Office.

6. Reporting of Gross Revenues. You agree to report all Gross Revenues from the Temporary Office through your Office as required by the Franchise Documents. For purposes of calculating the Minimum Annual Continuing Royalty and/or the Minimum Monthly Marketing Fee, the Gross Revenues from any and all such Administrative, Temporary Office and/or Temporary Offices will be included as part of Gross Revenues of your the Initial Office as set forth in Section 5.03 of the Franchise Agreement.

7. Inspection and Operational Audit of Your Temporary Office. You agree that that we (or any of our authorized agents or representatives) may at any time during normal business hours enter your Temporary Office to conduct an inspection and operational audit to determine compliance with this Addendum of the books and records of the Temporary Office. Our rights hereunder are in addition to the inspection and audits rights we have under the Franchise Documents.

8. Termination. In addition to the termination provisions set forth in the Franchise Agreement, you agree that your failure to comply with any of the terms of this Addendum will be grounds for the termination of this Addendum and your Franchise Agreement. You also agree and understand that the termination or expiration of the Franchise Agreement shall also result in the termination of this Addendum. In addition to our termination rights set forth in the Franchise Agreement, we have the right

to terminate this Addendum if you do not commence operation of the Temporary Office on or before the commencement date set forth in Paragraph 3 above, and/or at any time you cease to operate the Temporary Office, or abandon the Temporary Office by failing to operate the Temporary Office for five (5) consecutive days during which you are required to operate the Temporary Office (or any shorter period of time after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to operate the Temporary Office), unless your failure to operate is due to fire, flood, other Acts of God or other similar causes beyond your control.

9. Representations. In order to induce us to execute and deliver this Addendum, you hereby represent that as of the date hereof, and after giving effect to this Addendum, you are in full compliance with all of the terms and conditions of the Franchise Documents.

10. Compliance with Franchise Documents and Laws. You represent and warrant to us that the Temporary Office and all operations conducted from the Temporary Office will comply with the Franchise Documents and all state and local real estate licensing laws and regulations, as well as all other applicable laws and regulations.

11. Limited Effect. Except as expressly stated forth herein, the Franchise Agreement shall continue in full force and effect in accordance with its terms. Reference to this Addendum need not be made in the Franchise Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Franchise Agreement, any reference in any of such items to the Franchise Agreement being sufficient to refer to this Addendum.

12. Interpretation. In the event of any conflict between the terms and conditions stated within this Addendum and those contained within the Franchise Agreement or understanding between the parties, written, oral or implied, the terms of the Franchise Agreement shall govern.

13. Execution. This Addendum may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHER AUTHORIZED REPRESENTATIVE AND IS DULY AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereby sign this Addendum on the date hereinabove set forth.

FRANCHISEE:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name/Print Title)

FRANCHISOR:

WEICHERT REAL ESTATE AFFILIATES, INC.

By: \_\_\_\_\_  
Name:  
Title:



**SATELLITE OFFICE ADDENDUM**

THIS SATELLITE OFFICE ADDENDUM (this **“Addendum”**) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, between WEICHERT REAL ESTATE AFFILIATES, INC., a Delaware corporation with its principal office at 225 Littleton Road, Morris Plains, New Jersey 07950 (“we,” “us,” “our,” “Franchisor” or “the Company”) and \_\_\_\_\_, whose principal address is \_\_\_\_\_ (“you,” “your” or “Franchisee”).

**WITNESSETH:**

WHEREAS, Franchisee and Franchisor entered into that Office Franchise Agreement Number \_\_\_\_\_ dated \_\_\_\_\_ (as amended, modified, supplemented or restated from time to time, the **“Franchise Agreement”**; capitalized terms used herein shall have the meanings ascribed thereto in the Franchise Agreement unless otherwise defined therein), and among other things Franchisor granted Franchisee the right and obligation to operate a Weichert® Business for the Territory and the Weichert Business is known as \_\_\_\_\_ and is located at \_\_\_\_\_ (the **“Office”**);

WHEREAS, the Franchise Agreement provides, subject to the terms and provisions of the Operations Manual and all related agreements and documents (collectively, the **“Franchise Documents”**), that we may allow you to operate a Satellite Office, subject to certain restrictions and requirements, from which Services and Ancillary Services or Products are provided to customers, and any permission granted by us is conditioned upon you signing an addendum to the Franchise Agreement; and

WHEREAS, subject to the terms and conditions set forth in the Franchise Documents and this Addendum, we are willing to grant permission to your request to operate the Satellite Office located at \_\_\_\_\_ (the **“Satellite Office”**);

NOW THEREFORE, in consideration of the premises, and for other goods and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Permission to Operate the Satellite Office. We grant you permission to operate the Satellite Office, subject to the terms and provisions of the Franchise Documents. You agree that you shall not open any other Satellite Office or another office without our written permission, nor shall you move the Satellite Office to any other location without our written permission.

2. Purpose of Satellite Office. The Satellite Office shall be used only for providing Services and Ancillary Services or Products to customers, subject to the limitations specified in our Franchise Documents and the following limitations:

- a. Maximum office size: 900 square feet
- b. Maximum number of sales associates: 10
- c. Must have standard exterior Office signage
- d. Conversion Package: None
- e. Exclusive Territory for this Office: None

3. Fees/Costs Regarding Satellite Office. The following fees/costs apply to the Satellite Office you operate for the duration of this Addendum:

- a. Upon the execution of this Addendum, you agree to pay us a Satellite Office Fee of \$199.00, each month for a minimum of 12 months. This fee will not change for the duration of this Addendum.
- b. The Satellite Office is not subject to an Additional Office Fee (notwithstanding Section 4.02 of the Franchise Agreement).

- c. Continuing Royalty: 6% and incorporating all terms regarding Continuing Royalty in the Franchise Agreement (unless otherwise stated herein).
- d. Minimum Monthly Continuing Royalty: None.
- e. Marketing Fee: 2% of your Gross Revenues, with the Maximum Monthly Marketing Fee as provided in the Franchise Agreement, but no Minimum Monthly Marketing Fee.
- f. Local Broker Council: None. Not eligible for Local Broker Council membership.

4. Term of Satellite Office.

a. The rights granted to you under this Addendum to operate the Satellite Office shall begin on \_\_\_\_\_ (the “**Satellite Office Impact Date**”)

b. This Addendum shall terminate:

i. No less than 12 months after the Satellite Office Impact Date, unless the Franchise Agreement is terminated or expires prior to the first anniversary of Satellite Office Impact Date or unless we furnish written notice to you that you have materially breached this Addendum.

ii. After the first anniversary of Satellite Office Impact Date, but not later than the Expiration Date of the Franchise Agreement, this Addendum may be terminated upon the occurrence of any of the following:

1. Upon 60 days’ prior written notice by you to us, for any reason or no reason, provided that the effective date of such termination is any time after the first anniversary of the Satellite Office Impact Date; or
2. Upon written notice by us to you if you have materially breached this Addendum; or
3. On the earlier of the termination or expiration date of your Franchise Agreement; or
4. When the number of sales associates affiliated with the Satellite Office exceeds ten (10), we may require you, upon notice from us, to convert the Satellite Office into an Additional Office (“**Converted Satellite Office**”) and execute our then-current form of franchise agreement for such Converted Satellite Office.

For the avoidance of doubt: if the Franchise Agreement expires or is earlier terminated, then this Addendum automatically terminates. If this Addendum is terminated, then the Franchise Agreement does not automatically terminate unless expressly provided herein.

c. You agree that you may not operate the Satellite Office longer than the period we agree upon in writing.

5. The parties agree that, in the event that the Satellite Office is converted into a Converted Satellite Office:

a. The franchise agreement which you and we execute regarding the Converted Satellite Office shall govern such Converted Satellite Office. At that point this Addendum shall be terminated and no longer apply to such Office. Accordingly, you will at that point no longer have a right to terminate such Office for convenience. Instead, the termination provisions of the franchise agreement for the Converted Satellite Office shall apply thereto.

b. The term (duration) of the Converted Satellite Office will be documented in the franchise agreement the parties sign in regard to such Office, to be coterminous with the earlier of: (i) the expiration

date of the then current term of your Franchise Agreement; or (ii) the termination of your Franchise Agreement.

c. You shall make all payments to us as required under our then-current form of franchise agreement which the parties will execute for your Converted Satellite Office and agree to all other terms and conditions set forth in such franchise agreement, including but not limited to the following:

- i. The Minimum Continuing Royalty set forth in your existing Franchise Agreement shall apply in the franchise agreement regarding your Converted Satellite Office.
- ii. The Minimum Monthly Marketing Fee set forth in your existing Franchise Agreement shall apply in the franchise agreement regarding your Converted Satellite Office.
- iii. The Territory we grant to the Converted Satellite Office in the franchise agreement regarding your Converted Satellite Office will be subject to any other existing Weichert franchisees.
- iv. You will be required to join the Local Broker Council we assign to the Converted Satellite Office.
- v. The monthly Satellite Fee set forth in this Addendum will be incorporated into the franchise agreement regarding your Converted Satellite Office and will be due and payable to us each month through the expiration of such franchise agreement.

6. Unless your Satellite Office converts into an Additional Office (that is, becomes a Converted Satellite Office), then upon the termination of this Addendum, you agree to immediately close the Satellite Office and cease all operations from the Satellite Office.

7. Compliance with Policies and Procedures.

a. You agree to comply with the terms and conditions for Satellite Offices as set forth in our Operations Manual, which may from time to time be revised, modified and/or supplemented and you further agree to comply with any such revisions, modifications and/or supplements which are adopted.

b. In addition to complying with the requirements for operations at the Satellite Office as set forth in the Franchise Documents, you agree to keep the Satellite Office open at all times during the regular business hours of your Office, or the hours required by the landlord of the site where the Satellite Office is located.

c. You are not required to send any manager or representative of the Satellite Office to the Weichert Management Academy initial training program, and we have no obligation to pay all or any part of the costs of attendance of any such manager or representative of the Satellite Office that attends the Weichert Management Academy initial training program.

8. Inspection and Operational Audit of Your Satellite Office. You agree that we (or any of our authorized agents or representatives) may at any time during normal business hours enter your Satellite Office to conduct an inspection and operational audit to determine compliance with this Addendum the books and records of the Satellite Office. Our rights hereunder are in addition to the inspection and audits rights we have under the Franchise Documents.

9. You agree and understand that, in addition to our termination rights set forth in the Franchise Agreement, we have the right to terminate this Addendum if at any time you cease to operate the Satellite Office, or abandon the Satellite Office by failing to operate the Satellite Office for five (5) consecutive days during which you are required to operate the Satellite Office (or any shorter period of time after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to operate the Satellite Office), unless your failure to operate is due to fire, flood, other Acts of God or other similar causes beyond your control.

10. Representations. In order to induce us to execute and deliver this Addendum, you hereby represent that as of the date hereof, and after giving effect to this Addendum, you are in full compliance with all of the terms and conditions of the Franchise Documents.

11. Compliance with Franchise Documents and Laws. You represent and warrant to us that the Satellite Office and all operations conducted from the Satellite Office will comply with the Franchise Documents and all state and local real estate licensing laws and regulations, as well as all other applicable laws and regulations.

12. Limited Effect. Except as expressly stated forth herein, the Franchise Agreement shall continue in full force and effect in accordance with its terms. Reference to this Addendum need not be made in the Franchise Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Franchise Agreement, any reference in any of such items to the Franchise Agreement being sufficient to refer to this Addendum.

13. Interpretation. In the event of any conflict between the terms and conditions stated within this Addendum and those contained within the Franchise Agreement or understanding between the parties, written, oral or implied, the terms of the Franchise Agreement shall govern (unless expressly stated otherwise herein in regard to particular terms).

14. Execution. This Addendum may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, “pdf”, “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

**THE PERSON SIGNING THIS ADDENDUM ON BEHALF OF THE FRANCHISEE REPRESENTS AND WARRANTS THAT HE OR SHE IS A DULY APPOINTED OFFICER OR OTHER AUTHORIZED REPRESENTATIVE AND IS DULY AUTHORIZED TO BIND THE FRANCHISEE TO THE TERMS OF THIS ADDENDUM.**

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereby sign this Addendum on the date hereinabove set forth.

FRANCHISEE:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name/Print Title)

FRANCHISOR:

WEICHERT REAL ESTATE AFFILIATES, INC.

:

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT B**  
**FINANCIAL STATEMENTS**

**Weichert Real Estate Affiliates, Inc.**

**Financial Statements  
and Independent Auditor's Report**

**December 31, 2021, 2020, and 2019**

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## **Weichert Real Estate Affiliates, Inc.**

### **Index**

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## Independent Auditor's Report

To Management  
Weichert Real Estate Affiliates, Inc.

### *Opinion*

We have audited the financial statements of Weichert Real Estate Affiliates, Inc., which comprise the balance sheets as of December 31, 2021, 2020 and 2019, and the related statements of income, changes in shareholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Weichert Real Estate Affiliates, Inc. as of December 31, 2021, 2020, and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Financial Statements*

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS, we:

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

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

*CohnReznick LLP*

Parsippany, New Jersey  
March 16, 2022

## Weichert Real Estate Affiliates, Inc.

### Balance Sheets

	2021	December 31, 2020	2019
<b>Assets</b>			
Current assets:			
Cash	\$ 315,726	\$ 123,296	\$ 378,738
Accounts receivable (net of allowance for doubtful accounts of \$641,855, \$760,553 and \$1,010,653)	2,211,579	2,154,625	1,847,628
Prepaid expenses	519,018	657,178	654,249
Due from affiliates	26,408,007	21,575,918	15,561,345
Restricted assets - Marketing fund	4,402,725	4,381,940	5,160,986
Total current assets	33,857,055	28,892,957	23,602,946
Loans receivable	82,134	119,942	158,150
Property, equipment and software, net	703,584	69,626	88,181
Total assets	\$34,642,773	\$29,082,525	\$23,849,277
<b>Liabilities and shareholder's equity</b>			
Current liabilities:			
Accrued expenses payable	\$2,572,300	\$ 1,831,804	\$ 1,745,673
Salaries and benefits payable	369,261	146,566	158,990
Restricted liabilities - Marketing fund	4,402,725	4,381,940	5,160,986
Deferred income	137,500	225,000	250,000
Total liabilities	7,481,786	6,585,310	7,315,649
Commitments and contingencies			
Shareholder's equity:			
Common stock:			
Voting, no par value, 10 shares authorized, 1 share issued and outstanding in 2021, 2020 and 2019	10,000	10,000	10,000
Nonvoting, no par value, 990 shares authorized, 99 shares issued and outstanding in 2021, 2020 and 2019	990,000	990,000	990,000
Additional paid-in capital	13,200,000	13,200,000	13,200,000
Accumulated retained earnings	12,960,987	8,297,215	2,333,628
Total shareholder's equity	27,160,987	22,497,215	16,533,628
Total liabilities and shareholder's equity	\$34,642,773	\$29,082,525	\$23,849,277

See accompanying notes.

**Weichert Real Estate Affiliates, Inc.**

**Statements of Income**

	<b>Year Ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>			
Royalty income	\$18,063,400	\$ 15,255,507	\$ 14,045,445
Initial franchise fee income	387,500	412,500	987,500
Other continuing fee income	1,400,223	980,751	882,846
Total revenue	<u>19,851,123</u>	<u>16,648,758</u>	<u>15,915,791</u>
<b>Expenses</b>			
Selling, general and administrative expenses	12,154,957	10,661,386	13,290,909
Depreciation and amortization	32,394	23,785	24,081
Total expenses	<u>12,187,351</u>	<u>10,685,171</u>	<u>13,314,990</u>
Net income	<u>\$ 7,663,772</u>	<u>\$ 5,963,587</u>	<u>\$ 2,600,801</u>

*See accompanying notes.*

**Weichert Real Estate Affiliates, Inc.**

**Statements of Changes in Shareholder's Equity  
Years Ended December 31, 2021, 2020, and 2019**

	<b>Voting Common Stock</b>	<b>Nonvoting Common Stock</b>	<b>Additional Paid-in Capital</b>	<b>Accumulated Retained Earnings (Deficit)</b>	<b>Total Shareholder's Equity</b>
<b>Balance at January 1, 2019</b>	\$ 10,000	\$ 990,000	\$ 13,200,000	\$ (267,173)	\$ 13,932,827
Net income	-	-	-	2,600,801	2,600,801
<b>Balance at December 31, 2019</b>	10,000	990,000	13,200,000	2,333,628	16,533,628
Net income	-	-	-	5,963,587	5,963,587
<b>Balance at December 31, 2020</b>	10,000	990,000	13,200,000	8,297,215	22,497,215
Net income	-	-	-	7,663,772	7,663,772
Distribution	-	-	-	(3,000,000)	(3,000,000)
<b>Balance at December 31, 2021</b>	<b>\$ 10,000</b>	<b>\$ 990,000</b>	<b>\$ 13,200,000</b>	<b>\$ 12,960,987</b>	<b>\$ 27,160,987</b>

*See accompanying notes.*

**Weichert Real Estate Affiliates, Inc.**

**Statements of Cash Flows**

	Year Ended December 31,		
	2021	2020	2019
<b>Operating activities</b>			
Net income	\$7,663,772	\$ 5,963,587	\$ 2,600,801
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	32,394	23,785	24,081
Amortization of loans receivable	37,808	38,208	37,708
Changes in operating assets and liabilities:			
Accounts receivable	(56,954)	(306,997)	(183,666)
Prepaid expenses	138,160	(2,929)	(429,121)
Due from affiliates	(4,832,089)	(6,014,573)	(1,473,662)
Accrued expenses payable	740,496	86,131	(370,719)
Salaries and benefits payable	222,695	(12,424)	26,233
Deferred income	(87,500)	(25,000)	-
Net cash provided by (used in) operating activities	3,858,782	(250,212)	231,655
<b>Investing activities</b>			
Capital expenditures	(666,352)	(5,230)	-
Net cash used in investing activities	(666,352)	(5,230)	-
<b>Financing activities</b>			
Distributions to shareholder	(3,000,000)	-	-
Net cash used in investing activities	(3,000,000)	-	-
Net increase (decrease) in cash	192,430	(255,442)	231,655
Cash at beginning of year	123,296	378,738	147,083
Cash at end of year	\$ 315,726	\$ 123,296	\$ 378,738

*See accompanying notes.*

## **Weichert Real Estate Affiliates, Inc.**

### **Notes to Financial Statements**

#### **1. Business**

Weichert Real Estate Affiliates, Inc. (the "Company") is a privately owned nationwide franchising company. The Company's primary business is the franchising of real estate brokerage firms using the WEICHERT, REALTORS® name.

The Company is affiliated with other entities through the common ownership of or control by its current shareholder and/or members of the current shareholder's immediate family. As discussed in Note 5, the Company, in the normal course of business, has transactions and relationships with these other entities, which are sometimes referred to as affiliates or affiliated entities. Due to the inherent nature of related party transactions, the transactions with affiliated entities may not be representative of transactions with unrelated third parties.

#### **2. Summary of Significant Accounting Policies**

##### **Revenue Recognition**

The Company recognizes initial franchise fees paid to the Company from the franchisee as revenue upon the impact date. The impact date is the commencement of operations as a WEICHERT, REALTORS® franchisee. Prior to the impact date, all initial franchise fees received are recorded as deferred income. All services required by the Weichert Real Estate Affiliates, Inc. Office Franchise Agreement (the "Franchise Agreement") are provided by the Company prior to recognizing revenue.

The Company recognizes royalty income based upon gross closed commission income reported by the franchisee as agreed upon in the Franchise Agreement. Gross commission income of the franchisee is recognized upon closing of a sales contract. Annual volume incentive rebates are provided to franchisees that meet certain royalty fee benchmarks. These rebates are recorded as a reduction of royalty income. Other types of non-commissionable income are recorded as revenue when earned.

Accounts receivable are recorded net of an allowance for doubtful accounts. The Company is required to estimate the collectability of its receivables. Allowances for doubtful accounts are established through the evaluation of accounts receivable agings and prior collection experience to estimate the ultimate collectability of these receivables. Accounts receivable are stated net of an allowance for doubtful accounts of \$641,855, \$760,553 and \$1,010,653 at December 31, 2021, 2020, and 2019, respectively.

##### **Loans Receivable**

At times, the Company advances loans to franchisees to cover conversion costs, administrative costs and marketing allowances. Such amounts are amortized over the term of the loan or Franchise Agreement with a balance due upon termination of the Franchise Agreement if certain performance targets are not met. During the years ended December 31, 2021, 2020, and 2019, \$37,808, \$38,208 and \$37,708, respectively, of loans were amortized and recorded as a reduction to royalty income.

## **Weichert Real Estate Affiliates, Inc.**

### **Notes to Financial Statements**

#### **Property, Equipment and Software**

Property, equipment and software are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization expense is calculated principally on the straight-line method over the estimated useful lives of the assets, which are generally five to seven years for equipment and furniture and fixtures, five years for computer system development and 20 years for leasehold improvements to properties leased from an affiliate as discussed in Note 5. Repairs and maintenance costs are expensed as incurred, and major renewals and improvements are capitalized. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation and amortization is removed from the accounts, and any gain or loss on the disposition is reflected in the results of operations.

The Company considers whether there has been a permanent impairment in the value of its long-lived assets, primarily property and equipment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. The Company evaluates various factors including operating results, business plans and future cash flows. Recoverability of property and equipment is evaluated by a comparison of the carrying amount of an asset or asset group to future net undiscounted cash flows expected to be generated by that asset or asset group. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds its estimated fair value.

At December 31, 2021, the Company determined, based on its evaluation, that the carrying values of its long-lived assets were not impaired.

#### **Advertising**

The Company expenses the cost of advertising and promotions as incurred.

#### **Income Taxes**

The Company, with the consent of its sole shareholder, has elected to be taxed as an "S" Corporation under the applicable sections of the Internal Revenue Code and state statutes in states that recognize "S" Corporations. Under these sections, Federal and state income taxes on income of the Company are the responsibility of the shareholder and are not reflected in the Company's financial statements.

The Company has no unrecognized tax benefits at December 31, 2021, 2020, and 2019. The Company's Federal and substantially all state income tax returns prior to 2018 are closed, and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company would recognize interest and penalties associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the balance sheets. For the years ended December 31, 2021, 2020, and 2019, there were no interest and penalties incurred.



## **Weichert Real Estate Affiliates, Inc.**

### **Notes to Financial Statements**

#### **Use of Estimates**

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

#### **Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and accounts receivable. At December 31, 2021, the Company held cash on deposit in excess of federally insured limits totaling \$66,930. At December 31, 2021, the restricted assets - Marketing fund contains cash on deposit in excess of federally insured limits totaling \$3,845,890.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of franchisees, and the payment terms extended are generally short. The Company closely monitors the extension of credit to its franchisees while maintaining allowances for potential credit losses. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for doubtful accounts, based on a history of past write-offs and collections and current credit considerations.

#### **Subsequent Events**

The Company has evaluated subsequent events through March 16, 2022, which is the date the financial statements were available to be issued.

## Weichert Real Estate Affiliates, Inc.

### Notes to Financial Statements

#### 3. Property, Equipment and Software

Property, equipment and software consist of the following:

	December 31,		
	2021	2020	2019
Office equipment	\$ 338,820	\$ 338,820	\$ 333,590
Furniture and fixtures	173,285	173,285	173,285
Leasehold improvements	359,802	359,802	359,802
Computer system development	666,352	-	-
	<u>1,538,259</u>	<u>871,907</u>	<u>866,677</u>
Less accumulated depreciation and amortization	834,675	802,281	778,496
Total property, equipment and software, net	<u>\$ 703,584</u>	<u>\$ 69,626</u>	<u>\$ 88,181</u>

#### 4. Retirement Plan

The Company participates in the Weichert Profit Sharing and 401(k) Plan (the "Plan"), a defined contribution retirement plan. The Plan provides for retirement benefits to all eligible employees. Company contributions made to the Plan are at the discretion of the management of Weichert Co., an affiliated entity. There were no discretionary contributions to the Plan by the Company for the years ended December 31, 2021, 2020, and 2019.

The Plan also provides for a 401(k) savings plan feature. This feature provides for an employer match of qualifying employee contributions at the discretion of the management of Weichert Co. There were \$50,647, \$43,271 and \$58,973 of 401(k) savings plan matching contributions for the years ended December 31, 2021, 2020, and 2019, respectively.

#### 5. Related Party Transactions

The Company incurred charges from an affiliate for administrative costs incurred on behalf of the Company in the amount of \$2,606,841, \$1,860,080 and \$1,738,234 in 2021, 2020 and 2019, respectively. These costs include general accounting, advertising, marketing, information technology support, recruiting, training and in-house legal services. These costs are included within selling, general and administrative expenses. In addition, the same affiliate charges the Company rent and maintenance for use of corporate office space on a month-to-month basis. These costs are included within selling, general and administrative expenses (see Note 6) in the amount of \$213,349, \$213,380 and \$215,839 in 2021, 2020 and 2019, respectively.

Due from affiliates at December 31, 2021, 2020, and 2019 of \$26,408,007, \$21,575,918 and \$15,561,345, respectively, resulted primarily from transactions in connection with a centralized cash management function provided by an affiliated company. The amount is due on demand and does not

## Weichert Real Estate Affiliates, Inc.

### Notes to Financial Statements

bear interest. In connection with the centralized cash management function, all third-party payables are managed by this affiliate.

Included in selling, general and administrative expenses are contributions to The Weichert Marketing Fund in the amount of \$900,562, \$730,358 and \$717,626 in 2021, 2020 and 2019, respectively. These amounts are contributed based on 5% of royalties received from the franchises.

#### 6. Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of the following:

	Year Ended December 31,		
	2021	2020	2019
Salaries and benefits	\$ 4,533,029	\$ 4,632,641	\$ 5,711,557
Professional fees	207,051	265,918	250,658
Travel expenses	325,073	147,533	1,210,289
Advertising and business promotion	2,179,754	1,735,247	3,001,760
Rent expense	213,349	213,380	215,839
Other expenses	4,696,701	3,666,667	2,900,806
Totals	<u>\$12,154,957</u>	<u>\$ 10,661,386</u>	<u>\$ 13,290,909</u>

#### 7. Commitments and Contingencies

##### Franchisor Commitments

As of December 31, 2021, the Company has entered into Franchise Agreements for 383 offices, of which 372 were open. The standard term of the Franchise Agreement is 10 years. The Company and the franchisee may mutually agree to terminate the Franchise Agreement at any time during its term. The Company cannot terminate the Franchise Agreement without cause. The Company has the right to match any offer to purchase the franchisee's business.

As part of the Franchise Agreement, the Company receives an initial franchise fee and other continuing fees. Other continuing fees include a percentage of gross closed commission income and certain other fees including, but not limited to, marketing fees, training fees in excess of services provided initially and convention and conference fees.

The Company provides the franchisee a value package as initial services, prior to the commencement of operations. The value package may include, but is not limited to, signage, stationery and special marketing and training materials. The costs associated with these services are included within selling, general and administrative expenses. Expenses related to providing these services for the years ended December 31, 2021, 2020, and 2019 were \$603,932, \$317,355 and \$943,845.

## **Weichert Real Estate Affiliates, Inc.**

### **Notes to Financial Statements**

#### **The Weichert Marketing Fund**

In accordance with the Franchise Agreement, the Company maintains The Weichert Marketing Fund (the "Fund") to collect and administer funds on behalf of the individual franchises. Franchise owner contributions, along with Company contributions, are used for promotional and advertising programs designed to enhance the reputation of the Company and its franchise owners. To the extent the Company does not expend amounts collected, the Company may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum back to the franchisees on a pro rata basis. The assets of the Fund, which are restricted for use by the Fund, along with an offsetting liability of the same amount, are included in the balance sheets.

#### **Risks and Uncertainties**

In early 2020, the coronavirus that causes COVID-19 became a global pandemic. While the economic disruption is currently expected to be temporary, there is considerable uncertainty around the duration of this economic disruption. Therefore, while the Company expects the economic disruption could impact its financial condition, results of operations, and cash flows, the extent of the financial impact and duration cannot be reasonably estimated at this time.

#### **Litigation**

The Company is a party to lawsuits and claims arising out of the conduct of its business. While the ultimate outcome of these proceedings cannot be predicted with certainty, management believes the overall effect of these lawsuits will not be material to the Company's financial position, results of operations or cash flows.



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## EXHIBIT C

### STATE FRANCHISE ADMINISTRATORS

#### CALIFORNIA

Office of the Commissioner  
California Department of  
Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, California 90013-2344  
(866) 275-2677

#### HAWAII

Commissioner of Securities of the State of  
Hawaii  
Department of Commerce and Consumer Affairs  
– Business Registration Division, Securities  
Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

#### ILLINOIS

Franchise Division  
Office of Attorney General  
State of Illinois  
500 South Second Street  
Springfield, Illinois 62706

#### INDIANA

Franchise Section  
Indiana Securities Commission  
302 West Washington Street, Room E-111  
Indianapolis, Indiana 46204

#### MARYLAND

Maryland Division of Securities  
Office of the Attorney General  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

#### MICHIGAN

Consumer Protection Division  
Antitrust and Franchise Unit  
Michigan Department of Attorney General  
670 Law Building  
Lansing, Michigan 48913

#### MINNESOTA

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198

#### NEW YORK

New York State Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21<sup>st</sup> Fl.  
New York, New York 10005

#### NORTH DAKOTA

North Dakota Securities Department  
600 East Boulevard, Fifth Floor  
Bismarck, North Dakota 58505

#### RHODE ISLAND

Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, Rhode Island 02920

#### SOUTH DAKOTA

Department of Labor and Regulation  
Division of Insurance  
Securities Regulation  
124 S Euclid, Suite 104  
Pierre SD 57501  
(605) 773-3563

#### VIRGINIA

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 East Main Street, 9th Floor  
Richmond, Virginia 23219

#### WASHINGTON

Securities Division  
Department of Financial Institutions  
150 Israel Rd. SW  
Tumwater, WA 98501  
(360) 902-8760  
Mailing address:  
Securities Division  
Department of Financial Institutions  
PO Box 9033  
Olympia, WA 98507

#### WISCONSIN

Securities and Franchise Registration  
Wisconsin Securities Commission  
201 W. Washington Avenue – 3<sup>rd</sup> Fl.  
Madison, Wisconsin 53703

**EXHIBIT D**

**AGENTS FOR SERVICE OF PROCESS**

## CALIFORNIA

Office of the Commissioner  
California Department of  
Financial Protection and Innovation  
320 West 4th Street, Suite 750  
Los Angeles, California 90013-2344

## HAWAII

Commissioner of Securities of the State of  
Hawaii  
Department of Commerce and Consumer Affairs  
– Business Registration Division, Securities  
Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813

## ILLINOIS

Attorney General of the State of Illinois  
500 South Second Street  
Springfield, Illinois 62706

## INDIANA

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204

## MARYLAND

Maryland Securities Commissioner  
200 St. Paul Place  
Baltimore, Maryland 21202-2020

## MICHIGAN

Michigan Department of Commerce  
Corporations and Securities Bureau  
6586 Mercantile Way  
Lansing, Michigan 48909

## MINNESOTA

Commissioner of Securities  
Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101-2198

## NEW YORK

Secretary of State of the State of New York  
99 Washington Avenue  
Albany, New York 12231

## NORTH DAKOTA

Securities Commissioner, State of North Dakota  
600 East Boulevard, Fifth Floor  
Bismarck, North Dakota 58505

## RHODE ISLAND

Director of Department of Business Regulation  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, Rhode Island 02920

## SOUTH DAKOTA

Department of Labor and Regulation  
Division of Insurance  
Securities Regulation  
124 S Euclid, Suite 104  
Pierre, South Dakota 57501

## VIRGINIA

Clerk of the State Corporation Commission  
1300 East Main Street  
Richmond, Virginia 23219

## WASHINGTON

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

## WISCONSIN

Commissioner of Securities  
201 W. Washington Avenue – 3<sup>rd</sup> Fl.  
Madison, Wisconsin 53703



**EXHIBIT E**

**STATE ADDENDA TO DISCLOSURE DOCUMENT**

## CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

### WEBSITE DISCLAIMER

The url address for our franchise website is [www.weichertfranchise.com](http://www.weichertfranchise.com).

**OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).**

### ITEM 12 TERRITORY

1. The following sentence is added at the end of the paragraph in Item 12 concerning our reservation of territorial rights which begins "Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the above activities":

"These waivers and releases are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law (California Corporations Code Sections 31000 through 31516) or California Franchise Relations Act (California Business and Professions Code Sections 20000 through 20043). These waivers and releases will not apply to claims arising under the California Franchise Investment Law or California Franchise Relations Act."

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

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
2. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).
3. The Franchise Agreement contains a provision requiring application of the laws of New Jersey. This provision may not be enforceable under California law.
4. The Franchise Agreement requires venue to be limited to New Jersey. This provision may not be enforceable under California law. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
5. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. You must sign a general release of claims if you enter into a successor franchise agreement with us or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your franchise agreement.
8. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

9. Neither the franchisor nor any person or franchise broker disclosed in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.
10. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
11. The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

## HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

- A. This proposed registration is exempt from the registration requirements of the states of Connecticut, Florida, Iowa, Maine, North Carolina, Ohio, Oklahoma and South Carolina.
- B. This proposed registration is or will be shortly on file in the states of California, Hawaii, Illinois, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.
- C. No states have refused, by order or otherwise, to register these franchises.
- D. No states have revoked or suspended the right to offer these franchises.
- E. The proposed registration of these franchises has not been withdrawn in any state.
- F. No release language set forth in the Franchise Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Hawaii.

## ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Illinois:

### **ITEM 13      TRADEMARKS**

While the franchisor does not own the Proprietary Marks, its corporate affiliate owns the Proprietary Marks and has licensed the franchisor both to use them and to sublicense them to its franchisees.

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

1.      Notice Required By Law

THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON-RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 AND 705/20.

2.      The provisions of the Franchise Agreement and all other agreements concerning governing law, jurisdiction, venue and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. Illinois law governs the Franchise Agreement with respect to Illinois franchisees.

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

4.      Section 31.02 ("Your Acknowledgments") is deleted from all Illinois Franchise Agreements.

## INDIANA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or New Jersey law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than New Jersey law, as stated in Section 28.04 of the Franchise Agreement.
2. Venue for litigation will not be limited to New Jersey, as specified in Section 28.05 of the Franchise Agreement.
3. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the franchise agreement, will supersede the provisions of Article 17 of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 12.03 of the Franchise Agreement ("Enforcement of Covenants Not to Compete") will not apply to franchises offered and sold in the State of Indiana.
6. Article 23.01 of the Franchise Agreement ("Franchisor's Withholding of Consent – Franchisee's Exclusive Remedy") will not apply to franchises offered and sold in the State of Indiana.
7. Section 24.01 of the Franchise Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
8. Section 28.07 ("Punitive Damages") is deleted from the Franchise Agreement.
9. Notwithstanding the terms of Section 7.18 of the Franchise Agreement, Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee's proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor's negligence.

## MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede and apply to all franchises offered and sold in the State of Maryland:

### **ITEM 12 TERRITORY**

The following sentence is added at the end of the paragraph in Item 12 concerning our reservation of territorial rights which begins "Under the terms of the Franchise Agreement, you waive and release any claims, demands or damages arising from or related to any of the activities described above":

"These waivers and releases are not intended to nor will they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. These waivers and releases will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law."

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

1. The general release required as a condition of entering into a successor franchise agreement with us, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the Franchise.

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a Franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the Franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising of other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of Franchisor's intent not to renew the franchise.
- (e) A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a Franchisor to refuse to permit a transfer or ownership of a franchise, except for good cause. This subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to
  - (i) The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the Franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay an sums owing to the Franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants to a Franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).



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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN.: FRANCHISE, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

## **MINNESOTA ADDENDUM TO THE DISCLOSURE DOCUMENT**

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply:

### **ITEM 13 TRADEMARKS**

1. Franchisor will protect your right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

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

1. Minn. Stat. '80C.21 and Minn. Rule 2860.4400J prohibits Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement.
5. Under the terms of the Franchise Agreement as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions."
6. Minnesota Rule 2860.4400J prohibits requiring a franchisee to consent to liquidated damages. Under the terms of the Franchise Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, all references to liquidated damages are deleted.

## NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

The following information is added to the cover page of the Disclosure Document, and notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold under the laws of the State of New York:

The franchisor has represented the following:

- 1) that no portion of the initial franchise fee has been allocated to the trademark or intellectual property;
- 2) that the initial franchise fee consists only of payments for franchise opening assistance, which is distinct from and not brand or trademark related to the franchisor.

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

### **ITEM 2. BUSINESS EXPERIENCE**

Item 2 of the Disclosure Document lists the directors, principal officers and other executives who will have management responsibility in connection with the operation of Weichert Real Estate Affiliates, Inc.'s ("Weichert's") business relating to the franchises offered by this Disclosure Document, with a statement for each regarding his principal occupations over the past five years.

### **ITEM 3. LITIGATION**

The following is added at the end of Item 3:

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities

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

#### **ITEM 4. BANKRUPTCY**

Neither Weichert nor any predecessor, affiliate, officer or general partner of Weichert has, during the ten year period immediately preceding the date of this Disclosure Document, (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of Weichert held this position in the company or partnership.

#### **ITEM 5 INITIAL FEES**

We use the proceeds from Initial Franchise Fees to defray a portion of our expenses in connection with marketing, licensing and establishing franchises, such as costs related to developing and improving our services to franchisees; expenses of preparing and registering the annual Disclosure Documents; legal and accounting fees; costs of obtaining and screening franchisees; and general administrative expenses.

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

1. You may utilize whatever legal rights you may possess to suspend or discontinue operations due to a breach by Weichert and you may terminate the Agreement on any grounds available by law.

Accordingly, the following language replaces the "Summary" section of Item 17(d), entitled "Termination by you": "You may terminate the agreement on any grounds available by law."

2. Sections 13.01(B) and 14.04 (A)(13) of the Franchise Agreement will be amended to include the following language immediately following the requirement that Franchisee execute a General Release:

"Provided, however, that all rights enjoyed by Franchisee and any causes of action arising in its favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied."

3. The requirements of Sections 12.03, 18.01 and 24.01 of the Franchise Agreement that you consent to the entry of an injunction are modified in the State of New York to provide only that you consent to the seeking of such an injunction.

4. The following sentence is added to the end of the section entitled "Assignment of contract by us" in Item 17(j) of the Disclosure Document:

"However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement."

5. The following sentence is added at the end of the section entitled "Modification of the agreement" in Item 17(s) of the Disclosure Document:

"However, any new or different requirement set forth will not unreasonably increase your obligations or place an excessive economic burden on your operations."

6. The following language is added to the end of each of Items 17(v) ("Choice of forum") and 17(w) ("Choice of law") of the Disclosure Document:

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

## NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of North Dakota:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or New Jersey law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than New Jersey law, as stated in Section 28.04 of the Franchise Agreement.
2. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of North Dakota, is deleted from Franchise Agreements issued in the State of North Dakota.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Covenants restricting competition in the State of North Dakota may be subject to Section 9-08-06 of the North Dakota Century Code.
5. Section 28.05 of the Franchise Agreement ("Venue") is deleted from all Franchise Agreements used in the State of North Dakota.
6. The provisions for liquidated damages in Items 6 and 17 of the Disclosure Document are deleted from all Disclosure Documents used in North Dakota.
7. The following phrase is deleted from Section 17.04 of all Franchise Agreements used in the State of North Dakota: ", and will entitle us to receive the liquidated damages provided by Section 18.01 (as with any termination of this Agreement by us because of your default or your termination of this Agreement for any other reason)"
8. Section 18.01 is deleted from all Franchise Agreements used in the State of North Dakota,
9. Section 28.06 is deleted from all Franchise Agreements used in the State of North Dakota,
10. Section 28.02 is deleted from all Franchise Agreements used in the State of North Dakota and the following language is substituted for it:

"The prevailing party will be entitled to recover from the losing party reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if the prevailing party prevails in any action instituted against the losing party to secure or protect its rights under this Agreement, or to enforce the terms of this Agreement, or in any action commenced or joined in by the losing party against the prevailing party."

**ADDENDUM TO  
FRANCHISE DISCLOSURE DOCUMENT  
ADDITIONAL INFORMATION REQUIRED BY  
THE STATE OF RHODE ISLAND**

In recognition of the requirements of the State of Rhode Island Franchise Investment Act (the "Act"), §19-28.1 *et seq.*, the Franchise Disclosure Document submitted by Weichert Real Estate Affiliates, Inc., for use in the State of Rhode Island is amended as follows:

1. Item 17 u.- Dispute resolution by arbitration or mediation shall comply with §19-28.1-21 of the Act - Private civil actions - and be amended to read:

*(a.) A person who violates any provision of this Act is liable to the franchisee for damages, costs, and attorneys and experts fees. In the case of a violation of §§ 19-28.1-5, 19-28.1-8, or 19-28.1-17(1)-(5), the franchisee may also sue for rescission. No person shall be liable under this section if the defendant proves that the plaintiff knew the facts concerning the violation.*

*(b) Every person who directly or indirectly controls a person liable under this section, every principal executive officer or director of the liable person, every person occupying a similar status or performing similar functions, and every agent or employee of a liable person, who materially aids in the act or transaction constituting the violation, is also liable jointly and severally with and to the same extent as the person liable under this section, unless the agent, employee, officer, or director proves he or she did not know, and in the exercise of reasonable care could not have known of the existence of the fact by reason of which the liability is alleged to exist.*

2. Item 17 v. - Choice of forum and Item 17 w. - Choice of law shall comply with § 19-28.1-14 of the Act - Jurisdiction and venue - and be amended to read:

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

**Addendum to Disclosure Document  
Pursuant to the Virginia Retail Franchise Act**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, this Franchise Disclosure Document for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17. h

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



## WASHINGTON ADDENDUM TO THE DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Washington:

1. If any of the provisions in the franchise Disclosure Document or franchise agreement are inconsistent with the relationship provisions of RCW 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over the inconsistent provisions of the franchise Disclosure Document and franchise agreement with regard to any franchise sold in Washington.
2. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
3. A release or waiver of rights executed by a Franchisee will not include rights under the Act except when executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, and rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
4. The state of Washington has a statute, RCW 19.100.180 which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor including the areas of termination and renewal of your franchise.
5. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
6. Transfer fees are collectable to the extent that they reflect the Franchisor's reasonable estimated or actual costs in effecting a transfer.
7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

## WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Wisconsin:

1. **REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.**
2. The following will apply to Franchise Agreements in the State of Wisconsin:
  - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 will apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  - b. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives 90 days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and 60 days to remedy claimed deficiencies, shall supersede the requirements of Article 17 of the Franchise Agreement to the extent they may be inconsistent with the Act's requirements.

**EXHIBIT F**

**LIST OF OPERATIONAL FRANCHISEES**

**EXHIBIT F**  
**LIST OF OPERATIONAL FRANCHISEES**  
**(AS OF 12/31/21)**

<b>Franchisee</b>	<b>Street</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>	<b>Contact</b>
<b>ALABAMA</b>						
Weichert, Realtors® - The Space Place	403 4th Ave., SW	Cullman	AL	35055	856-737-9611	Brenda Elliott
Weichert, Realtors® - JBR Legacy Group	410 Honeysuckle Rd.	Dothan	AL	36305	334-794-7211	James Bowman
Weichert, Realtors® - Coastal Resort	209 E 16th Avenue	Gulf Shores	AL	36542	251-968-1777	Danielle Mize
Weichert, Realtors® - The Space Place	6767 Old Madison Pike, Suite 135	Huntsville	AL	35806	256-270-0310	Brenda Elliott
Weichert, Realtors® - The Space Place	8075 Madison Blvd., Suite 104	Madison	AL	35758	256-489-7210	Brenda Elliott
Weichert, Realtors® - Romano Properties	2711 Pelham Parkway, Suite C	Pelham	AL	35124	205-358-7953	Marie Romano
<b>ARKANSAS</b>						
Weichert, Realtors® - The Griffin Company	3301 South Walton Blvd., Suite 1	Bentonville	AR	72712	479-268-5500	Gary Griffin
Weichert, Realtors® - The Griffin Company	2719 N. Drake Street	Fayetteville	AR	72703	479-935-4090	Gary Griffin
Weichert, Realtors® - The Griffin Company	3920 Rogers Avenue	Fort Smith	AR	72903	479-242-4000	Gary Griffin
Weichert, Realtors® - Market Edge	126 Industrial Park Rd., Suite B	Harrison	AR	72601	870-743-5555	Melissa Collins
Weichert, Realtors® - Home Source	105 Reynolds Road	Paragould	AR	72450	870-236-3100	Sandra Kelley
Weichert, Realtors® - The Griffin Company	5100 S. Thompson Street	Springdale	AR	72764	479-756-1003	Gary Griffin

**ARIZONA**

Weichert, Realtors® - Home Pro Realty	4365 E Pecos Rd., Suite 107	Gilbert	AZ	85295	480-878-533	Aaron Stradling
Weichert, Realtors® - Home Pro Realty	6268 S. Kings Branch Road, Suite 12	Gold Canyon	AZ	85218	480-982-7370	Tony Vehon
Weichert, Realtors® - Peak Performance	13352 N 83rd Ave., Suite 103	Peoria	AZ	85381	623-321-3486	Sally Liddicoat
Weichert, Realtors® - CLA	1488 Sierry Peaks Drive	Prescott	AZ	86305	866-662-9200	Colleen McElmell
Weichert, Realtors® - Civic Center	4414 N Civic Center Plaza, Suite 100	Scottsdale	AZ	85251	602-291-2090	Chris Bianco
Weichert, Realtors® - Courtney Valleywide	5801 S McClintock Dr., Suite 105	Tempe	AZ	85282	480-705-9600	Randall Courtney

**CALIFORNIA**

Weichert, Realtors® - All Stars	407 N Maple Drive	Beverly Hills	CA	90210	310-922-9300	Celia Safranovitz
Weichert, Realtors® - HH and Associates	4501 Ohara Avenue, Suite A	Brentwood	CA	94513	925-634-4611	David Hansen
Weichert, Realtors® - America First Team	1028 Diablo St.,	Clayton	CA	94517	925-672-9091	Julie Rogers
Weichert, Realtors® - Orange Coast	5252 Orange Ave., Suite 107	Cypress	CA	90630	714-828-2100	Jim Sugden
Weichert, Realtors® - North Country	445 Marine View Ave., Suite 240	Del Mar	CA	92014	858-792-5797	Robert Preston
Weichert, Realtors® - Sierra Pacific Group	705 Gold Lake Drive, Suite 250	Folsom	CA	95630	916-656-4663	Scott Kirk
Weichert, Realtors® - The Dole Group	17150 Newhope St., Suite 215	Fountain Valley	CA	92708	714-252-4444	Khoa Do
Weichert, Realtors® - Oasis	42442 10th Street W, Suite B	Lancaster	CA	93534	661-267-2400	Issam Alshaer
Weichert, Realtors® - GlobalPoint	1 World Trade Center	Long Beach	CA	90802	562-221-0055	Chris Lechner

Weichert, Realtors® - Community Real Estate	25090 Jefferson Ave., Suite B	Murrieta	CA	92562	951-237-2723	Kristene Foley
Weichert, Realtors® - Rainbow Properties	6658 Thornton Avenue	Newark	CA	94560	510-791-7923	Adam Modzeleski
Weichert, Realtors® - Superior Homes	120 Magnolia Ave.	Oxnard	CA	93030	805-487-3880	Jose Escamilla
Weichert, Realtors® - Valleywide	68 E 11th Street, Suite 109	Tracy	CA	95376	209-879-9160	Luis Zubiante

#### **COLORADO**

Weichert, Realtors® - Professionals	6436 S Racine Circle, Suite 223 & 224	Centennial	CO	80111	303-302-4000	Tim Davis
Weichert, Realtors® - Pikes Peak Group	411 S. Tejon Street	Colorado Springs	CO	80903	719-634-0500	Monika Newman

#### **CONNECTICUT**

Weichert, Realtors® - Browning & Browning	580 Providence Road	Brooklyn	CT	06234	860-774-4005	Charles Browning
Weichert, Realtors® - On The Mark	47 Cherry Street	Milford	CT	06460	203-283-1422	Mark Liberman
Weichert, Realtors® - Madison Post	388 Main Street	Ridgefield	CT	06877	203-431-1400	Nicholas Germak
Weichert, Realtors® - Madison Post	60 Long Ridge Road	Stamford	CT	06902	203-322-8800	Nicholas Germak
Weichert, Realtors® - Four Corners Real Estate, LLC	1733 Storrs Road	Storrs	CT	06268	860-429-9700	Lawrence Ross
Weichert, Realtors® - Sawicki & Associates	950 Yale Avenue, Suite 30	Wallingford	CT	06492	203-678-4447	Pam Beaudoin
Weichert, Realtors® - Briotti Group	750 Watertown Ave	Waterbury	CT	06708	203-754-5171	Stephen Briotti
Weichert, Realtors® - The Zubretsky Group	449 Silas Deane Highway, #2A	Wethersfield	CT	06109	860-263-2121	John Zubretsky, Jr.
Weichert, Realtors® - Briotti Group	246 Wolcott Road	Wolcott	CT	06716	203-879-2339	Stephen Briotti

**FLORIDA**

Weichert, Realtors® - Yates & Associates	6160 N US Highway 41	Apollo Beach	FL	33572	813-649-1002	Jeanette Yates
Weichert, Realtors® - Coastal City	705 Atlantic Blvd.	Atlantic Beach	FL	32233	904-249-7003	Peter Sapia
Weichert, Realtors® - Brandon Realty	211 N. Parsons Ave.	Brandon	FL	33510	813-689-1500	Nora Redding
Weichert, Realtors® - Agency ONE	1113 SE 47th Terrace, Suite 7	Cape Coral	FL	33904	239-415-6500	Megan Eister
Weichert, Realtors® - Equity Tarpon	1384 Pierce Street	Clearwater	FL	33756	727-945-0500	Peter Chicouris
Weichert, Realtors® - Hallmark Properties	4300 South Highway 27, Suite 103	Clermont	FL	34711	352-536-9948	Steven Pilchick
Weichert, Realtors® - NexGen	8180 NW 36th Street, Suite 225	Doral	FL	33166	786-477-8090	Rocardo Montalvan
Weichert, Realtors® - Realty Extra	642 N. Indiana Avenue	Englewood	FL	34223	941-475-8310	Estelle Dichazi
Weichert, Realtors® - Hallmark Properties	5200 N Federal Highway, Suite 7	Fort Lauderdale	FL	33304	954-990-6497	Steven Pilchick
Weichert, Realtors® - Agency ONE	8191 College Parkway, Suite 206	Fort Meyers	FL	33919	239-415-6500	Megan Eister
Weichert, Realtors® - Sunshine Properties	810 Saturn Street, Suite 21	Jupiter	FL	33477	561-747-7368	Richard Clegg
Weichert, Realtors® - Hallmark Properties	1001 W. Cherry Street, Suite B	Kissimmee	FL	34741	407-870-8388	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	135 Parliament Loop, Suite 1001	Lake Mary	FL	32746	407-585-0500	Steven Pilchick
Weichert, Realtors® - True Quality Service	7109 Lake Worth Road	Lake Worth	FL	33467	561-488-7653	Michael Garcia
Weichert, Realtors® - Hallmark Properties	1787 W. State Road 434	Longwood	FL	32750	407-862-9966	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	7640 N. Wickham Rd., Suite 102	Melbourne	FL	32940	321-327-2993	Steven Pilchick

Weichert, Realtors® - Nustar Associates	13055 Sw 42nd Street, Suite 107	Miami	FL	33175	305-207-9065	Miriam Senor
Weichert, Realtors® - Hallmark Properties	947 N Donnelly Street	Mount Dora	FL	32757	352-729-6528	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	235 North Causeway	New Smyrna Beach	FL	32168	386-427-2622	Steven Pilchick
Weichert, Realtors® - Alfa Group	2037 NE 163rd Street	North Myrtle Beach	FL	33162	305-974-5039	Joel Arguello
Weichert, Realtors® - Hallmark Properties	724 S Magnolia Avenue	Ocala	FL	34470	352-867-7800	Steven Pilchick
Weichert, Realtors® - The Coffey Group	1855 Wells Road, Suite 8	Orange Park	FL	32073	904-214-4432	Russell Coffey
Weichert, Realtors® - Hallmark Properties	937 N. Magnolia Avenue	Orlando	FL	32803	407-841-0888	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	4614 S. Kirkman Road	Orlando	FL	32811	407-299-3000	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	404 South Atlantic Avenue	Ormond Beach	FL	32176	386-944-1080	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	1977 Alafaya Trail, Suite 1111	Oviedo	FL	32765	407-971-9696	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	5201 Babcock NE, Suite 2	Palm Bay	FL	32905	321-821-4310	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	9 Harbor Center Drive, Suite 15	Palm Coast	FL	32137	386-445-1200	Steven Pilchick
Weichert, Realtors® - Hallmark Properties	4550 S. Clyde Morris Blvd., Suite E	Port Orange	FL	32129	386-322-0498	Steven Pilchick
Weichert, Realtors® - Integrity Group	2361 SE Seafury Lane	Port St Lucie	FL	34952	772-398-6400	Andrea LaFavor
Weichert, Realtors® - Crown Properties	282 Paseo Reyes Dr.	Saint Augustine	FL	32095	904-770-4663	John Jackiewicz
Weichert, Realtors® - Hallmark Properties	1134 New York Ave.	Saint Cloud	FL	34769	407-891-1220	Steven Pilchick
Weichert, Realtors® - Equity	6500 1st Avenue N	Saint Petersburg	FL	33710	727-343-8100	Peter Chicouris



Weichert, Realtors® - Hallmark Properties	205 N Orange Ave., Suite 101	Sarasota	FL	34236	941-706-2141	Steven Pilchick
Weichert, Realtors® - Integrity Group	143 SW Monterey Rd.	Stuart	FL	34994	772-398-6400	Andrea LaFavor
Weichert, Realtors® - Yates & Associates	1046 W. Busch Blvd., Suite 300	Tampa	FL	33612	813-933-1761	Jeanette Yates
Weichert, Realtors® - Yates & Associates	15249 Amberly Drive, Suite 100	Tampa	FL	33647	813-514-6500	Jeanette Yates
Weichert, Realtors® - Hallmark Properties	1630 Club Drive	Vero Beach	FL	32963	772-231-8480	Steven Pilchick
Weichert, Realtors® - Capella Estates	2800 Weston Road, Suite 103	Weston	FL	33331	954-888-9322	Francisco Capella
Weichert, Realtors® - Hallmark Properties	400 Morse Blvd. W, Suite 103	Winter Park	FL	32789	407-644-5385	Steven Pilchick

## GEORGIA

Weichert, Realtors® - Vision	9570 Nesbit Ferry Road, Suite 100	Alpharetta	GA	30022	678-936-9888	Charlotte Palmer
Weichert, Realtors® - Alder Grove Properties	110 E. Andrews Dr. NW, Suite 316	Atlanta	GA	30305	404-809-4880	Joseph DeLany
Weichert, Realtors® - The Collective	3355 Lenox Road, Suite 320	Atlanta	GA	30306	404-848-0996	Mikel Muffley
Weichert, Realtors® - Cara & Associate	2771 Lawrenceville HWY, Suite 100	Decatur	GA	30033	770-492-1390	Kim Wieloch
Weichert, Realtors® - Real Estate Professionals	201 E General Stewart Way	Hinesville	GA	31313	912-332-5194	Aaron Duncan
Weichert, Realtors® - Prestige Partners	1400 Veterans Memorial Hwy. SE, Suite 138	Mableton	GA	30126	404-437-6297	Stephanie Kennedy
Weichert, Realtors® - Cornerstone	4424 Columbia Road, Suite D	Martinez	GA	30907	706-364-4234	Betty Renard
Weichert, Realtors® - Stanford & Company	1116 E Montgomery Cross Rd, Suite C/D	Savannah	GA	31406	912-356-5533	Melissa Stanford
Weichert, Realtors® - Coastal Properties	1711 Price Street	Savannah	GA	31401	912-356-0010	Joseph Ryan

Weichert, Realtors® - Webb & Associates	95 Bel-Air Drive	Statesboro	GA	30461	912-764-9722	William Webb
Weichert, Realtors® - The Piedmont Sky	7454 Hannover Parkway, Suite 230	Stockbridge	GA	30281	404-975-0717	Chris Hough

#### IDAHO

Weichert, Realtors® - Property Hunters	237 N 1st St.	Eagle	ID	83616	208-918-3658	Joshua Cormier
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#### ILLINOIS

Weichert, Realtors® - First Chicago	209 W. Ohio Street	Chicago	IL	60654	312-467-9900	Ronald Ruby
Weichert, Realtors® - All Pro	7134 W. Grand Avenue	Chicago	IL	60707	773-637-6500	George Ristau
Weichert, Realtors® - Signature Professionals	211 N 1st Street	Dekalb	IL	60115	815-754-5050	Carrie Ottum
Weichert, Realtors® - All Pro	7747 W. Belmont Avenue	Elmwood Park	IL	60707	708-452-7653	George Ristau
Weichert, Realtors® - McKee Real Estate	217 Robert Parker Coffin Road	Long Grove	IL	60047	847-634-6500	Roberta O'Reilly
Weichert, Realtors® - Tovar Properties	5812 East Drive	Loves Park	IL	61111	815-877-8500	Rion Tovar-South
Weichert, Realtors® - Advantage	200 S Main Street, Suite 6	Naperville	IL	60540	630-219-2400	Beverly Gale
Weichert, Realtors® - Ambassador	7332 N. Milwaukee Avenue	Niles	IL	60714	847-763-6464	Stephen Costa
Weichert, Realtors® - Your Place Realty	5 E Washington Street	Oswego	IL	60543	630-554-5700	Craig Caffarello
Weichert, Realtors® - Signature Professionals	1218 Currency Court	Rochelle	IL	61068	815-754-5050	Carrie Ottum
Weichert, Realtors® - The Home Team	7903 W 159th Street	Tinley Park	IL	60477	708-960-4476	Teresa Joyce

#### INDIANA

Weichert, Realtors® - The Brawley Group	2676 E 2nd Street	Bloomington	IN	47401	812-336-6888	Jeffrey Brawley
Weichert, Realtors® - New Dimensions	1451 S Green Street, Suite B	Brownsburg	IN	46112	317-286-3336	Nathan Pfahler
Weichert, Realtors® - The Moke Agency	617 N Main Street	Crown Point	IN	46307	219-662-3000	Joseph Moke
Weichert, Realtors® - The Schulz Group	5200 Washington Avenue, Suite F	Evansville	IN	47715	812-479-8711	Mike Schulz
Weichert, Realtors® - Tralee Properties	500 US 31 S	Greenwood	IN	46142	317-883-3333	Daniel Moriarty
Weichert, Realtors® - Cooper Group Indy	816 Fort Wayne Ave.	Indianapolis	IN	46204	317-538-5885	Ronda Bailey-Cooper
Weichert, Realtors® - Success	5329 S Emerson Ave., Suite C	Indianapolis	IN	46237	317-893-5000	Loretta Reynolds
Weichert, Realtors® - ABG Properties	403 Pearl Street	Jeffersonville	IN	47130	502-893-1900	Allison Bartholomew
Weichert, Realtors® - Len Wilson & Associates	210 Meijer Drive, Suite C	Lafayette	IN	47905	765-296-9009	Leonard Wilson
Weichert, Realtors® - Merrion Group	1010 N Karwick	Michigan City	IN	46360	219-872-4000	Mary Welty-Meyer
Weichert, Realtors® - Wold Group	746 E Lincoln Highway	Schererville	IN	46375	219-864-8440	Thomas Wold
Weichert, Realtors® - Jim Dunfee & Associates	54500 N Ironwood Road	South Bend	IN	46635	574-277-7444	Beau Dunfee
Weichert, Realtors® - NWI & Company	840 E Lincoln Way	Valparaiso	IN	46383	219-707-5876	Renata LaSalle

## IOWA

Weichert, Realtors® - The 515 Agency	2575 N Ankeny Blvd., Suite 203	Ankeny	IA	50023	515-257-6007	Matthew Posusta
Weichert, Realtors® - Miller & Clark Agency	300 Walnut Street, Suite 250	Des Moines	IA	50309	515-232-7355	Jason Miller
Weichert, Realtors® - The Peevler Team	804 Main Street	Keokuk	IA	52632	319-524-9510	Tim Peevler

<b>KANSAS</b>						
Weichert, Realtors® - Welch & Company	15245 Metcalf Avenue	Overland Park	KS	66223	913-647-5700	Kent Welch
<b>KENTUCKY</b>						
Weichert, Realtors® - The Hunt Group	1053A - Lovers Lane	Bowling Green	KY	42103	270-745-9900	Thomas Hunt
Weichert, Realtors® - ABG Properties	6427 Highway 146, Suite 4	Crestwood	KY	40014	502-243-4003	Allison Bartholomew
Weichert, Realtors® - ABG Properties	209 E High Street	Lexington	KY	40507	859-543-8253	Allison Bartholomew
Weichert, Realtors® - Ford Brothers	64 Keavy Road, Suite 1	London	KY	40744	606-878-7112	James Ford
Weichert, Realtors® - ABG Properties	2920 Frankfort Avenue, Suite 101	Louisville	KY	40206	502-893-1900	Allison Bartholomew
Weichert, Realtors® - ABG Properties	9115 Leesgate Rd.	Louisville	KY	40220	502-425-2220	Allison Bartholomew
Weichert, Realtors® - ABG Properties	6842 Bardstown Road	Louisville	KY	40291	502-749-8102	Allison Bartholomew
Weichert, Realtors® - Ford Brothers	1215 N Main Street, Suite 5	Monticello	KY	42633	606-256-5229	James Ford
Weichert, Realtors® - Ford Brothers	1071 Berea Road	Richmond	KY	40475	606-256-5229	James Ford
Weichert, Realtors® - H. Barry Smith Co.	88 Brunderstown Rd.	Shelbyville	KY	40065	502-633-2746	Shawn Willard
Weichert, Realtors® - Ford Brothers	1406 S. Highway 27	Somerset	KY	42501	606-679-2656	James Ford
<b>LOUISIANA</b>						
Weichert, Realtors® - Turnkey	7388 Highland Rd., Suite A	Baton Rouge	LA	70808	225-361-0036	Jewel Fourrier
Weichert, Realtors® - Loescher Properties	405 Cedar Street	Madisonville	LA	70447	504-281-2339	Charles Loescher

Weichert, Realtors® - Prestige Homes	3828 Veterans Memorial Blvd., Suite 200	Metairie	LA	70002	504-875-4864	Darlene Plaia
Weichert, Realtors® - LaBranch & Associates	10555 Lake Forest Blvd., Suite 7A	New Orleans	LA	70127	504-300-0820	LaTanya LaBranch
Weichert, Realtors® - Big Star	2517 Jena Street	New Orleans	LA	70115	504-259-0305	Robert Knapp
Weichert, Realtors® - Villar and Company	37283 Swamp Road, Suite 102	Prairieville	LA	70769	225-744-2610	Donna Villar

#### MARYLAND

Weichert, Realtors® - Diana Realty	414 S. Main Street	Bel Air	MD	21014	410-893-1200	Patricia Howard
Weichert, Realtors® - McKenna & Vane	5850 Waterloo Rd., Suite 140	Columbia	MD	21045	410-381-3331	Michael McKenna
Weichert, Realtors® - McKenna & Vane	108 E. Ridgeville Blvd., Suite 202	Mount Airy	MD	21771	301-703-8605	Michael McKenna

#### MASSACHUSETTS

Weichert, Realtors® - Blueprint Brokers	425a Broadway	Everett	MA	02149	857-204-7179	Frank Santaniello
Weichert, Realtors® - SBA Group	160 Osborn Street, Suite 201	Fall River	MA	02721	508-443-3443	Muhammad Mushtaq
Weichert, Realtors® - Donahue Partners	850 Main Street	Falmouth	MA	02540	508-548-5412	Dennis Murphy
Weichert, Realtors® - Daher Companies	235 East Street	Methuen	MA	01844	978-688-7251	Kenneth Daher
Weichert, Realtors® - Hunter Properties	465 S Washington St., Suite 202	North Attleboro	MA	02762	508-695-1041	Cheryl Deschenes
Weichert, Realtors® - Metropolitan Boston Real Estate	490 Broadway, Suite 3	Somerville	MA	02145	617-425-6300	Michael Albano
Weichert, Realtors® - Briarwood Real Estate	31 Belmont Street	South Easton	MA	02375	508-230-8200	Raymond Ferrone
Weichert, Realtors® - Hope & Associates	429a Park Avenue	Worcester	MA	01610	508-795-3885	Julia Acquaah-Harrison

<b>MICHIGAN</b>						
Weichert, Realtors® - Cass Realty	7931 Allen Road	Allen Park	MI	48101	313-357-3800	Ronald LaCasse
Weichert, Realtors® - Grant Hamady	4265 E. Court Street	Burton	MI	48509	810-744-4333	Grant Hamady
Weichert, Realtors® - Emerald Properties	111 N. Bostwick Street	Charlotte	MI	48813	517-543-7363	Eric Crandall
Weichert, Realtors® - Gold Star	69351 M-62	Edwardsburg	MI	49112	269-414-4246	Jeffrey Brown
Weichert, Realtors® - Platinum Group	3061 Macatawa Drive SW, Suite D	Grandville	MI	49418	616-301-2550	Craig Van Assen
Weichert, Realtors® - Home Towne	15851 S US 27, Suite 16	Lansing	MI	48906	517-372-2273	Raymond Piggott
Weichert, Realtors® - Broadway Realty	614 E Broadway Street	Mount Pleasant	MI	48858	989-775-3800	Paula Arndt
Weichert, Realtors® - BHM Preferred	340 N Main St., Suite 324	Plymouth	MI	48170	248-719-8948	Tina Fisher
Weichert, Realtors® - Excel	47699 Van Dyke Avenue	Shelby Township	MI	48317	586-323-7000	Hank Mendez
Weichert, Realtors® - e-Solutions	27205 Harper Avenue	St Clair Shores	MI	48082	586-646-2080	William Christman
Weichert, Realtors® - Select	7285 Orchard Lake Road	West Bloomfield	MI	48322	248-419-3999	Joseph Manuel
<b>MINNESOTA</b>						
Weichert, Realtors® - Integrity	12 Bridge Square, Suite 203	Anoka	MN	55303	763-754-1400	Rodney Schimmel
Weichert, Realtors® - Paulson Land Company	117 N Lake Ave.	Battle Lake	MN	56515	218-864-5203	Laurie Henkes
Weichert, Realtors® - Mnsota	101 Jefferson Blvd.	Big Lake	MN	55309	763-262-0010	Jeffrey Nagorski

Weichert, Realtors® - Tower Properties	17122 State Highway 371	Brainerd	MN	56401	218-825-7787	Timothy Bosch
Weichert, Realtors® - Carnel & Co.	100 4th Street S	Cannon Falls	MN	55009	507-263-4279	Robert Siebenaler
Weichert, Realtors® - Heartland	1801 Green Street	Faribault	MN	55021	507-334-2173	Jake Piller
Weichert, Realtors® - Community Group	300 St. Andrews Drive, Suite 110	Mankato	MN	56001	507-388-1111	Rich Draheim
Weichert, Realtors® - Achieve	16154 Main Ave., SE. Suite 110D	Prior Lake	MN	55372	612-547-8278	Brian Burkart
Weichert, Realtors® - Jewson Properties	105 Pembroke Avenue	Wabasha	MN	55981	651-565-2618	Jay Jewson
Weichert, Realtors® - Tower Properties	514 3rd St N.	Waite Park	MN	56387	320-259-7674	Timothy Bosch
Weichert, Realtors® - Advantage	1907 Wayzata Blvd., Suite 110	Wayzata	MN	55391	952-345-9400	Mark LaQua
Weichert, Realtors® - Tower Properties	2320 Highway 12 E, Suite 5	Willmar	MN	56201	320-262-7787	Tim Bosch
Weichert, Realtors® - Advantage	710 Commerce Drive, Suite 180	Woodbury	MN	55125	888-578-2210	Mark LaQua

#### MISSISSIPPI

Weichert, Realtors® - Innovations	98 S Timber Street	Brandon	MS	39042	601-824-1140	Clayton Parker
Weichert, Realtors® - Innovations	1085-A Gluckstadt Road, Bldg. 200	Madison	MS	39110	601-709-8770	Buck Covington
Weichert, Realtors® - Gulf Properties	2668 Bienville Blvd.	Ocean Springs	MS	39564	228-400-4853	Lynn Wade

#### MISSOURI

Weichert, Realtors® - Good Life	2277 Highway 265	Branson	MO	65616	417-338-4500	La Nora Kay
Weichert, Realtors® - First Tier	3700 Monterey Drive, Suite A	Columbia	MO	65203	573-256-8601	Robert Smith

Weichert, Realtors® - Laurie Realty	304 N Main Street	Parkville	MO	65037	573-374-5400	William Bouden
Weichert, Realtors® - Advantage Professionals	6114 Highway 9	Parkville	MO	64152	816-285-0637	Daren Higerd

**NEVADA**

Weichert, Realtors® - Millennium	5215 Ponderosa Way, Suite B	Las Vegas	NV	89118	702-982-8968	Scott Dale
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**NEW HAMPSHIRE**

Weichert, Realtors® - Peterson & Associates	547 Amherst St., Suite 100	Nashua	NH	03063	603-521-6400	Michael Peterson
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**NEW JERSEY**

Weichert, Realtors® - The Asbury Group	526 Pacific Avenue, Suite 201A	Atlantic City	NJ	08401	609-398-2400	John Moore
Weichert, Realtors® - Brigantine Realty	3312 Brigantine Blvd.	Brigantine	NJ	08203	609-266-2121	Gary Woerner
Weichert, Realtors® - City to Shore	1400 Texas Avenue	Cape May	NJ	08204	609-886-8200	Claudio Pawlus
Weichert, Realtors® - Quispe & Associates	520 Westfield Avenue, Suite 308	Elizabeth	NJ	07208	908-313-6255	Renato Quispe-Abanto
Weichert, Realtors® - New Group	237 Adams Street	Newark	NJ	07105	973-741-3000	Augusto Verissimo
Weichert, Realtors® - The Asbury Group	660 Asbury Avenue	Ocean City	NJ	08226	609-398-4400	John Moore
Weichert, Realtors® - City to Shore	1228 Bayshore Road	Villas	NJ	08251	609-886-8200	Claudio Pawlus
Weichert, Realtors® - Coastal	3300 Pacific Avenue	Wildwood	NJ	08260	609-523-1112	Daniel Higman

**NEW MEXICO**

Weichert, Realtors® - Image	9400 Holly Ave NE	Albuquerque	NM	87122	505-207-3432	Peter Cochran
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Weichert, Realtors® - The Zia Group	13 Sherwood Blvd., Suite 2	White Rock	NM	87547	505-662-8899	Jacqueline Chrobocinski
<b>NEW YORK</b>						
Weichert, Realtors® - Fontaine & Associates	15 2nd Street	Athens	NY	12015	518-945-2125	Don Fontaine
Weichert, Realtors® - Quality Homes	1860 Grand Avenue	Baldwin	NY	11510	516-867-3508	Anthony Atkinson
Weichert, Realtors® - The Franzese Group	1524 86th Street	Brooklyn	NY	11228	718-232-1004	Anthony Franzese
Weichert, Realtors® - 1st Premier	8614 3rd Avenue	Brooklyn	NY	11209	718-745-5792	Khaled Farraj
Weichert, Realtors® - Thousand Islands Realty	306 James Street	Clayton	NY	13624	315-686-5500	Melanie Curley
Weichert, Realtors® - Parkview Associates	5007 108th Street	Corona	NY	11368	718-699-2500	Rita Maruca
Weichert, Realtors® - Home NY	4060 Douglaston Parkway	Douglaston	NY	11363	718-279-8762	James Montgomery
Weichert, Realtors® - Madison Pierce	557 Newbridge Road	East Meadow	NY	11554	516-931-4663	William Miranda
Weichert, Realtors® - Performance Homes	281 Main Street	Farmingdale	NY	11735	516-845-4700	Anthony Garcia
Weichert, Realtors® - The Bollinger Group	7137 E. Genesee Street	Fayetteville	NY	13066	315-637-0555	Deana Ingram
Weichert, Realtors® - TMT Group	19920 32nd Avenue	Flushing	NY	11358	718-229-5200	Anthony Tamboni
Weichert, Realtors® - The Spiesman Group	223 Boices Lane	Kingston	NY	12401	845-336-2633	Randy Spiesman
Weichert, Realtors® - Heritage Properties	514 Gramatan Avenue	Mount Vernon	NY	10552	914-667-8996	Sylvia Woods
Weichert, Realtors® - Premier Properties	147 Genesee Street	New Hartford	NY	13413	315-735-4663	Brett Lojewski
Weichert, Realtors® - Langer Homes	21443 Jamaica Avenue	Queens Village	NY	11428	718-479-9200	Jeffrey Langer

Weichert, Realtors® - Lilac Properties	1580 Elmwood Avenue, Suite 1F	Rochester	NY	14620	585-613-4606	Curtis Amesbury
Weichert, Realtors® - Evolution Group	2791 Richmond Avenue	Staten Island	NY	10314	718-698-9797	Tracey Setaro-Skopp
Weichert, Realtors® - HD & Associates	655 McLean Avenue	Yonkers	NY	10705	914-376-1000	Henry Djonbalaj

#### **NORTH CAROLINA**

Weichert, Realtors® - Unlimited	802 Fairview Road	Asheville	NC	28803	828-687-1083	Aaron Kraft
Weichert, Realtors® - At Waves Edge	2610 W. Fort Macon Road, Suite C	Atlantic Beach	NC	28512	252-808-2903	Lisa Lee
Weichert, Realtors® - Sally Awad Group	2025 Ayrslay Town Blvd., Suite 1101	Charlotte	NC	28273	704-280-8300	Sally Awad
Weichert, Realtors® - Mark Thomas Properties	3901 University Drive	Durham	NC	27707	919-403-5315	Mark Thomas
Weichert, Realtors® - Wayne Younts & Associates	2911 Breezewood Avenue, Suite 200	Fayetteville	NC	28303	910-323-1804	Wayne Younts
Weichert, Realtors® - PMI Group	915 N New Hope Road, Suite D	Gastonia	NC	28054	980-320-8262	Joshua Fannin
Weichert, Realtors® - Mountain Executives	1711 Brevard Road	Hendersonville	NC	28739	828-697-1530	Timothy Ertzberger
Weichert, Realtors® - Team Metro	1144 Lenoir Rhyne Blvd.SE	Hickory	NC	28602	828-304-1000	Kim Smith
Weichert, Realtors® - Highlands Properties	450 N 4th Street	Highlands	NC	28741	828-526-5522	Kyle McKim
Weichert, Realtors® - LKN Partners	736 Brawley School Road, Suite A	Mooresville	NC	28117	704-663-4422	Christie Krantz
Weichert, Realtors® - Town & Country	30 Chinquapin Road	Pinehurst	NC	28374	910-295-9040	Debra Serino
Weichert, Realtors® - High Country Realty	214 S Jefferson Avenue	West Jefferson	NC	28694	336-846-6875	Irene Sabol
Weichert, Realtors® - Triad Associates	3061 Trenwest Drive	Winston Salem	NC	27103	336-759-0060	Rick Epperson

<b>OHIO</b>						
Weichert, Realtors® - R.E. 1790	6832 Main Street	Cincinnati	OH	45224	614-268-5080	Kellie Barter
Weichert, Realtors® - The Alt Company	3637 N High Street	Columbus	OH	43214	614-268-5080	Stratton Alt
Weichert, Realtors® - Langley-Biggins Co.	3697 Broadway	Grove City	OH	43123	614-778-2343	Jason Langley
Weichert, Realtors® - Triumph Group	189 S Liberty Street	Powell	OH	43065	614-841-9533	Steven Wilke
Weichert, Realtors® - Langley-Biggins Co.	133 S Fayette Street	Washington Court House	OH	43160	740-335-2100	Jason Langley
Weichert, Realtors® - Welcome Agency	5778 Youngstown Poland Road	Youngstown	OH	44514	330-757-4533	Marie Houston
<b>OKLAHOMA</b>						
Weichert, Realtors® - Main Edge	1125 W. State Highway 152	Mustang	OK	73064	405-445-7522	Karl Mengers
Weichert, Realtors® - Centennial	360 24th Ave., NW, Suite 126	Norman	OK	73069	405-360-0303	Mitchell Biesemeyer
<b>OREGON</b>						
Weichert, Realtors® - Elite	1905 NW 169th Place, Suite 100	Beaverton	OR	97006	503-747-6775	Allan Polendey
Weichert, Realtors® - Northwest	869 NW Wall St., Suite 204	Bend	OR	97703	541-647-1920	Justin Fairbanks
Weichert, Realtors® - On Main Street	231 E. Main Street	Hillsboro	OR	97123	971-371-3500	Steven Dials
<b>PENNSYLVANIA</b>						
Weichert, Realtors® - Hibble & Associates	208 N State Street	Clarks Summit	PA	18411	570-585-4000	Charles Hibble
Weichert, Realtors® - Neighborhood One	840 Ben Franklin Hwy E	Douglassville	PA	19518	610-670-6566	Angela Tolosky

Weichert, Realtors® - The Pro Group	4720 Wattsburg road	Erie	PA	16504	814-825-7761	Sherri Heasley
Weichert, Realtors® - First Choice	4206 Linglestown Road	Harrisburg	PA	17112	717-652-3500	Steven Scheib
Weichert, Realtors® - Paupack Group	2415 US-6	Hawley	PA	18428	570-226-8240	Thomas McColligan
Weichert, Realtors® - Welcome Home	1810 Oregon Pike	Lancaster	PA	17601	717-291-1041	Terry Wiley
Weichert, Realtors® - Ruffino Real Estate	406 West Harford Street	Milford	PA	18337	570-296-7570	Donna Ruffino
Weichert, Realtors® - McCarthy Associates	6901 Germantown Avenue	Philadelphia	PA	19119	215-843-1414	Dennis McCarthy
Weichert, Realtors® - Three Rivers Group	3283 Babcock Blvd., Unit C	Pittsburg	PA	15237	412-325-1105	Daniel Seebeck
Weichert, Realtors® - Acclaim	2920 Route 611	Tannersville	PA	18372	570-629-6100	Charles Marzzacco
Weichert, Realtors® Neighborhood One	711 Spring Street	Wyomissing	PA	19610	484-525-0112	Angela Tolosky

#### **RHODE ISLAND**

Weichert, Realtors® - Atlantic Properties	1009 Reservoir Ave.	Cranston	RI	O2910	401-490-0303	Michael Navoian
Weichert, Realtors® - Cress & Company	5853 Post Road, Suite 101	East Greenwich	RI	O2818	401-885-2990	Rob Cressman
Weichert, Realtors® - Atlantic Properties	217 Goddard Road	Newport	RI	O2840	401-490-0303	Michael Navoian
Weichert, Realtors® - Tirrell Realty	431 Willett Avenue	Riverside	RI	O2915	401-437-2030	Philip Tirrell
Weichert, Realtors® - Atlantic Properties	94 Main Street	Wakefield	RI	O2879	401-783-2550	Michael Navoian
Weichert, Realtors® - Cress & Company	62 Franklin Street, Suite 10 & 11	Westerly	RI	02891	401-637-4901	Rob Cressman

#### **SOUTH CAROLINA**

Weichert, Realtors® - Coastal Properties	1613 North Street	Beaufort	SC	29902	843-379-3010	Joseph Ryan
Weichert, Realtors® - Coastal Properties	1250 May River Road	Bluffton	SC	29910	843-815-9191	Joseph Ryan
Weichert, Realtors® - Ray Covington, Inc.	2725 Devine Street	Columbia	SC	29205	803-252-8710	Trey Covington
Weichert, Realtors® - Shaun & Shari Group	805 E Main Street	Duncan	SC	29334	864-485-2100	Shari Phillips
Weichert, Realtors® - Pendarvis Company	307 Main Street	Edgefield	SC	29824	803-637-0079	Jewell Pendarvis
Weichert, Realtors® - The Freedom Group	901 2nd Loop Road	Florence	SC	29505	843-673-9181	Barry Hulsey
Weichert, Realtors® - Coastal Properties	1038 William Hilton Parkway	Hilton Head Island	SC	29928	843-341-3700	Joseph Ryan
Weichert, Realtors® - Caughman Company	120 Ellis Avenue, Suite C	Lexington	SC	29072	803-358-8383	Charles Caughman
Weichert, Realtors® - Palm Realty Group	513 West main Street	Moncks	SC	29461	843-761-1922	Cheri Smoak
Weichert, Realtors® - Palmetto Coast	1035 Johnnie Dodds Blvd., #B2	Mount Pleasant	SC	29464	843-375-2075	Annalisa Jordan
Weichert, Realtors® - Southern Coast	4999 Carolina Forest Blvd. Suite 10	Myrtle Beach	SC	29579	843-903-4443	David Jackson
Weichert, Realtors® - Southern Coast	1011 Highway 17 South	North Myrtle Beach	SC	29582	843-280-4445	David Jackson
Weichert, Realtors® - Coastal Properties	16 William Pope Drive, Suite 101	Okatie	SC	29909	843-705-3351	Joseph Ryan
Weichert, Realtors® - In The Golden Corner	15873 Wells Highway	Seneca	SC	29678	864-885-1445	Julie Allen
Weichert, Realtors® - Shaun & Shari Group	302 NE Main Street	Simpsonville	SC	29681	864-626-0789	Shari Phillips
Weichert, Realtors® - Southern Coast	819 Surfside Drive	Surfside Beach	SC	29575	843-280-4445	David Jackson

**SOUTH DAKOTA**

Weichert, Realtors® - The Agents	7505 S Louis Avenue	Sioux Falls	SD	57108	605-271-5670	John Maurer
<b>TENNESSEE</b>						
Weichert, Realtors® - SEM Associates	500 Congress Parkway S	Athens	TN	37303	423-745-2634	Todd Jewell
Weichert, Realtors® - SPM	6520 Stage Road, Suite 203	Bartlet	TN	38134	901-800-8273	Harry Spore
Weichert, Realtors® - Home Pros	2680 Trenton Road, Suite 400	Clarksville	TN	37040	931-552-1415	Randy Worcester
Weichert, Realtors® - SEM Associates	3555 Keith Street NW, Suite 113	Cleveland	TN	37312	423-380-8872	Todd Jewell
Weichert, Realtors® - The Webb Agency	874 West Avenue	Crossville	TN	38555	931-707-8787	Sheryl Webb
Weichert, Realtors® - Tiger Real Estate	1220 Gay Street	Dandridge	TN	37725	865-940-1430	Tony Thomas
Weichert, Realtors® - Big Dog Group	2060 Fairview Blvd	Fairview	TN	37062	615-799-9494	Jonathan Cherry
Weichert, Realtors® - Southern Realty Partners	131 Maple Row Blvd., Suite A101	Hendersonville	TN	37075	615-431-8787	Kelly McDaniel
Weichert, Realtors® - Saxon Clark	555 E Main Street, Suite 101	Kingsport	TN	37660	423-765-9118	Mike Norris
Weichert, Realtors® - Advantage Plus	10160 Parkside Drive, Suite 100	Knoxville	TN	37922	865-474-7100	Jeffrey Grebe
Weichert, Realtors® - Advantage Plus	221 W Young High Pike	Knoxville	TN	37922	865-474-7100	Jeffrey Grebe
Weichert, Realtors® - The Lampley Group	852 W Commerce Street	Lewisburg	TN	37091	931-422-5510	Ronald Lampley
Weichert, Realtors® - Benchmark	3263 E. Sarazens Circle	Memphis	TN	38125	901-202-2000	Eric Bowman
Weichert, Realtors® - The Andrews Group	511 N. Thompson Lane	Murfreesboro	TN	37129	615-848-7744	Thomas Andrews
Weichert, Realtors® - The Andrews Group	2207 Crestmoor Road, Suite 101	Nashville	TN	37215	615-383-3142	Thomas Andrews

Weichert, Realtors® - Tiger Real Estate	902 McMakin Way	Pigeon Forge	TN	37863	865-940-1430	Tony Thomas
Weichert, Realtors® - Crunk Real Estate	890 Pickwick Street	Savannah	TN	38372	731-925-4433	Victoria Johnson
Weichert, Realtors® - The Realty Group	2603 Memorial Blvd.	Springfield	TN	37172	615-384-2543	George Hatcher, Jr.
Weichert, Realtors® - Joe Orr & Associates	309 South Jackson Street	Tullahoma	TN	37388	931-455-0555	Joe Orr

**TEXAS**

Weichert, Realtors® - Barton Harris & Co.	8700 Manchaca Road, Suite 603	Austin	TX	78748	512-330-9300	Barton Harris
Weichert, Realtors® - Solid Ground	420 W. Sam Rayburn Drive	Bonham	TX	75418	903-583-4900	Angel Titsworth
Weichert, Realtors® - Barton Harris & Co.	921 W. New Hope Drive, Suite 505	Cedar Park	TX	78613	512-535-6377	Barton Harris
Weichert, Realtors® - BCS	750 William D. Fitch Park Way, Suite 430A	College Station	TX	77845	979-485-5458	Warren Green
Weichert, Realtors® - The Place Of Houses	1009 Furman Avenue	Corpus Christi	TX	78404	361-882-5588	Jean Giegerich
Weichert, Realtors® - The Harrell Group	5810 Long Prairie Road, Suite 150	Flower Mound	TX	75028	972-724-4995	Debra Harrell
Weichert, Realtors® - Suburban Properties	7500 Stonebrook Parkway, Suite 100	Frisco	TX	75034	469-234-9000	Daniel Roemer
Weichert, Realtors® - Bev Young & Associates	2030 Glade Road, #256	Grapevine	TX	76051	682-223-2344	Beverly Young
Weichert, Realtors® - The Murray Group	9708 Hillcroft Avenue	Houston	TX	77096	713-728-2300	Wayne Murray
Weichert, Realtors® - The Murray Group	23501 Cinco Ranch Blvd., Suite G252	Katy	TX	77494	281-208-1700	Wayne Murray
Weichert, Realtors® - Classic	614 S Edmonds Lane, Suite 202	Lewisville	TX	75067	972-544-6400	Eyad Salloum
Weichert, Realtors® - Montalvo & Associates	5400 N Ware Road, Suite 80	Mcallen	TX	78504	956-540-7337	Grizelda Montalvo

Weichert, Realtors® - of the Permian Basin	1304 W Texas Avenue	Midland	TX	79701	432-694-7333	Shana Curry
Weichert, Realtors® - Corwin & Associates	133 N Sequin Avenue	New Braunfels	TX	78130	830-632-5725	Joe Corwin
Weichert, Realtors® - Select	8023 Vantage Drive, Suite 890	San Antonio	TX	78216	210-399-0206	Connette May
Weichert, Realtors® - Team Realty	801 E Highway 199	Springtown	TX	76082	817-220-4663	Amanda Howard
Weichert, Realtors® - The Murray Group	4655 Sweetwater Blvd., Suite 675	Sugar Land	TX	77479	877-603-4500	Wayne Murray
Weichert, Realtors® - The Murray Group	9303 New Trails Dr., Suite 165	The Woodlands	TX	77381	281-320-8000	Wayne Murray
Weichert, Realtors® - The Eastland Group	5015 Lakewood Drive	Waco	TX	76710	254-235-5015	Doug Eastland
Weichert, Realtors® - Team Realty	406 S. Main Street	Weatherford	TX	76086	817-598-0988	Amanda Howard

#### UTAH

Weichert, Realtors® - At The Rockies	169 W 2710 South Circle, Suite 203B	Saint George	UT	84770	435-673-9090	Roger Zundel
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#### VIRGINIA

Weichert, Realtors® - Home Run Realty	500 England Street	Ashland	VA	23005	804-752-3503	Emma Mitchell
Weichert, Realtors® - Brockwell & Portwood	210 Temple Ave	Colonial Heights	VA	23834	804-518-0500	John Brockwell
Weichert, Realtors® - Baron & Snipes, Co.	11533 Nuckols Road	Glen Allen	VA	23059	804-672-6700	Jeanette Baron - Snipes
Weichert, Realtors® - Nancy Beahm Real Estate	1750 South Main Street	Harrisonburg	VA	22801	540-433-6666	Nancy Beahm
Weichert, Realtors® - Bridges & Co.	16399 Booker T Washington Highway	Moneta	VA	24121	540-721-2560	Barry Bridges
Weichert, Realtors® - Mason-Davis	47 Market Street	Onancock	VA	23417	757-787-1010	Eugene Mason



Weichert, Realtors® - KBL Companies	2815 Godwin Blvd., Suite M	Suffolk	VA	23435	757-967-0410	Linda Bass
Weichert, Realtors® - Inlet Properties	613 Virginia Beach Blvd.	Virginia Beach	VA	23451	757-422-9962	Chuck Kirkwood
Weichert, Realtors® - Short Way Real Estate	1205 E. Main Street	Wytheville	VA	24382	276-223-4018	Glenward Short

#### WASHINGTON

Weichert, Realtors® - Vanson Associates	2900 Meridian Street	Bellingham	WA	98225	360-933-0001	Bret VanLant
Weichert, Realtors® - Pillar Northwest	1495 NW Gilman Road, Suite 15	Issaquah	WA	98027	425-577-6280	Lara Germino
Weichert, Realtors® - Vanson Associates	8193 Kendall Road	Maple Falls	WA	98266	360-933-0001	Bret VanLant
Weichert, Realtors® - Edge Home Sales	823 N 4th Street	Mount Vernon	WA	98273	425-312-2592	Stacey Salyer
Weichert, Realtors® - Reynolds Real Estate	2607 Martin Way E, Suite 202	Olympia	WA	98501	360-412-6731	Ryan Reynolds
Weichert, Realtors® - Premier Properties	13005 94th Ave E	Puyallup	WA	98373	253-444-4059	Cherie Filoteo
Weichert, Realtors® - Equity NW	15640 NE 4th Plain Rd., Suite 200	Vancouver	WA	98682	360-253-1212	Gene Thompson
Weichert, Realtors® - Equity NW	2114 Main Street	Vancouver	WA	98660	360-253-1212	Gene Thompson

#### WEST VIRGINIA

Weichert, Realtors® - Blue Ribbon	300 Foxcroft Avenue, Suite 303	Martinsburg	WV	25401	304-262-8700	Tracy Adams
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#### WISCONSIN

Weichert, Realtors® - Great Day Group	110 3rd Street	Baraboo	WI	53913	608-356-0120	Michael Weyh
Weichert, Realtors® - Place Perfect	550 N Military Avenue, Suite 8	Green Bay	WI	54303	920-434-2400	Michael Kunesh

Weichert, Realtors® - Lakepoint	2045 Atwood Avenue, Suite 105	Madison	WI	53704	608-721-8002	Robert Grether
Weichert, Realtors® - Place Perfect	2056 Maple Avenue	Marinette	WI	54143	920-434-2400	Michael Kunesh
Weichert, Realtors® - CornerStone	1603 Washington St.	Two Rivers	WI	54241	800-593-2030	JoAnne Kouba

**EXHIBIT G**  
**FORMER FRANCHISEES**

**EXHIBIT G****FORMER FRANCHISEES**

The name, city and state and last-known business telephone number of every franchisee whose franchise has, during 2021, been terminated, canceled or not renewed; or who have, during the same period, otherwise voluntarily or involuntarily ceased to do business under a Weichert® Franchise Agreement; or, who have not communicated with Weichert within 10 weeks of the date of this disclosure document.

<b>Former Franchisee</b>	<b>City</b>	<b>State</b>	<b>Phone Number</b>	<b>Contact</b>
Weichert, Realtors® - Porter Properties	Auburn	AL	334-887-2070	Matthew Rice
Weichert, Realtors® - Heiden Homes Realty	Grand Junction	CO	970-245-7777	Toni Heiden
Weichert, Realtors® - Suburban Properties	Guilford	CT	203-689-5499	Vincent Engingro
Weichert, Realtors® - Gateway Properties	Southbury	CT	203-267-1212	Doug Collins
Weichert, Realtors® - The H2 Group	Tallahassee	FL	850-201-8880	Patrick Hurley
Weichert, Realtors® - Dream Achievers	Kingsland	GA	912-882-5151	Tara McClintock
Weichert, Realtors® - Heart & Home	Effingham	IL	217-342-4404	Matt Hirtzel
Weichert, Realtors® - Mauti Schroder Scoggin	Mandeville	LA	985-867-8670	Steven Scoggin
Weichert, Realtors® - Real Market	Medfield	MA	508-359-7474	Christopher Summers
Weichert, Realtors® - Select	Novi	MI	248-692-8179	Joseph Manuel
Weichert, Realtors® - Jewson Properties	Rochester	MN	507-205-4789	Jay Jewson
Weichert, Realtors® - Triangle	Cary	NC	919-468-7076	Rosamond Sexton
Weichert, Realtors® - Triangle	Raleigh	NC	919-468-7076	Rosamond Sexton
Weichert, Realtors® - Cow Harbor Realty	Northport	NY	631-651-8388	James Izzo
Weichert, Realtors® - Bridgeport Realty Partners	Sherwood	OR	503-692-0888	Julie Fugate
Weichert, Realtors® - Bradshaw Group	Greenwood	SC	864-341-7774	Jan Bradshaw
Weichert, Realtors® - Ray Covington, Inc.	Lexington	SC	803-331-8833	Ray Covington, Sr.
Weichert, Realtors® - Yerbey Realty	Chattanooga	TN	423-267-0544	Lacey Williams
Weichert, Realtors® - Jarpo Group	Wausau	WI	715-804-5082	Robert Petersen

**The name, city and state and last-known business telephone number of every franchisee who transferred its franchise during 2021.**

Weichert, Realtors ® - Lake Realty	Gold Canyon	AZ	602-989-1682	Tony Vehon
Weichert, Realtors ® - Centennial	Norman	OK	405-740-2034	Anthony Graham
Weichert, Realtors ® - Ray Covington, Inc.	Columbia	SC	803-331-8833	Ray Covington, Sr.
Weichert, Realtors ® - The Partners Group	Duncan	SC	864-809-1546	Christopher White

**EXHIBIT H**

**WEICHERT LEAD NETWORK LEAD PROGRAM AGREEMENT**

## WEICHERT LEAD NETWORK LEAD PROGRAM AGREEMENT

THIS AGREEMENT entered into as of the \_\_ day of \_\_\_\_\_] (the “Effective Date”) by and between Weichert Lead Network, Inc., a Delaware Corporation, with its principal location at 1625 State Road 10, Morris Plains, NJ (WLN), and \_\_\_\_\_ d/b/a WEICHERT, REALTORS® - \_\_\_\_\_ whose principal address is \_\_\_\_\_ (the “Company”).

### WITNESSETH:

WHEREAS, WLN, an affiliated company of Weichert Real Estate Affiliates, Inc. (“WREA”), offers the Weichert Lead Network Lead Program (the “Lead Program”) which promotes, manages and refers Internet-based real estate sales leads (each a “Lead”) to real estate brokers for a fee;

WHEREAS, pursuant to that Office Franchise Agreement between the Company and WREA dated [ \_\_\_\_\_ ] (the “Franchise Agreement”), the Company is an independently owned and operated Weichert® franchisee; and

WHEREAS, subject to the terms and conditions set forth below, WLN will send Leads to the Company.

NOW THEREFORE, in the consideration of the premises, and for other goods and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Promotion.** WLN will advertise and promote, at its own expense, the Lead Program and the Weichert® brand name and services, including its toll free consumer telephone number and web site(s), in a variety of print, broadcast and other electronic media. The selection of media and amount of expenditure is at the sole discretion of WLN. Such advertising and promotion may include the display of real estate properties listed with the Company, for which the Company will have first obtained the property owner's written permission, and if required, written permission from the Company's local Multiple Listing Service provider(s).

2. **WLN Responsibilities.** WLN will manage inquiries it receives from prospective real estate customers, and in its sole discretion refer any such inquiry it receives to licensed real estate agents designated by the Company to participate in the Lead Program (the “Lead Specialist”) in accordance with the terms herein. WLN will notify the Company of each Lead referred to a Lead Specialist, and WLN may remove any Lead Specialist from the Lead Program for any reason at anytime. Nothing herein shall obligate WLN to refer or assign a minimum number of Leads to the Company or any Lead Specialist.

3. **Company Responsibilities.**

a. In accordance with the Weichert Lead Network Lead Program Policies and Procedures (the “Policies”), attached hereto as Schedule A and posted at [www.weichertleadnetwork.com](http://www.weichertleadnetwork.com) (the “Portal”), the Company will fully comply with the Policies

and promptly notify WLN of any additions, deletions or changes to the Company's list of designated Lead Specialists via the Portal. During the term of this Agreement and in order to receive Leads, the Company agrees to maintain a minimum of five (5) Lead Specialists for each Weichert® office location owned and operated by the Company. The Company agrees to monitor the Portal daily, and train and supervise the activities of the Company's Lead Specialists for each Lead.

b. The Company agrees to inform all Lead Specialists of the Policies and be responsible for any breach of this Agreement by any Lead Specialist.

c. The Company acknowledges and understands that WLN may change the Policies at any time upon notice to the Company, and that the then current Policies will be posted on the Portal.

d. Company will:

i. promptly notify WLN when a Lead Specialist conducts a transaction under a different name or alias, and/or assigns a transaction to any third party ("Converted Lead"). For any transaction involving a Converted Lead, the Company agrees to pay WLN a Referral Fee as set forth in Section 5 below;

ii. promptly notify WLN when a Lead Specialist either becomes "Inactive", is permanently and/or temporality suspended or otherwise prohibited from participating in the Lead Program by the Company, is terminated by the Company; and

iii. agrees to pay WLN a Referral Fee as set forth in Section 5 below for any Lead in which the transaction is closed by someone other than the initially assigned Lead Specialist.

#### **4. Ownership and Management of Leads.**

a. All Leads, information and content about the Leads posted on the Portal or any of WLN's computer systems the property of WLN. Nothing in this Agreement is intended to grant the Company or Lead Specialist any rights or license to information about a Lead or any property of WLN, nor shall this Agreement grant to Company or Lead Specialist any rights in or to the Confidential Information (as defined below).

b. WLN reserves the right to assign a Lead to more than one Lead Specialist.

a. Nothing herein shall obligate either party to provide Confidential Information, proceed with or enter into any future transaction or commitment with the other party, and each party reserves the right, at its sole discretion, to terminate the discussions contemplated by this Agreement

b. WLN may transmit Leads by telephone, facsimile machine or electronic mail, and a Lead will be deemed accepted by the Company upon the initial contact between the Lead Specialist and the Lead. Notwithstanding, the Company will have 24 hours in which to refuse a Lead upon one of the following events:

i. The Company possesses an executed agency agreement with the Lead that is dated prior to the date of the referral;



ii. The Company provides a copy of a fully executed HUD-1 Settlement Statement documenting a prior real estate transaction with the Lead; or

iii. The Lead is a family member of one of the Company's employees or sales associates.

c. Unless WLN is notified of one of the events listed above within twenty-four (24) hours of the referral of the Lead, the Referral Fee will be deemed earned by WLN and will be due and payable at time of closing as set forth below.

d. WLN may at any time and for any reason (i) reassign Leads or (ii) reactivate Leads it determines to be inactive. In the event a Lead is reactivated or reassigned the calculation of the time limits in this Section 4 shall restart from the date any such Lead is reactivated or reassigned by WLN; *provided, however*, that any reassignment of a Lead shall not waive any right of WLN to a Referral Fee in the event the previously assigned Company or Lead Specialist closes a transaction with such Lead.

## 5. **Compensation.**

a. Referral Fee. The parties recognize that WLN is compensated pursuant to this Agreement by referral fees from the Company for each Lead assigned to the Company (each, a "**Referral Fee**") as follows:

i. Within 48 hours after the closing of a transaction on a Lead from WLN, the Company shall pay WLN a portion of the gross real estate commission received by the Company based on the of transaction closed by the Lead as follows:

1. for transactions in which the Lead enters into a lease agreement, an amount equal to fifteen (15%) of the commission earned by the Company.

2. for all transactions closed by the Lead, except for lease agreements as set forth above, an amount equal to thirty-seven and a half (37.5%) percent of the referred side of the transaction.

3. when calculating the Referral Fee, Company may not deduct any costs or other expenses.

ii. Payment of the Referral Fee shall be made by check or money order payable to "Weichert Lead Network, Inc." or as otherwise may be directed by WLN.

iii. The Company shall pay WLN the Referral Fee on the first three (3) transactions directly or indirectly related to the Lead. A transaction includes when a Lead closes a transaction related to a written contract for any real estate transaction entered into within twenty-four (24) months from the referral date of the Lead.

iv. Subject to the limitation set forth in this Section 5, a Referral Fee is due and payable to WLN for any real estate transaction that is closed with the Lead, including, purchase(s), sale(s) or rental(s).

v. For purposes of this Agreement, a real estate transaction shall include, but not be limited to:

1. Any type of real estate transaction closed by a Lead;
2. Rental agreements, lease or other similar agreement entered by the Lead.

vi. The Company's obligations to pay a Referral Fee for Leads shall survive the termination of this Agreement.

6. **Confidential Information.** Company acknowledges that certain items and types of confidential and proprietary information (collectively, the "Proprietary Information"), including without limitation this Agreement, the Leads, all information relating to Leads, the trade and service marks of WLN (or any of its affiliates), software and the forms, disclosures and other documents provided to Company and the Lead Specialists in connection with this Agreement, are owned and controlled by WLN and constitute valuable assets and trade secrets of WLN. Company shall not sell, lease, assign, license, utilize, distribute, publish or duplicate all or any part of the Proprietary Information, whether received in writing or orally, without obtaining WLN's prior written consent. Company agrees not to disclose any part of the Proprietary Information to any third party. Company agrees to cooperate with WLN in enforcing the provisions of this section against any unauthorized use or disclosure of the Proprietary Information by present or former Lead Specialists, officers or employees of Company or by others. Upon termination of this Agreement for any reason, Company agrees promptly to return to WLN all of the Proprietary Information provided to Company, to refrain from disclosing any of the Proprietary Information to any persons, and to take all necessary steps to discontinue immediately its use of the Proprietary Information. The Company also agrees to be responsible for any breach of this paragraph by any Lead Specialist.

7. **Suspension.** In the event the Company defaults on this Agreement, or on its Franchise Agreement, WLN may suspend the Company and all associated Lead Specialists. Once the Company cures such default(s) WLN may decide, in its sole discretion but is under no obligation, to re-instate the Company.

8. **Term and Termination.**

a. The term of this Agreement shall commence on the Effective Date and terminate one (1) year thereafter unless sooner terminated in accordance with this Section 8 (the "**Initial Term**").

b. This Agreement shall be automatically renewed for subsequent one (1) year terms unless one party gives written notice of its intent not to renew at least thirty (30) days' prior to the expiration date.

c. Either party may terminate this Agreement at any time by providing thirty (30) days' prior written notice to the other party.

d. This Agreement shall automatically terminate upon the termination of the Franchise Agreement.

- e. WLN may terminate this Agreement without prior notice if:
  - i. the Company fails to perform any other condition or obligation described in the Franchise Agreement or in any other agreement, document or instrument executed and delivered pursuant to or in connection with the Franchise Agreement; or
  - ii. the Company defaults in the due payment of any indebtedness for borrowed money or default in the observance or performance of any covenant or condition contained in any Franchise Agreement.

9. **Company Representations.** The Company represents and warrants to WLN that:

a. It is a duly licensed real estate broker in the state of its principal place of business (or another state which it has identified to WLN) and shall comply fully with all applicable federal, state and local laws, regulations, rules and ordinances, as now existing or as hereafter enacted or amended, including, without limitation,

b. It is duly and properly organized under the laws of the state of its principal place of business (or another state which it has identified to WLN) and is in good standing with and qualified to do business in each state and political/ governmental subdivision having jurisdiction over the Company's business.

c. It has all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon the Company, all of its shareholders, members or partners, and its successors and assigns when executed.

d. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or threatened, in any court or arbitral forum, or before any governmental agency or instrumentality which materially adversely affects or could affect, directly or indirectly the Company's ability carry out in all respects the duties, obligations and responsibilities specified in this Agreement.

e. All of the representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

f. The person(s) signing this Agreement on behalf of the Company is(are) a duly appointed officer or otherwise has been authorized to bind the Company to the terms of this agreement.

10. **Non-Exclusive Agreement.** The relationship between Company and WLN, as set forth in this Agreement is non-exclusive. Company acknowledges that WLN has heretofore entered into, and may in the future enter into, similar arrangements with other real estate brokers. The Company further warrants to WLN that Company shall or may enter into similar relationships with other real estate companies such that the Company shall not be dependent upon WLN in the event that WLN decides at its sole discretion to not to refer any Leads or terminate this Agreement.

**11. Hold Harmless.**

a. The Company agrees to indemnify, defend and hold WLN harmless from and against any and all claims, suits, actions, liability, losses, expenses, or damages which may hereafter arise, which WLN, its affiliates, directors, officers, agents or employees may sustain due to or arising out of: (i) any gross negligence or intentional omission by the Company, its affiliates, officers, agents, representatives or employees; (ii) any act by the Company, its affiliates, officers, agents, representatives or employees in violation of this Agreement or in violation of any applicable law or regulation which adversely impacts the Company's ability to perform its obligations under this Agreement, or (iii) any material breach of the Company's covenants as set forth in this Agreement and which the Company does not cure as provided herein.

b. IN NO EVENT SHALL WLN OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE TO COMPANY OR ANY THIRD PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR LOSS OF BUSINESS INFORMATION) ARISING OUT OF OR CONNECTED IN ANY WAY WITH THE LEADS, ANY OTHER SERVICES PROVIDED BY WLN, OR WLN'S RESPECTIVE PERFORMANCE UNDER THIS AGREEMENT, OR FOR ANY CLAIM BY ANY OTHER PARTY, EVEN IF WLN HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES

**12. General Provisions.**

a. The relationship between WLN and the Company shall be that of independent contractors and neither party shall be or represent itself to be an agent, employee, partner or joint venturer of the other, nor shall either party have or represent itself to have any power or authority to act for, bind or commit the other. WLN shall have sole discretion and authority with respect to assignment of Leads.

b. All notices required or permitted by this Agreement shall be in writing to the addresses set forth above and shall be deemed to have been received: (1) the same day, if transmitted by facsimile or electronic mail with confirmation of receipt; (2) the next business day, if sent by nationally recognized overnight courier service; or (3) five (5) days after deposit in the U.S. mail, registered or certified, postage prepaid.

c. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the remaining provisions hereof shall in no way be affected and shall remain in full force and effect.

d. The terms and conditions of this Agreement may not be modified or amended other than by a writing signed by both Parties.

e. The terms of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereto. This Agreement shall not be assigned by either Party without the express prior written consent of the other Party.

f. This Agreement and any Exhibits attached hereto constitute the entire Agreement between the parties and supersede all oral or written negotiations of the parties with respect to the subject matter hereof.

g. The failure of either Party at any time to insist upon the performance of any provision of this Agreement shall not operate as a waiver of any rights or remedies of either Party under this Agreement. Any waiver by either Party of any default or breach of any term or condition of this Agreement, whether such waiver be direct or implied, shall not be construed to be a continuing waiver, or a waiver of or consent to any subsequent default or breach on the part of either Party of the same or any other condition of this Agreement.

h. At any time during the term of this Agreement and for a period of two (2) years following the termination or expiration of the Agreement (the "Audit Period"), WLN will have the right, at its sole cost and expense, to examine and audit Company's books, records and accounts relating to this Agreement, during the Company's normal business hours and upon 48 hours written notice to Company, to verify Company's compliance with the reporting and payment terms under this Agreement for any period of time not previously the subject of a Company audit.

i. This Agreement shall be subject to and construed under the laws of the State of New Jersey without reference to conflicts of law provisions.

j. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Facsimile or other electronic format (including, without limitation, "pdf", "tif" or "jpg") and other electronic signatures (including, without limitation, DocuSign and AdobeSign) will be considered as binding and conclusive as if original. The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code.

IN WITNESS WHEREOF, the parties hereby sign this Agreement on the date hereinabove set forth.

\_\_\_\_\_  
(Name of Company)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name and Title)

WEICHERT LEAD NETWORK, INC.

By: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE A

### POLICIES AND PROCEDURES FOR LEAD SPECIALISTS

The policies and procedures of the Weichert Lead Network Lead Program (the "Policies") are as follows:

1. Eligibility Requirements. To qualify as a Lead Specialist, a person must:
  - a. complete and sign the WLN Lead Specialist Application, a copy of which will be made available by WLN, and submit the Application with the signature of an authorized representative of the Company to WLN, with a copy to WREA;
  - b. be licensed real estate salesperson or broker in good standing in the jurisdiction in which the Lead Specialist conducts business;
  - c. have been a fulltime licensed real estate sales person or broker in the six (6) months prior to submitting an application to participate in the Lead Program;
  - d. have successfully completed Weichert® Fast Track (or equivalent) sales training; and
  - e. have successfully completed the following three (3) training classes offered by Weichert University:
    - i. Understanding the Internet Consumer;
    - ii. Working with Internet Consumers; and
    - iii. Succeeding with the Weichert Lead Network.
2. Confidential Information. Lead Specialists agree that all information about the Lead Program, the Leads, the trade and service marks of WLN (or any of its affiliates), software and the forms, disclosures and other documents provided to the Lead Specialists in connection with the Lead Program are owned and controlled by WLN and constitute valuable assets and trade secrets of WLN. No rights in any such information are granted to the Lead Specialist and the Lead Specialist agrees not to disclose any such information to any third party without the prior written consent of the WLN. Upon termination of a Lead Specialist from the Lead Program for any reason, the Lead Specialist agrees to promptly to return to WLN all of information provided to the Lead Specialist and not to disclose any of the information.
3. Availability. Lead Specialists shall be available via cell phone seven (7) days a week between the hours of 9:00 a.m. to 9:00 p.m. Eastern Standard Time. It is understood that Leads generally want to promptly initiate contact with a Lead Specialist, and that an integral component of the Lead Program is the efforts of WLN to facilitate a prompt initial contact between a Lead and a Lead Specialist.
4. Performance. Lead Specialists shall maintain a minimum cell phone contact rate of 50% with all Leads. Additionally, Lead Specialists will use best efforts to achieve a conversion rate of 10%. All performance measurements are monitored and calculated by WLN. Lead Specialists agree to diligently work on all Leads, and such efforts include asking all Leads for an in-person appointment during the initial contact.

5. Communication. Lead Specialists shall routinely maintain communications with each Lead until the Lead either closes a transaction or is reported as inactive by the Lead Specialist in the WLN Portal. Furthermore, Lead Specialists shall monitor their emails on a daily basis and respond within 24 hours to emails and any other communications from a Lead.

6. Reporting and Managing. Lead Specialists will have access to the WLN Internet Portal located at [www.weichertleadnetwork.com](http://www.weichertleadnetwork.com) (the "Portal"). WLN monitors the Portal to, among other things, review contacts between Leads and Lead Specialists, the status and progress of a Lead, measure the performance of a Lead Specialist. The Lead Specialist shall use the Portal to track follow-up activities with each Lead and to store notes about each Lead. In the Portal the Lead Specialist shall update status of each Lead on a weekly basis.

7. Leads Outside of Market Area; Unserviceable Leads. The Lead Specialist and the Company shall not be permitted to reassign or transfer in any manner any Lead that desires to conduct a transaction outside of a Lead Specialist's market area or any Lead that the Lead Specialist is unable to service the Lead. It is understood and agreed to by the Lead Specialist and the Company that WLN has the sole and exclusive right to reassign any Lead at any time for any reason. In the event that any Lead desires to conduct a transaction outside of a Lead Specialist's market area or is not a serviceable Lead, the Lead Specialists shall promptly update the Lead status and notes section in the Portal so that WLN may promptly reassign such Lead.

8. Suspension; Termination. WLN may in its sole and absolute judgment suspend or terminate any Lead Specialist that does not fully comply with these Policies. In order for a suspended or terminated Lead Specialist to be re-instated, he/she must submit a written request to WLN. The acceptance or reinstatement of a Lead Specialist shall be determined by WLN in its sole and absolute judgment. WLN has the right to terminate any Lead Specialist that ceases his/her association with the Company and/or a Weichert® real estate brokerage office; provide, however, that the obligations of such terminated Lead Specialist to pay a Referral Fee shall survive the termination of the Lead Specialist.



**EXHIBIT I**  
**STATE EFFECTIVE DATES PAGE**

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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

**EXHIBIT J**

**RECEIPTS**

## **EXHIBIT J RECEIPT**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Weichert Real Estate Affiliates, Inc. offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Weichert Real Estate Affiliates, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit C.

The franchisor is Weichert Real Estate Affiliates, Inc., located at 225 Littleton Road, Morris Plains, New Jersey 07950. Its telephone number is (973) 359-8377.

Issuance Date: March 16, 2022

The franchise seller(s) for this offering are Leslie D. Shoaf, Sr. Vice President of Operations, and \_\_\_\_\_ (name), \_\_\_\_\_ (title), Weichert Real Estate Affiliates, Inc. 225 Littleton Road, Morris Plains, New Jersey 07950, (973) 359-8377.

Weichert Real Estate Affiliates, Inc. authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I received a disclosure document dated March 16, 2022 that included the following Exhibits:

- Exhibit A      Franchise Agreement and Related Materials
  - State Addenda to Franchise Agreement
  - Exhibits to Franchise Agreement:
    - A      Initial Franchise Fee; Additional Office Fee; Franchised Territory; Minimum Monthly Continuing Royalty; Minimum And Maximum Monthly Marketing Fees; Responsible Real Estate Broker; Initial Office Location; Additional Office Locations; Opening Date(s); Franchisee Conversion Package; Guarantors; Active Domain Names And E-Mail Addresses; Active Telephone Numbers; Annual Minimum Performance Increase Requirement; Assumed Business Name
    - B      Proprietary Marks
    - C      Confidentiality/Non-Competition Agreement
    - D      Guarantee
    - E      General Release – Successor Franchise Agreement

- F General Release – Assignment
- G Power Of Attorney
- Sample Bylaws of Weichert Brokers Council
- Software License Agreements
- Receipt for Confidential Operations Manual
- Administrative Office Addendum
- Temporary Office Addendum
- Satellite office Addendum

- Exhibit B Financial Statements
- Exhibit C State Administrators
- Exhibit D Agents for Service of Process
- Exhibit E State Addenda to Disclosure Document
- Exhibit F List of Operational Franchisees
- Exhibit G List of Former Franchisees
- Exhibit H Weichert Lead Network Lead Program Agreement
- Exhibit I State Effective Dates Page
- Exhibit J Receipt

Dated: \_\_\_\_\_

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual(s):

\_\_\_\_\_

(Name of Entity)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

You may return the signed receipt by signing, dating, and mailing it to Weichert Real Estate Affiliates, Inc. at 225 Littleton Road, Morris Plains, New Jersey 07950.

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Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Weichert Real Estate Affiliates, Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit C.

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    - B      Proprietary Marks
    - C      Confidentiality/Non-Competition Agreement
    - D      Guarantee
    - E      General Release – Successor Franchise Agreement

- F General Release – Assignment
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- Exhibit G List of Former Franchisees
- Exhibit H Weichert Lead Network Lead Program Agreement
- Exhibit I State Effective Dates Page
- Exhibit J Receipt

Dated: \_\_\_\_\_

PROSPECTIVE FRANCHISEE:

If a corporation or other business entity:

If an individual(s):

\_\_\_\_\_

(Name of Entity)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

By: \_\_\_\_\_

(Signature)

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(Print Name / Title)

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\_\_\_\_\_

(Print Name)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name)

By: \_\_\_\_\_

(Signature)

\_\_\_\_\_

(Print Name / Title)

You may return the signed receipt by signing, dating, and mailing it to Weichert Real Estate Affiliates, Inc. at 225 Littleton Road, Morris Plains, New Jersey 07950.