

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