

BLACKLINED CHANGED PAGES

WEICHERT REAL ESTATE
AFFILIATES, INC.

RESPONSE TO MD, MN

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
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The Logo Book: The proprietary marks, signage, stationery, name badges, advertising	73
Training: Weichert® training, core courses, advanced courses, specialty courses and other educational events, training policies & procedures	8
Forms: Customer satisfaction survey, list of exempt pending transactions form, in bound referral form, out bound referral form, Weichert® training registration form	8
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(4) Provide you with a list of our Approved Suppliers. (Franchise Agreement, Sections 6.05 and 7.07.) For avoidance of doubt: The franchisor does not provide assistance with providing equipment, signs, fixtures, opening inventory, or supplies, other than providing the name of approved suppliers and written specifications for certain signage, ad specialties, stationery, brochures and apparel, and the franchisor does not deliver or install any of these items.

(5) Furnish you with any specifications for required products and services. We have no obligation to assist you in establishing prices. (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

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."
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seiler, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
9. If the franchise agreement or any agreement executed by the franchisee in connection therewith (including but not limited to, if applicable, an area development agreement), includes any questionnaire to be completed by or acknowledgments to be made by the franchisee that are contrary to the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments, adopted on September 18, 2022 by the North American Securities Administrators Association, Inc. (with an effective date of January 1, 2023), then any such questionnaire and/or acknowledgments shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.
9. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.
10. The following sentence is deleted from the last paragraph of the Franchise Agreement (before the signature blocks): "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."
11. Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

[SIGNATURE PAGE TO FOLLOW]

MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

The following provisions will supersede and apply to all franchises offered and sold in the State of Maryland:

ITEM 5 INITIAL FEES

Item 5 is revised to add the following: "Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

ITEM 6 OTHER FEES

Item 6 is revised by deleting the following sentence under the subheading Referral Fees and Commissions: "We make no guarantees or representations about the total number or quality of the leads that you may receive."

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.

OTHER

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

If the franchise agreement or any agreement executed by the franchisee in connection therewith includes any questionnaire to be completed by or acknowledgments to be made by the franchisee that are contrary to the Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments, adopted on September 18, 2022 by the North American Securities Administrators Association, Inc. (with an effective date of January 1, 2023), then any such questionnaire and/or acknowledgments shall not apply to prospective franchisees who are Maryland residents or who seek to purchase a franchise located in Maryland.

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:

COVER PAGE:

The following Risk Factor is added to the cover page entitled "Special Risks to Consider About This Franchise":

5. Turnover Rate. During the last 3 years, a high percentage of franchised outlets (more than 29%) were terminated or not renewed. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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.

OTHER

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.