

	Provision	Section in Franchise Agreement	Summary
i.	Your obligations on termination/non-renewal	16	For all terminations and non-renewals: de-identification with us; payment of fees to date of termination or non-renewal, and fees on certain transactions closed or pending subsequent to termination or non-renewal (see Sections 5.2 and 16.6 of Franchise Agreement); maintenance of records. If Franchise Agreement terminated by us for “good cause” or terminated by you without “good cause”, payment of termination damages and non-competition (see Section 16.1 of Franchise Agreement).
j.	Assignment of Franchise Agreement by Us	14.9	No restriction on our right to assign.
k.	“Transfer” by you- defined	14.1	Includes transfer of Franchise Agreement or sale of ownership of corporate or partnership Broker Office causing change in control; also includes transfer or sale of listings to another broker, whether or not Franchise Agreement is being then transferred.
l.	Our approval of transfer by you	14.1 – 14.3	All transfers, unless specifically exempted in Section 14.1, require our approval.
m.	Conditions for our approval of transfer	14.3 and 14.4	Current under Franchise Agreement (we may audit you to determine this); qualification of proposed transferee; payment of transfer fee; execution of new Franchise Agreement on form then being used; and completion of initial training program; if listings, but not Franchise Agreement, are proposed to be transferred, we will not approve unless Franchise Agreement is transferred, and transferee assumes obligations under such Agreement.
n.	Our right of first refusal to acquire your business	14.2	We can match any offer made to you by a proposed transferee.
o.	Our option to purchase your business	Not applicable	Not applicable.
p.	Your death or disability	14.7 and 14.8	Heirs may assume and operate Broker Office on personal guaranty of Franchise Agreement, if properly licensed; if heirs desire to transfer, our consent required, but no transfer fee charged; if not being operated within 9 months of death or disability, or earlier at heir's request, Franchise Agreement terminates, but minimum fees otherwise due from date of death or disability to termination are waived.
q.	Non-competition covenants during the term of the franchise	11.3	No <u>Subject to applicable state law, no</u> involvement in competing businesses anywhere in U.S. or foreign territories where we have operations (subject to applicable state law) ; restriction applies to Principals and any member of immediate family living with Franchisee or any Principal <u>(subject to applicable state law)</u> .
r.	Non-competition covenants after the franchise is terminated	11.3	If <u>Subject to applicable state law, if</u> we terminate for “good cause,” or if you terminate without “good cause,” restrictions apply for period from date of termination to expiration of term of the Franchise Agreement or renewal (subject to applicable state law).
s.	Modification of Agreement	8.1 and 19.2	No modifications except on written agreement of you and us, but found in our training materials and our other written directives, which must be followed, are subject to change by us.
t.	Integration/merger clause	19.2	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises made outside of

~~WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT~~
Washington Addendum to the Franchise Agreement, and All Related Agreements

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** 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.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.