

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS OFFERING CIRCULAR. (Unless otherwise indicated, references are to the Franchise Agreement. "SLA" means the form Software License Agreement in Exhibit 1 that you must sign if we develop proprietary software in the future.)

Provisions	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 3.01; SLA Section 2.01	Approximately 10 years. The term of the Franchise Agreement begins on the date we sign the agreement and ends 10 years from the 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, Section 3.02	You can renew for terms of 10 years each (except under the conditions described in the last sentence of this paragraph) if you notify us between 180 and 240 days before expiration; follow required notice procedures; comply with the Franchise Agreement and Manual; did not receive two or more Notices of Default within 2 years of the expiration date; and, satisfy all monetary obligations to us or our affiliates, and you met these obligations on time throughout the Initial Term. The terms of the Renewal Agreement may differ from the terms of the Franchise Agreement, but the Continuing Royalty on renewal will not be greater than the Continuing Royalty that we then impose on similarly-situated renewing franchisees. It will be good cause for us not to renew if we decide to withdraw our real estate franchise from the Territory for 6 months or more upon the expiration of your Franchise Agreement, we will reimburse your documented costs of conversion and deidentification, up to \$25,000.
c. Requirements for you to renew or extend	Section 13.02	<p>a. Upgrade and remodel your Offices.</p> <p>b. Sign a General Release of all claims against us, our affiliates, etc., under the Franchise Agreement, but <u>not</u> releasing them from future claims under the Renewal Agreement (see Exhibit E).</p> <p>c. Comply with then-current qualification and training requirements; we may require you and your Business Manager and Office Managers to attend and complete the Initial Training Program and other training programs we reasonably specify.</p> <p>d. Pay a Renewal Fee of \$1,000.</p>
d. Termination by you	Sections 17.02, 17.04	<p>a. You may terminate the Franchise Agreement if you and we agree in writing.</p> <p>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.</p>
e. Termination by us without cause	None.	
f. Termination by us with cause	Article 17 SLA, Article 9	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
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 substantially comply with requirements or carry out the terms of the Franchise Agreement in good faith.
h. "Cause" defined - defaults which cannot be cured	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 omitted or misrepresented a material fact in information you furnished us in connection with our decision to sign Franchise Agreement.</p> <p>b. You and we agree in writing to terminate.</p> <p>c. 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>

Provisions	Section in Franchise Agreement	Summary
		<p>d. You (or any principal of a corporation, partnership or proprietorship franchisee) are convicted of a felony, fraud, etc.</p> <p>e. A threat or danger to public health or safety results from your continued operation of the Business.</p> <p>f. You conceal revenues, knowingly maintain false books or records, or submit any false report to us.</p> <p>g. 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>h. After curing a default, you commit the same default again within 6 months.</p> <p>i. You make a willful misrepresentation or fail to make a material disclosure required by any governmental authority affecting your Business.</p> <p>j. 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>k. You fail for 10 days after notice to comply with any law or regulation applicable to the Business.</p> <p>l. You fail to obtain our previous written approval where required.</p> <p>m. 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>n. You use or duplicate our System, services, programs or products in an unauthorized way.</p>
<p>i. Your obligations on termination/nonrenewal</p>	<p>Article 18; SLA Section 9.01</p>	<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 statements you submitted understated, 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, 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</p>

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		<p>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>
j. Assignment of contract by us	Section 14.01; SLA, Section 7.01	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 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%.
l. Our approval of transfer by you	Sections 14.02, 14.03, 14.04; SLA Section 7.02	No transfer without our consent except as provided in Franchise Agreement – for example, transfer to a corporation you form for convenience. If you assign to a corporation you form, right of first refusal does not apply (see n. below) and there is no \$5,000 transfer fee if you keep at least a 50% stock ownership, but you must pay us a fee of \$250 for our legal and administrative expenses. 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 (but need not pay another Initial Franchise Fee or Additional Office Fee for Offices operating under Agreement at time of transfer). The term of new Franchise Agreement will expire on the date of expiration of the Franchise Agreement. 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>

Provisions	Section in Franchise Agreement	Summary
		<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 \$5,000, except the fee is \$250 for our expenses for transfers to a corporation you form if you maintain at least a 50% stock ownership; transfer upon death or permanent disability, transfer to immediate family members or transfer of less than 50% of the stock or membership interests in corporate or limited liability company franchisee.</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>
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	None.	
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	None	None, except after assignment.
s. Modification of the agreement	Sections 25.01 and 25.02; SLA Section 12.02	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 enforceable (subject to state law). Our integration/merger clause does not disclaim the representations in this Offering Circular.
u. Dispute resolution by arbitration or mediation	None	No provision for arbitration.
v. Choice of forum	Section 28.04; SLA Section 16.02	Subject to state laws, you may only bring suit 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 in any court we select.
w. Choice of law	Section 28.03; SLA Section	New Jersey law applies (subject to state laws).

Provisions	Section in Franchise Agreement	Summary
	16.01	

These states have statutes which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, Tit. 6, Ch. 25, Sections 2551 et seq.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/19 AND 705/20], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180] and WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your franchise.

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 Offering Circular for special state disclosures.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 EARNINGS CLAIMS

We do not furnish, or authorize our salespersons or anyone else to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a franchised Weichert Business. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

ITEM 20 LIST OF OUTLETS

FRANCHISED BUSINESS STATUS SUMMARY FOR YEARS 2006/2005/2004

STATE	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM (OTHER)	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING AT YEAR END
ALABAMA	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	6/4/1
ARKANSAS	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
CALIFORNIA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	4/0/0
CONNECTICUT	1/0/4	1/2/0	0/0/0	0/0/0	0/0/0	2/2/4	7/6/4

* All numbers are as of December 31 for each year.