FRANCHISE DISCLOSURE DOCUMENT

GRAND WELCOME FRANCHISING, LLC
Wyoming limited liability company
923 Incline Way #38
Incline Village, Nevada 89451
888-870-0102
818-237-4848
franchise@grandwelcome.com
www.grandwelcome.com

The franchisee will operate a vacation home rental and management services business under the "Grand Welcome" trademarks.

The total investment necessary to begin operation of a Grand Welcome franchise ranges from \$37,900 - \$169,750. This includes \$19,500 to \$111,500 that must be paid to the franchisor.

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 the 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.**

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 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: April 14, 2023

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
How much can I earn?	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 or Exhibit I.
How much will I need to invest?	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.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Grand Welcome business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be Grand Welcome franchisee?	Item 20 or Exhibit I lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	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 A.

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 us by mediation and litigation only in Nevada. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate and litigate with us in Nevada than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for your financial obligations under the franchise agreement, even though your spouse has no ownership interest in the business. This guarantee will place both your and your spouse's personal and marital assets, perhaps including your house, at risk if your franchise fails.

3. **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.

4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

5. **Mandatory Minimum Payments.** You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

ADDENDUM TO THE 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 a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a 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, or 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 of 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 any 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 services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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: Michigan Attorney General's Office, Consumer Protection Division, Attention: Franchise Section, G. Mennen Williams Building, 1st Floor, 525 West Ottawa Street, Lansing, Michigan 4893, Telephone Number: 517-373-7117.

GRAND WELCOME FRANCHISING, LLC
Franchise Disclosure Document

Table of Contents

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

To simplify the language in this disclosure document, the terms "Franchisor", or "we" or "us" means Grand Welcome Franchising, LLC, the Franchisor. The terms "we", "us" and "Franchisor" do not include you, the "Franchisee". We refer to the purchaser(s) of a Grand Welcome franchise, as "you" or "Franchisee", whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of Wyoming on October 8, 2019. Our principal business address is 923 Incline Way #38 Incline Village, Nevada 89451, and our telephone number is 888-870-0102. We do business under our company name, "Grand Welcome" and its associated design (the "Marks"). Our affiliate, Grand Welcome IP, LLC, has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the "Grand Welcome" Marks. We began offering franchises on November 25, 2019.

The principal business addresses of our agents for service of process are shown on Exhibit A.

Our Parents, Predecessors and Affiliates

We have no predecessor company.

We have a parent company, Grand Welcome Holdings, Inc., a Delaware corporation with a principal place of business at 2601 Airport Drive, Suite 270, Torrance, California 90505. Grand Welcome Holdings, Inc., was formed on July 2, 2019 and is our owner. Grand Welcome Holdings, Inc., has not offered franchises in this or in any other lines of business previously.

We have an affiliated company, Grand Welcome IP, LLC, a Wyoming limited liability company with a principal place of business at 1908 Thomas Avenue, Cheyenne, Wyoming 82001. Grand Welcome IP, LLC, was formed on September 21, 2018, and is the owner of our Marks and has exclusively licensed use of the Marks to us. Grand Welcome IP, LLC, has not offered franchises in this or in any other lines of business previously.

We have operated, through affiliates, vacation home rental and management businesses throughout the United States, using the Marks, since 2015. We currently operate in eight markets located in Hawaii, California and Nevada. Our affiliate operators have not offered franchises in this or any other lines of business previously.

We may operate other Grand Welcome concepts, including additional Grand Welcome businesses similar to the business offered by this Disclosure Document, in the future.

The Franchise Offered:

We offer franchises for the right to operate a vacation home rental and management business under the Grand Welcome Marks and using our distinctive operating procedures and standards in a designated area (the "Franchised Business"). The Franchised Business will provide listing, maintenance and cleaning services to property owners ("Unit Owners") and assistance and concierge services to guests ("Guests"). The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service methods, and methods for management, training, and marketing, all of which may be changed, improved or further developed by us at any time (the "System").

In certain geographic areas where the operation of a Grand Welcome Franchised Business has a limited total number of properties available to manage of only a few hundred,, we may offer the market as a Tier 1 territory.

Market and Competition:

The vacation rental management, lodging and hospitality industries are well-established and highly competitive. You will seek as customers owners of real estate properties that meet our standards for size, condition and amenities for listings as vacation home rentals. We solicit guests from a vast network that may include internet postings, internet-based travel sites, proprietary websites, call centers, and tour and travel groups on a regional and national level. Depending on your Territory, sales may increase or decrease significantly on a seasonal basis. The market may also be affected by economic conditions and the amount of vacation activity in your Territory.

Your competitors will include other vacation rental management companies, vacation rentals offered directly by owners, including rentals offered online via www.vrbo.com, www.homeaway.com, www.airbnb.com, and other travel websites. Competition may also include vacation resorts, timeshare facilities and other fractional ownership arrangements available for vacation rentals, as well as traditional hotel, motel and resort accommodations.

Industry Specific Regulations:

In addition to laws affecting businesses generally, certain laws apply to vacation rental and management businesses.

You may be required to hold a real estate agent or broker license under the laws of the State where your Franchised Business is located to perform the services required under the Franchise Agreement.

Certain states have specific laws and regulations governing the listing, management and rental of vacation homes. You will be obligated to follow those laws and regulations, which may require separate registration, posting a bond, or other requirements and conditions. Local governments also restrict and tax short term rentals through zoning and other ordinances. You should research and understand the impact of these local laws on your Franchised Business. Some jurisdictions restrict the number of residences available for short term rental or the number of persons who are not family members who can stay simultaneously in a short-term rental residence.

Certain states have laws governing the sale of travel packages and related services. You may need to register as a seller of travel in your state prior to providing services on behalf of your Franchised Business.

Some states may have other licensing, certification or registration requirements applicable to some or all of the services you will be providing through your Franchised Business. You may be required to pay a fee to the state agency or association responsible for enforcing these requirements. Some states may require a minimum level of education or related work experience to obtain licenses.

You must comply with all local, state and federal laws and regulations that apply to the operation of your Franchised Business, including, among others, business operations, insurance, discrimination, and employment laws. Your advertising of the Franchised Business is regulated by the Federal Trade Commission. There may be federal, state and local laws which affect your Franchised Business in addition to those listed here. You will be responsible for investigating and complying with any such laws in your designated Territory. You should consider both their effect on your business and the cost of compliance. You should thoroughly investigate all of these laws and requirements before purchasing a Grand Welcome franchise.

ITEM 2: BUSINESS EXPERIENCE

Founder/CEO: Brandon Ezra

Mr. Ezra is the founder of the Grand Welcome brand and serves as our chief executive officer, a position he has held since our inception. Mr. Ezra has also served as the chief executive officer of our affiliates, Grand Welcome IP, LLC, and Hawaiian Vacation Rentals, LLC, since their formation in 2015. Mr. Ezra was the chief executive officer of USA Travel, LLC, and Mammoth Real Estate, LLC, vacation home rental businesses located in Cheyenne, Wyoming, from 2009, the year when Mr. Ezra founded these companies, until 2015, when they merged with Hawaiian Vacation Rentals, LLC.

Chief Financial Officer: Lisa Guild

Mrs. Guild has been our Chief Development Officer since March 2022. Prior to joining us Mrs. Guild was involved in a financial role with a confidential company due to the fact that the company is still in the process of being sold from January 2022 to March 2022. She has also served as the global chief financial officer of Brixton LLC in Oceanside, California from June 2019 to December 2021. Mrs. Guild was the interim chief financial officer and executive vice president of finance for RLG Consulting, Inc in Irvine, California from August 2017 to June 2019, and Chief Financial Officer of JSerra Catholic High School in San Juan Capistrano, California from November 2013 to August 2017. She is a licensed CPA with the State of California.

Senior Vice President of Franchise Development: Kevin Drudge

Mr. Drudge has been our Vice President of Franchise Development since August 2019. Prior to joining us, he was a self-employed consultant in July 2019. He also held positions of Vice President of Franchise Development and Operations at United Water Restoration Group in Ormond Beach, Florida from April 2018 to June 2019, Vice President of Franchise Development and Operations at United Franchise Holdings, LLC in Ormond

Beach, Florida, from April 2017 through April 2018, and of Vice President of Franchise Development for Alloy Wheel Repair Specialists in Norcross, Georgia, from March 2017 to April 2018. Mr. Drudge also served as Chief Development Officer and Vice President of Franchise Development with AdvantaClean Systems, Inc. in Huntersville, North Carolina, from November 2012 to April 2018.

Senior Vice President of Commercial: Matthew Clare

Mr. Clare has been our Senior Vice President of Commercial since August 2022. Prior to joining Grand Welcome, Matt was Vice President of Sales for Provi in Chicago, Illinois, from January 2022 to August 2022, Regional Vice President of Sales for Toast, in Boston, Massachusetts, from January 2020 to January 2022 and Vice President of Sales for Turnkey Vacation Rentals based in Austin, Texas, from November 2017 to January 2020.

Senior Director of Franchise Operations: Elizabeth Akretch

Ms. Akretch has been our Senior Director of Franchise Operations since March 2023. Prior to joining Grand Welcome, Ms. Akretch was the Director of Training and Development for Vacasa in Portland, Oregon from June 2022 to March 2023. She also served as Training Facilitation Manager for Operations & Sales from February 2021 to June 2022 and as a Sales Trainer from April 2018 to February 2021 at Vacasa in Portland, Oregon.

Director of Human Resources: Brandi Poulsen

Ms. Poulsen has been our Director of People since November 2021. Prior to joining Grand Welcome, Brandi was the Head of People for The Zebra from June 2019 to November 2021, and Talent and People Operations Manager at Google from November 2017 to June 2019 in Austin, Texas.

Director of Sales: Kit Steen

Ms. Steen has been our Vice President of Sales since July 2022. Prior to joining Grand Welcome, Kit was Senior Director of Sales & Sales Enablement for Vacasa in Portland, Oregon from February 2014 to July 2022.

Director of Commercial Operations: Steven Costa

Mr. Costa has been the Director of Commercial Operations for our affiliate Hawaiian Vacation Rentals, LLC, in Torrance, California, since June 2017 and previously held the position of Revenue Manager from May 2016 through June 2017. Prior to joining Grand Welcome, Mr. Costa was a Real Estate Investment Analyst and Property Marketing Specialist for Prudential California Realty in Yorba Linda, California, from October 2008 through May 2016.

ITEM 3: LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcies are required to be disclosed in this Item.

ITEM 5: INITIAL FEES

We will charge you an initial franchise fee ("Initial Franchise Fee") when you sign the Franchise Agreement. The Initial Franchise Fee is between Nineteen Thousand Dollars ($19,000.00) and One Hundred Nine Thousand Dollars ($109,000.00), depending on the potential territory revenue ("PTR") expected in the Territory, as specified below:

Total Annual PTR	Initial Fee
Tier 1: $1,000,000 - $20,000,000	$19,000
Tier 2: $20,000,001 - $60,000,000	$49,000
Tier 3: $60,000,001 - $100,000,000	$79,000
Tier 4: $100,000,001 - $140,000,000	$109,000

We use industry-recognized, third-party short-term rental data and analytics to determine the PTR. The PTR will be the potential revenue in a territory for a continuous twelve (12)-month period based on last issued data. The PTR will equal the total number of currently available vacation home rental units in the Territory, multiplied by the average total number of rented nights per unit, and multiplied by the average daily rental rate in the Territory. The Initial Franchise Fee is fully earned by us and due in lump sum when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable under any circumstance.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. We currently offer an incentive whereby we offer a 25% discount on the then-current initial franchise fee for a second territory.

We also currently offer a 15% discount on the Initial Franchise Fee to first responders and to veterans of the U.S. armed forces who have been honorably discharged from the military and who otherwise meet our requirements.

You are required to pay us an Initial Data Collection Fee based on your Tier, as set forth below. Upon payment of this fee, we will provide you with an initial report containing short-term rental units and property owner contact information in your Territory. The Initial Data Collection Fee is due one month prior to opening your Franchised Business and is non-refundable.

INITIAL DATA COLLECTION FEE	
TIER 1	$ 500
TIER 2	$ 1,500

TIER 3	$	2,000
TIER 4	$	2,500

ITEM 6: <u>OTHER FEES</u>

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	8% of Net Revenue per month	12th day of each calendar month	We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you. See footnote 1.
Online Travel Agency ("OTA") Fees	Actual charge by third party	12th day of each calendar month	These are pass-through commissions and fees which we deduct from your revenue and pay to third party OTAs on your behalf.
Credit Card/Merchant Payment Processing Fee	Actual charge by third party	12th day of each calendar month	These are pass-through fees which we deduct from your revenue and pay to third party merchant payment processors on your behalf.
Guest Services Support Fee	$15 per reservation, subject to increase	12th day of each calendar month	This charge is for the cost of our Guest Services Support Center to handle guest-related requests and services. This charge applies to every reservation.
Guest Targeted Marketing Fee	1.5% of Gross Revenue, subject to increase by no more than 25% in any 12-month period.	12th day of each calendar month	This charge is for the cost of our marketing efforts that target current and potential guests for stays in your Territory.
Local Unit Owner Targeted Marketing Expenditure	Tier 1: $500 Tier 2: $1,500 Tier 3: $2,000 Tier 4: $2,500	Monthly	Payable to third-party suppliers. See footnote 2.
Brand Fund Contribution	1% of Net Revenue per month, subject to increases not to exceed 3% annually.	12th day of each calendar month	We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you.

Type of Fee	Amount	Due Date	Remarks
Technology Fee	$30 per Active Unit in Property Management System per month, subject to increases not to exceed twenty-five percent (25%) annually, on a cumulative basis.	12th day of each calendar month	We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you. See footnote 3.
Late Charge	$75 per occurrence	As incurred	If you fail to pay us any sum due that is not otherwise deducted by us from your Gross Revenue, we may charge you a late fee.
Interest Charge	1.5% per month from due date or maximum allowed by law, whichever is lower	As incurred	If you fail to pay us any sum due that is not otherwise deducted by us from your Gross Revenue, we may charge you interest.
Non-sufficient Funds Fee	$100 per occurrence	As incurred	If your check is returned or an electronic funds transfer from your bank account is denied for insufficient funds, for each occurrence we may charge you a Non-sufficient Funds Fee.
Successor Agreement Fee	10% of the then-current Tier 2 initial franchise fee	Before signing successor agreement	Payable to us. See Item 17.
Transfer Fee	75% of the then-current Tier 2 initial franchise fee. For transfer to: (i) an existing franchisee in good standing, the transfer fee is 50% of the then-current Tier 2 initial franchise fee, (ii) owner(s) of the franchisee entity that does not change management control, the	Upon approval of the transfer	Payable to us. See Item 17

Type of Fee	Amount	Due Date	Remarks
	transfer fee is $1,500 and (iii) a spouse, parent or child upon death or permanent disability, the transfer fee is $3,500.		
Interim Management Fee	Our then-current fee, which is currently $450 per day, during the term of interim management, plus all travel related and other expenses.	As incurred.	We may impose this fee (in addition to all regularly occurring fees such as the Royalty Fee and Brand Fund Contributions), payable to us, if we provide interim management of your Franchised Business due to lack of manager, default, death or disability.
Initial Training	No charge for initial training of up to two (2) people. The fee for additional trainees, who attend the same training session as you, is $500 per person. You pay all travel and other related expenses incurred by all trainees.	As incurred.	Initial training takes place at our training center in Torrance, California. You must pay the incidental costs of attendance, which include but are not limited to, airfare, transportation, hotel and food costs. Incidental costs are payable to third-party suppliers. In our discretion, we will arrange and pay for your lodging during training. Fees for additional trainees are payable to us.
Additional Training	A reasonable fee not to exceed $500 per attendee per program for all System training programs. You pay all travel and other related expenses incurred by you and your personnel to attend training.	As incurred.	See footnote 4.

Type of Fee	Amount	Due Date	Remarks
Remedial Training Fee	Our then-current trainer per diem rate plus expenses. Our current per diem rate is $350 per day, plus travel and other expenses.	As incurred.	We may impose this fee, payable to us, if you request additional training in your territory from time-to-time, or if you are operating below our standards and we require you to have additional training. You must also pay all costs of our trainer, which include but are not limited to, airfare, transportation, hotel and meals.
Examination of Books and Records	Cost of examination plus related expenses.	As incurred.	We have the right under the Franchise Agreement to examine your books, records and tax reports and filings. If an examination reveals that you have understated any Gross Revenue, you must pay to us the cost of the audit and all travel and related expenses, in addition to repaying monies owed and interest on the monies owed.
Evaluation Fee	$500	As incurred.	Payable to us. See footnote 5.
Customer Dispute Resolution Fee	$200 per occurrence plus the amount we refund to a customer on your behalf.	As incurred.	You must pay us this fee if we refund any amounts to your customer.
Confidential Operating Manual Replacement Fee	$250, or our then-current fee	As incurred.	Paid to us
Quality Review Services	Varies	As incurred.	Payable to third-party providers. See footnote 6.

Type of Fee	Amount	Due Date	Remarks
Indemnification	Amount of loss or damages plus costs	As incurred.	See footnote 7.
Damages, Costs and Expenses for Non-compliance	Actual damages, costs and expenses	As incurred.	See footnote 8.
Insurance Reimbursement	Amount paid by us for your insurance obligations, plus a ten percent (10%) administrative fee and other actual expenses	As incurred.	You must reimburse us for any insurance costs and other fees we incur due to your failure to meet the insurance obligations required by the Franchise Agreement.
Taxes	Amount of taxes	When incurred.	You must reimburse us for any taxes that we must pay to any taxing authority on account of either the operation of your Franchised Business or payments that you make to us, including, but not limited to sales taxes or income taxes imposed by any authority.

All fees and expenses described in this Item 6 are nonrefundable and are uniformly imposed. Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us.

[1] "Net Revenue" is defined as Gross Revenue less the following amounts: (i) transient occupancy taxes, sales taxes and other taxes separately stated that you pay on behalf of Unit Owners or Guests to taxing authorities, (ii) OTA commissions and other charges, (iii) merchant and/or credit card payment processing fees, (iv) the Guest Targeted Marketing Fee, and (v) the Unit Owner's share of Gross Revenue. The term "Gross Revenue" means (1) Guest payments for Unit rentals (less any chargebacks), including all revenue received or receivable from Guests, whether directly or indirectly through OTA websites, including daily rental and all charges associated with the reservation, plus (2) all charges you impose on Guests to arrange for, or to provide, optional services and items, plus (3) any other revenues and income from any source derived or received by you from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted by the Franchise Agreement, plus (4) favorably resolved chargebacks, plus (5) all proceeds from any business interruption insurance. Guest payments are made through a centralized payment processing system maintained by us. We will deduct the Royalty Fee and other fees payable to us and third parties and distribute the balance to you.

[2] Upon our request, you must furnish us with a quarterly report and documentation of Local Unit Owner Targeted Marketing expenditures during the previous calendar quarter. You may not use social media platforms, such as Facebook, Twitter, Instagram, LinkedIn, TikTok, blogs and other networking and sharing websites, unless you first receive our written approval to do so and such use is in strict accordance with our requirements.

[3] The Technology Fee is used for existing, new or improved technology for the benefit of the System and the Franchised Business, including but not limited to, maintenance and your use of our customized, cloud-based franchise Property Management System, Customer Relationship Management System, Onboarding & Case Management System, Learning Management System, Knowledge Base, and E-Signature Platforms.

[4] We may offer mandatory and/or optional additional training programs from time to time. If we require it, you must participate in additional training, including attendance at a national business meeting or annual convention, for up to five (5) days per year, at a location we designate. We reserve the right to impose a reasonable fee not to exceed $500 per attendee for all additional training programs, including the national business meeting or annual convention. You are responsible for any and all incidental expenses incurred by you and your personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages.

[5] If you wish to purchase, lease or use any, equipment, supplies, services or other items unapproved or from an unapproved supplier, you must request our prior written approval. As a condition to our approval, we may require inspection of the proposed supplier's facilities and evaluation and testing of the proposed item or service.

[6] We may establish quality assurance programs conducted by third-party providers, such as, by way of example only, customer satisfaction surveys and periodic quality audits, to monitor the operations of your Franchised Business. If we require it, you must subscribe and pay the fees for any such program.

[7] You must indemnify and hold us, our parent and affiliates, and all of our respective officers, directors, agents and employees harmless from and against any and all claims, losses, costs, expenses, liability and damages arising directly or indirectly from, as a result of, or in connection with your business operations under the Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

[8] If you breach the Franchise Agreement, you must reimburse us any costs we incur to cure your default. You must also pay us all damages, costs and expenses, including reasonable attorneys' fees, we incur in obtaining any remedy, injunctive or other relief to enforce the provisions of the Franchise Agreement.

ITEM 7: <u>ESTIMATED INITIAL INVESTMENT</u>

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Initial Franchise Fee[1]	$19,000 - $109,000	Lump sum payment in cash or available funds	Upon signing the Franchise Agreement.	Us
Initial Data Collection Fee	$500 - $2,500	Lump sum payment in cash or available funds	One month prior to opening.	Us
Your Training Expenses[2]	$1,000 - $3,000	As required for transportation, lodging & meals	As required by suppliers of transportation, lodging & meals.	Suppliers of transportation, lodging & meals.
Office Lease Deposit[3]	$0 - $1,000	As incurred	Before opening	Landlord
Office Furniture, Fixtures, Equipment and Supplies[4]	$0- $1,500	As required by supplier	Before opening	Suppliers
Licenses and Permits[5]	$150 - $500	As required by government agencies	Before opening, as required by government agencies	Government Agencies
Real Estate Brokerage License[6]	$0 - $5,000	As required by government agencies	Before opening, as required by government agencies	Government Agencies, Training Program Provider
Computer Systems[7]	$500 - $1,500	As required by suppliers	Before opening	Suppliers
Vehicle[8]	$0 – $3,500	As required by vendor, lessor or lender	Before opening	Vendor, Lessor or Lender
Vehicle Graphics	$250 - $500	As incurred	Before opening	Vendor
Branding and Promotional Materials[9]	$250 - $750	As incurred	Before opening	Suppliers
Professional Fees[10]	$250 - $3,000	As required by providers	As incurred	Attorney, Accountant, Other Professional Service Providers
Insurance[11]	$1,000 - $3,000	As required by insurer	Before opening	Insurer

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is Made
Operating Expenses / Additional Funds – 3 months[12]	$15,000 - $35,000	As incurred	In according with agreed-upon terms	Employees, suppliers, etc.
TOTAL	$37,900 - $169,750			

[1] Please see Item 5 for information on incentive programs that may offer a discount on the Initial Franchise Fee.

[2] The cost of the Initial Management Training Program for two people is included in the Initial Franchise Fee. The chart estimates the costs for transportation, lodging and meals for your trainee(s). These incidental costs are not included in the Initial Franchise Fee. Your costs will depend on the number of people attending training, their point of origin, method of travel, class of accommodation and living expenses. The duration of the training program is up to two (2) weeks. This estimate does not include employee wages.

[3] You are not required to operate the Franchised Business from a commercial office. You may operate from a home-based office, but you may not meet guests or owners at your home. In certain markets, we may require that you operate from a suitable commercial office located in your Territory convenient to guests and property owners. The above estimate represents the security deposit and first month's rent for commercial office premises.

[4] You will require basic office furniture and supplies for your office. You will need equipment to photograph and upload images of rental units for marketing purposes. You may use a mobile phone for photography and image upload or other equipment that is compatible with our cloud-based Property Management System.

[5] You are responsible for applying for, obtaining and maintaining all required permits and licenses necessary to operate your Franchised Business. This estimate includes the initial cost of licenses, certifications and/or permits that may be required by you or your employees to provide services offered by the Franchise. The costs of permits and licenses will vary by location.

[6] You may be required to obtain a real estate brokerage license in order to conduct the Franchised Business. This estimate includes the cost of a Real Estate License, Broker's License and/or 3rd party consulting for assistance in navigating any state specific regulatory conditions. These requirements vary by location. You may incur additional expenses to obtain and qualify for the license, including opening bank accounts, posting bonds, and other costs.

[7] We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchised Business. This estimate includes the cost of a laptop computer, mobile phone and smart tablet for digital lock control and purchase, installation and access to home automation systems. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of rental unit photographs, digital lock codes, reports, and customer information. This estimate also includes the cost of QuickBooks Online software

and training through Intuit. We reserve the right to change your requirements for computer hardware and software at any time.

[8] You must use a vehicle for travel to your clients' properties. Your vehicle must be in good condition, free of noticeable dents or damage. You may use a vehicle you currently own, if we determine, in our sole discretion, that it meets our specifications, and we give our consent. If you must purchase or lease a vehicle, we list current acceptable manufacturer/models in our operations manual. The high end of the above estimate represents three (3) months of car payments, assuming a purchase price of $23,000, plus taxes, fees and registration. You must maintain your vehicle in good working order, cleanliness and appearance and promptly repair any visible exterior damage, including but not limited to, dents and scratches.

[9] This estimate includes branded and promotional materials such as business cards, letterhead, envelopes, flyers, brochures, and embroidered shirts.

[10] You may incur professional fees depending on the scope of work performed, which may include, legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this disclosure document and the Franchise Agreement. It is also advisable to consult these professionals to review any other contracts that you will enter into as part of starting your Franchised Business.

[11] Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. Insurance costs and requirements may vary widely in different localities. The estimate is for an initial down payment including in total up to 3 months of insurance monthly premiums. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

[12] This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate. This estimate includes such items as initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, additional marketing costs and other miscellaneous items.

We relied upon the experience of our operating affiliates to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer.

We may offer you financing for up to 85% of the Initial Franchise Fee, if you meet our qualifications. Please see Item 10 for details. We do not offer direct or indirect financing to franchisees for any other items included in this section.

All fees and payments are non-refundable, unless otherwise stated or permitted by payee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have identified various suppliers, distributors and manufacturers of equipment, supplies and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all equipment, supplies and services, including billing and tax remittance services, from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes in our standards and/or specifications.

From time to time, we or our affiliates may offer programs and services to you to assist with developing your market or signing unit listings. At your option, you may choose to participate in our programs and services. We reserve the right to offer, modify or withdraw any program or service at any time without notice to you. We will derive revenue from these programs and services.

Other than our programs and services, none of our officers own an interest in any approved suppliers of required goods or services that you are required to purchase for the operation of your Franchised Business.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The minimum insurance required is: comprehensive general liability insurance, including coverage for personal and advertising injury, in the recommended amount of at One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) in the aggregate; prior to operating a vehicle on behalf of the Franchised Business, automobile insurance in the recommended amount of at least a combined single limit for bodily and property damage of at least One Million dollars ($1,000,000), or greater if required by state law; and at all times when you have employees, employment practices/abuse and employee dishonesty insurance, including third-party coverage of a recommended minimum of One Million dollars ($1,000,000) or greater if required by state law for worker's compensation coverage, and employer liability coverage of a recommended minimum of One Million Dollars ($1,000,000).

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine in our sole discretion, we will approve it as an additional item or supplier. We will notify you whether we approve or disapprove of the proposed item or supplier within 60 days after we receive all required information to evaluate the product or service. We reserve the right to revoke approval of any item or supplier that does not continue to meet our then-current standards upon written notice to you. Our criteria for approving items and suppliers are not available to you. If you request that we approve a proposed item or supplier, we may charge you an evaluation fee of $500.

During our fiscal year that ended December 31, 2022, we did not receive any revenue from franchisee required leases or purchases. We currently do not receive any revenue, rebates, discounts or other material consideration from any suppliers based on your required purchases of products, supplies or equipment; however, we may do so in the future, and any rebates or discounts we receive may be kept by us in our sole discretion.

We estimate that your purchase or lease of products, supplies and services from approved suppliers (or those which meet our specifications) will represent approximately 1% of your costs to establish your Franchised Business and less than 1% of your costs for ongoing operation.

Currently, there are no purchasing or distribution cooperatives. However, we can require that you make your purchases through a cooperative if one is formed.

Although we do not do so currently, we may in the future negotiate purchase arrangements, including price terms, with designated and approved suppliers on behalf of all franchisees.

We provide no material benefits (such as the grant of additional franchises) based on your use of designated sources; however, failure to use approved items or designated suppliers and contractors may be a default under the Franchise Agreement. Additionally, when there is any default under the Franchise Agreement, we reserve the right, in addition to other remedies available under the Franchise Agreement, to direct suppliers to withhold furnishing products and services to you.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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 or Article in Franchise Agreement	Item in Franchise Disclosure Document
a. Site Selection and Acquisition/Lease	8.1	11, 12
b. Pre-Opening Purchase/Leases	8.2, 12.3.1	7, 11
c. Site Development & other Pre-Opening Requirements	8.1, 8.2, 12.1.1	11
d. Initial and Ongoing Training	Article 7	11
e. Opening	8.2	11

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
f. Fees	5.2.6, Article 6, 7.4, 7.5, 12.3.7, 12.7, 12.8,13.2, 13.3.1,15.6, 16.4, 18.1.4, 18.1.5, 19.1.5 20.8	5, 6, 7
g. Compliance with Standards and Policies/Operating Manual	Article 9, 11.4, Article 12, 19.1.1	8, 11
h. Trademarks and Proprietary Information	9.3, Article 14, 19.2, 19.3, 19.4	13, 14
i. Restrictions on Products/Services Offered	12.9	8, 16
j. Warranty and Customer Service Requirements	12.8	Not Applicable
k. Territorial Development and Sales Quotas	13.2, 13.3	12
l. Ongoing Product/Service Purchases	12.1.3	8
m. Maintenance, Appearance and Remodeling Requirements	Article 9, 12.1.7, 12.1.8	11
n. Insurance	Article 15	7
o. Advertising	12.1.9, Article 13	6, 11
p. Indemnification	12.4, 12.5,15.6, 16.3.6, 21.1	14
q. Owner's Participation, Management, Staffing	11.1, 11.3, 12.1.3, 12.1.6	11, 15
r. Records/Reports	12.2	6
s. Inspections and Audits	12.1.4, 12.1.5, 12.1.6, 12.2.4, 12.2.5, 12.8	6, 11
t. Transfer	Article 16	17
u. Renewal	Article 5	17
v. Post-Termination Obligations	Article 18	17
w. Non-Competition Covenants	19.5	17
x. Dispute Resolution	Article 20	17

Obligation	Section or Article in Franchise Agreement	Item in Franchise Disclosure Document
y. Guaranty (Spouse)	11.3, Attachment 6	15

ITEM 10: FINANCING

We may offer you financing for up to 85% of the Initial Franchise Fee, if you meet our qualifications. You must sign a Promissory Note and Security Agreement (See Exhibits D and E). If your Franchised Business is owned by an entity, all owners and Principals of the entity must sign the Promissory Note and Security Agreement personally. There is no separate Personal Guaranty required. We do not offer any other direct or indirect financing.

We do not, and do not intend to, sell, assign, or discount to a third party all or part of the financing arrangement.

The following table summarizes the financing we may offer:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Franchise Fee	Us	15% minimum of the Initial Franchise Fee	Up to 85% of the Initial Franchise Fee	4 years	18%	Varies. See Note 1.	None	See Note 2.	See Note 3.	See Note 4.

[1] The Monthly Payment will vary depending on the amount financed.

[2] You are required to sign a Security Agreement that will grant us a security interest in the assets of your Grand Welcome Franchise, including but not limited to, your furniture, fixtures, equipment, inventory, contracts and accounts receivable.

[3] If you default on your obligations under the Promissory Note, we have the right to require immediate payment of the full balance of the amount owing under the Promissory Note, collect the full balance owing from you or any guarantor, file suit and obtain judgment, take possession of any collateral, or sell, lease or otherwise dispose of any collateral at public or private sale, with or without advertisement. You must also pay our costs to collect the debt, including courts costs and reasonable attorney's fees. Additionally, a default of the Promissory Note is a default of the franchise agreement, and we may terminate your franchise agreement.

[4] You waive your rights to notice of a collection action and to assert any defenses to collection against us or our affiliate. Additionally, a default of the Promissory Note is a default of the franchise agreement, and we may terminate your franchise agreement.

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

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

1. Pre-Opening Obligations

Before you open your Franchised Business, we will:

a. designate the boundaries of your territory (Franchise Agreement, Section 10.1).

b. determine your Minimum Performance Standards (Franchise Agreement, Section 3.2).

c. provide the Grand Welcome Operations Manual and other manuals and training aids we designate for use in the operation of your Franchised Business, as they may be revised from time to time (Franchise Agreement, Section 10.2).

d. provide a written list of equipment, signage, supplies and products that will be required to open the Franchised Business. We do not provide, purchase, deliver, or install any of these items for you (Franchise Agreement, Section 10.3).

e. provide you with initial training at our headquarters and/or field office. We will determine, in our sole discretion, whether you satisfactorily complete the initial training (Franchise Agreement, Sections 7.1 and 7.2).

f. provide a trainer at your premises for on-site training, supervision and assistance for up to two (2) days within six (6) months of the opening of your Franchised Business (Franchise Agreement, Section 7.3).

g. provide you with our standard Unit Listing Agreement (which is included in Exhibit C of this Disclosure Document). You are required to revise the Unit Listing Agreement to comply with the laws in your Territory and submit to us for approval (Franchise Agreement, Section 10.4).

h. provide you with samples or digital artwork of advertising and promotional materials for your initial marketing activities (Franchise Agreement, Section 10.6).

i. upon payment of the Initial Data Collection Fee, provide you with a report of short-term vacation rental properties and property owner contact information in your territory.

2. Time to Open

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Franchised Business is ninety (90) days. Before you may open, you must (i) complete our Initial Management Training Program, (ii) secure and outfit a home-based or commercial office (iii) hire and train your staff, if required, (iv) obtain all required licenses to operate the Franchised Business, (v) obtain all equipment Franchisor requires, including but not limited to, computer systems, software, applications, and a vehicle in accordance with Franchisor's standards, (vi) retain the services of our designated third-party tax remittance vendor, and (vii) provide us with documentation for bank account(s) for use in the Franchised Business. Factors that may affect this time period include your ability to acquire license and permits, financing any portion of the initial investment and completion of required training. If you have not opened your Franchised Business within ninety (90) days after you sign the Franchise Agreement, you must obtain our consent to extend the time to open, which we may or may not grant, at our discretion. Failure to open your Franchised Business within the original time as extended, is a default of the Franchise Agreement. (Franchise Agreement, Section 8.2).

3. Obligations After Opening

During the operation of your franchise, we will:

a. offer from time to time, in our discretion, mandatory or optional additional training programs. If we require it, you must attend mandatory additional training and/or attend an annual business meeting or franchisee conference for up to five (5) days each year at a location we designate. Failure to attend mandatory additional training or an annual business meeting or conference is a default of the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer's travel costs. (Franchise Agreement, Section 7.4).

b. upon your request, or as we determine to be appropriate, provide remedial in-territory training and assistance. For any in-territory training, you must reimburse all costs for the services of our trainer, including but not limited to the trainer's then-current per diem fee and all travel-related expenses, such as transportation, meals and lodging (Franchise Agreement, Section 7.5).

c. upon your request, provide individualized assistance to you within reasonable limits by telephone, video conferencing, or electronic mail, subject at all times to availability of our personnel and within reasonable limits (Franchise Agreement, Section 7.6).

d. from time to time, as may become available, provide you with samples or digital artwork of advertising and promotional materials (Franchise Agreement, Section 10.6).

e. maintain the Grand Welcome website and include your rental unit listings on the website, in our discretion. (Franchise Agreement, Section 12.3.6).

f. provide criteria for a home to be eligible as a rental unit and approve your proposed units (Franchise Agreement, Section 10.5).

g. provide you with any written specifications for required equipment, products and services and provide you with updated lists of any approved suppliers of these items. We do not provide, purchase, deliver, or install any of these items for you (Franchise Agreement, Section 10.3).

h. disburse to you revenue paid by guests through our online accounts and centralized payment processing systems for your listed units, less amounts owed to us and third parties. (Franchise Agreement, Section 6.1.4).

i. maintain accounts with online travel agencies through which we will post your rental unit listings and permit guest payments to be made (Franchise Agreement, Section 10.11).

j. set rental and fee rates for each rental unit listing using our proprietary algorithms (Franchise Agreement, Section 10.13)

k. approve your office location, if you choose to relocate to commercial premises, which approval is in our sole discretion. You will commence operations at home. If you wish to move to a commercial location, you can do so with our approval. Factors for approval include general neighborhood conditions conducive to guest access and a centralized location to unit listings. We will not unreasonably withhold our approval. You must continue operating out of your home office until we approve a commercial office location (Franchise Agreement, Section 10.1).

4. Advertising

Local Marketing (Franchise Agreement, Sections 13.2, 13.5 and 13.6)

You are required to spend monthly the following amount on marketing efforts directed at current and potential Unit Owners in your Territory:

LOCAL UNIT OWNER TARGETED MARKETING EXPENDITURE	
Tier 1	$ 500
Tier 2	$ 1,500
Tier 3	$ 2,000
Tier 4	$ 2,500

We reserve the right to increase the Local Unit Owner Targeted Marketing Expenditure no more often that once in each consecutive 12-month period. Upon our request, you must furnish us with a quarterly report of your marketing activities during the previous calendar quarter.

You are required to pay us monthly a Guest Targeted Marketing Fee equal to 1.5% of your Gross Revenue for us to conduct marketing activities directed at current and potential Guests for stays in your Territory. We may use your Guest Targeted Marketing Fees together with those paid by other franchisees in the System for combined marketing activities that cannot be readily allocated. We reserve the right to increase the Guest Targeted Marketing Fee by no more 25% in any 12-month period.

You may develop advertising materials for your own use at your own cost, and you may use marketing materials that we may offer to you from time to time. You may not use any advertising or marketing materials, including press releases, unless they have been approved in advance in writing by us, which approval may be withheld in our discretion.

We will respond to your request for approval within ten (10) business days; however, if we do not respond within ten (10) business days, the proposed advertising or marketing material is deemed “disapproved”.

You must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. You may not maintain any business profile on Facebook, Twitter, LinkedIn, Instagram, YouTube, TikTok or any other social media and/or networking site without our prior written approval.

You have no obligation to participate in a local or regional advertising cooperative.

System-wide Brand Fund (Franchise Agreement, Section 13.3)

You are required to contribute to the Brand Fund One Percent (1%) of Net Revenue per month, which may be increased by any amount not to exceed Three Percent (3%) in our reasonable discretion. Each Grand Welcome outlet operated by our affiliates or us may, but is not obligated to, contribute to the Brand Fund on the same basis as System franchisees.

The Brand Fund is administered by our accounting and marketing personnel. We may use Brand Fund contributions to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs. We may also use Brand Fund contributions to pay any and all costs of marketing seminars and training programs, market research, services of advertising and/or public relations agencies, and website development and maintenance. We may further use Brand Fund contributions to pay our costs (including personnel and other administrative costs) for advertising that is administered by us or prepared by us, as well as for administration and direction of the Brand Fund.

The Brand Fund will not be used to defray any of our other general operating expenses. Brand Fund contributions will not be used to solicit new franchise sales; provided however, we reserve the right to include “Franchises Available” or similar language and contact information in advertising produced with Brand Fund contributions.

The Brand Fund collects and expends the Brand Fund contributions for the benefit of the System as a whole. We reserve the right to use the Brand Fund contributions to place advertising in national, regional or local media (including broadcast, print, or other media) and to conduct marketing campaigns through any channel, in our discretion, including but not limited to, Internet and direct-mail campaigns. We have no obligation, however, to place advertising or conduct marketing campaigns in any particular area, including the Territory where your Franchised Business is located.

The Brand Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

We have no obligation to make expenditures that are equivalent or proportionate to your Brand Fund contribution or to ensure that you benefit directly or pro rata from the production or placement of advertising from the Brand Fund.

The Brand Fund is not audited. An annual unaudited financial statement of the Brand Fund is available to any franchisee upon written request.

If we spend more or less than the total of all contributions to the Brand Fund in any fiscal year, we may carry forward any surplus or deficit to the next fiscal year.

During our most recently concluded fiscal year ending December 31, 2022, Brand Fund contributions were used as follows: 80% for public relations and 20% for digital advertising.

Although the Brand Fund is intended to be of perpetual duration, we may terminate it at any time and for any reason or no reason. We will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

Advertising Council (Franchise Agreement, Section 9.7)

We have established a franchise advertising council, which is composed of franchisees that advises us on advertising policies. We select Franchisees to the council based on our criteria, which includes factors such as a franchisee's level of success, superior performance and profitability. The advertising council has no decision making power and serves in an advisory capacity only. We reserve the right to change or dissolve the council at any time.

5. **<u>Computer Systems</u>** (Franchise Agreement, Section 12.3)

You are required to have an internet-capable laptop computer, mobile phone and smart tablet that can operate the latest versions of software and computer platforms we require. You are required to use our customized, cloud-based property management software ("PMS") and Microsoft Office Suite for your general office tasks. Quickbooks is recommended for bookkeeping, report generation and billing. The PMS is used for property image uploads, scheduling, customer communication, and data collection. You must purchase the required computer hardware and software, at your expense. The cost of purchasing the required hardware and software is $1,000- $1,500. The current software fee to access the PMS is included in the Technology Fee that you pay to us. The Technology Fee is $30 per Unit Listing per month, subject to increase.

There are no contractual limitations on the frequency and cost of upgrades and/or updates to the above-described systems. We may in the future modify or establish other service performance or revenue reporting systems, as we deem appropriate, for the accurate and expeditious reporting of Gross Revenue and delivery of our products and services. You must fully cooperate in implementing any such modifications at your expense.

We have no obligation to maintain, repair, update or upgrade your computer hardware and software. At your cost, you must provide on-going maintenance and repairs to your computer hardware and software. You must upgrade your computer hardware and software as necessary to operate the most current version of our System requirements. We cannot estimate the cost of maintaining, updating and upgrading your computer hardware and software because it will depend on the make and model of your computer, repair history, usage, local cost of computer maintenance services in your area and technological advances that we cannot predict.

We have remote and independent access to all information generated by and stored by you in the PMS, including your revenue information and customer data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically access and retrieve the information stored in your computer system. We own all client data stored in your computer system.

6. Table of Contents of Operations Manual

The Table of Contents of our Operations Manual, current as of the date of this Disclosure Document is attached as Exhibit H. The Operations Manual has a total of 493 pages.

7. Training (Franchise Agreement, Article 7)

You (if the franchisee is an individual) or all of your owners (if the franchisee is a business entity) and your general manager must complete our two (2)-week Initial Management Training Program, to our satisfaction, before opening your Franchised Business. All owners must personally complete the Initial Management Training Program, even if we approve a manager to perform the day-to-day activities of your Franchised Business. We will train you utilizing our virtual program, Grand Welcome University, and/or at an existing field location for on-the-job training.

Training Program

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Administrative	2	2	Grand Welcome University, Virtual Sessions, Existing Field Office
Human Resources	1	1	Grand Welcome University, Virtual Sessions, Existing Field Office
Technology	6	5	Grand Welcome University, Virtual Sessions, Existing Field Office
Marketing	5	5	Grand Welcome University, Virtual Sessions, Existing Field Office
Property Onboarding	3	4	Grand Welcome University, Virtual Sessions, Existing Field Office
Owner Growth	5	4	Grand Welcome University, Virtual Sessions, Existing Field Office
Housekeeping	6	6	Grand Welcome University, Virtual Sessions, Existing Field Office
Maintenance	5	6	Grand Welcome University, Virtual Sessions, Existing Field Office
Vendor Management	1	4	Grand Welcome University, Virtual Sessions, Existing Field Office
Guest Relations	2	1	Grand Welcome University, Virtual Sessions, Existing Field Office
Finance	4	1	Grand Welcome University, Virtual Sessions, Existing Field Office
Total	**40**	**39**	

We periodically conduct our Initial Management Training Program with a new session commencing every other month throughout the year, and as needed.

Our training is administered by our industry expert team members, led by our Sr. Director of Franchise Operations, Elizabeth Akretch. Elizabeth has over ten years of Training and Development and Customer Success experience and is highly knowledgeable about the vacation rental space. She and her team will deliver the training course material as well as provide ongoing support as your business opens up.

We will utilize our virtual Grand Welcome University learning system to deliver and measure Franchisee success for all Classroom training as well as ongoing learning objectives and support for our Franchise operations.

Our training materials consist of our operations manual, online course content and PMS demonstrations. You will receive both classroom instruction and hands-on training. You may not commence operation of the Franchised Business unless and until we determine that you have successfully completed the Initial Management Training Program, passing all course exams and you receive the final course certificate of training.

The cost of our instructors, training materials and up to two (2) weeks on-site training for up to two (2) franchise owners and one (1) general manager, if applicable, is included in the Initial Franchise Fee. You must pay for all of travel and personal expenses, including, but not limited to, all costs for your transportation and most meals for yourself and your personnel. Our current fee to provide initial training to any additional trainees who attend training with you is $500 per person.

If you do not complete our Initial Management Training Program to our satisfaction, we reserve the right to terminate the Franchise Agreement.

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend mandatory training programs and an annual conference or national business meeting for up to five (5) days each year, at a location we designate. Failure to attend mandatory training, including an annual conference or business meeting, is a default under the Franchise Agreement. We reserve the right to impose a reasonable fee for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. Our current fee is $500 per attendee per program. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program. If you fail to attend any mandatory training program, you are required to obtain the training at a location we designate, at your sole cost, which includes tuition at the then-current rate, plus all of your travel costs and our trainer’s travel costs.

ITEM 12: <u>TERRITORY</u>

Under the Franchise Agreement, you have the right to establish and operate one (1) Grand Welcome outlet within a limited protected territory (the “Territory”). Your Territory is located in all or a portion of a listed town, city, or county, and will be identified by one or more zip codes or partial zip codes, jurisdiction boundaries, geographic demarcation lines or marked map. The Territory is determined on an individual basis taking into account the total potential revenue that could be achieved within the territory (PTR). We use industry-recognized, third-party short-term rental data and analytics to determine the PTR. The PTR will be based on potential revenue in a territory for a continuous twelve (12)-month period based on last issued data. The PTR will equal the total number of currently available vacation home rental units in the Territory, multiplied by the average total number of rented nights per unit, and multiplied by the average daily rental rate in the Territory. Your Territory will have a minimum PTR of $1,000,000. Your Territory will be defined and attached to your Franchise Agreement as Attachment 2. 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.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not open another Grand Welcome outlet or grant the right to anyone else to open a Grand Welcome outlet within the Territory. However, notwithstanding this limited protection right we grant to you, we reserve all rights to sell in the Territory, either directly or through others, (i) other products and services not offered under the Marks (ii) other property management concepts or products under the Marks, and (iii) through alternative distribution channels, as discussed below.

You are required to meet annual minimum performance standards. Your minimum performance standards are set forth in Attachment 3 of the Franchise Agreement. Minimum performance standards are an annual minimum gross revenue equal to the total annual revenue value of properties managed at year end. The minimum performance standards are as follows:

Total Annual Revenue Value of Properties Managed at Year End				
	Tier 1	**Tier 2**	**Tier 3**	**Tier 4**
Year 1	$250,000	$500,000	$750,000	$1,000,000
Year 2	$625,000	$1,250,000	$1,875,000	$2,500,000
Year 3	$1,000,000	$2,000,000	$3,000,000	$4,000,000
Year 4	$1,125,000	$2,250,000	$3,375,000	$4,500,000
Year 5+	$1,250,000	$2,500,000	$3,750,000	$5,000,000

If you do not meet these minimum requirements, we have the right to reduce the size of your Territory or terminate your Franchise Agreement. There is no other market penetration or other contingency that will affect your right to operate in your Territory during the term of your Franchise Agreement, unless you are in default of your obligations to us.

The Franchise Agreement grants you no options, rights of first refusal or similar rights to acquire additional franchises within the Protected Area or contiguous territories. You may request to expand your Territory and we can grant or withhold our approval for you to do so, in our sole discretion. If we approve an expansion of your Territory, you must pay us a territory expansion fee, as follows:

POTENTIAL TERRITORY REVENUE	**TERRITORY EXPANSION FEE**
<1M	No Charge
1M-2M	$ 1,688
2M-3M	$ 3,375
3M-4M	$ 5,063
4M-5M	$ 6,750
5M-6M	$ 8,438

6M-7M	$ 10,125
7M-8M	$ 11,813
8M-9M	$ 13,500
9M-10M	$ 15,188
10M-11M	$ 16,875
11M-12M	$ 18,563
12M-13M	$ 20,250
13M-14M	$ 21,938
14M-15M	$ 23,625
15M-16M	$ 25,313
16M-17M	$ 27,000
17M-18M	$ 28,688
18M-19M	$ 30,375
19M-20M	$ 32,063
20M-60M	$ 33,750
60M-100M	$ 56,250
100M-140M	$ 78,750

We may, but have no obligation to, consider granting to you the right to establish additional Grand Welcome outlets under other franchise agreements if you are in compliance with the Franchise Agreement and propose to open another Grand Welcome Franchise in an area and at a location we approve.

The Franchise Agreement entitles you to operate from a home-based or commercial office. You may not change the location of your Franchised Business office, except in accordance with the requirements of Section 8.3 of the Franchise Agreement. You may only relocate the Franchised Business office with our consent. We consider the general location, neighborhood and demographic characteristics of the area when approving a site. You are required to remove all identifying signs and property from the original office location.

We reserve all rights not expressly granted in the Franchise Agreement. For example, we or our affiliates may own, operate or authorize others to own or operate Grand Welcome outlets outside of the Territory and may operate other kinds of businesses within the Territory. Although we do not currently do so and have no plans to do so, we and our affiliates may own, acquire, conduct, or authorize others to conduct, any form of business at any location selling any type of product or service not offered under the Marks, including a product or service similar to those you will sell at your Franchised Business. We reserve the right to merge with, acquire, or be acquired by, an existing competitive or non-competitive franchise network, chain, or other business; however, we will not convert any acquired business in your Territory to a franchise using our primary trademarks during the Term of your Franchise Agreement.

We also reserve the right to solicit, sell to, negotiated rates with, and service real estate firms that conduct business across multiple areas or have multiple locations either regionally or nationally, such as property management firms, timeshare companies and builders (“Commercial Accounts”). We may offer you the first right to service Commercial Accounts in your Protected Area, provided that you accept the negotiated terms.

We reserve the rights to offer (i) other services and products not offered under the Marks, (ii) other property management concepts or products under the Marks or other trademarks, and (iii) products or services through other channels of distribution in the Territory including, but not limited to, co-branding with other real estate businesses and travel and tour organizations, and products offered through retail stores, the Internet or direct marketing ("Alternate Channels of Distribution"). You will receive no compensation for our sales through Alternative Distribution Channels in the Territory.

You may not use Alternative Distribution Channels to make sales inside or outside your Territory; however, we, in our discretion, will include your rental unit listings on our website. You may only solicit unit listings from owners of vacation home properties in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory. You cannot provide services to an owner of real estate located outside of your Territory, however, you may request our approval to (i) service a real estate property owner located outside of your Territory in an isolated instance or (ii) expand your Territory, for a territory expansion fee equal to 75% of the then-current initial franchise fee for that territory. If we approve you to provide service outside of your original territory you must (i) obtain any and all required licenses to conduct business in the new area and (ii) obtain all required insurance.

ITEM 13: <u>TRADEMARKS</u>

Grand Welcome IP, LLC ("Licensor") is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in the operation of a Grand Welcome outlet in accordance with the System. The Franchise Agreement will license to you the right to operate your Franchised Business under the Grand Welcome Marks, as described below (the "Principal Marks").

Mark	Registration Number	Registration Date	Register
GRAND WELCOME	5174113	April 4, 2017	Principal

Licensor has filed all required affidavits.

We also license to you the following Principal Mark:

GRAND WELCOME

With regard to this Mark only, we do not have a federal registration for this trademark. Therefore, our trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Principal Marks or other Marks. Licensor and we will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of the Principal Marks or other Marks. Licensor and we have the right to control any administrative proceedings or litigation involving the Principal Marks or other Mark licensed by us to you. You must cooperate fully with Licensor and us in defending and/or settling the litigation.

We reserve the right to substitute different Marks if we can no longer use the current Marks, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to modify or stop using any Mark, including the Principal Marks, or to use one or more additional or substitute Marks.

You must not directly or indirectly contest Licensor's right, or our right, to the Principal Marks or other Marks.

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeals Board, the Trademark Administration of any state, or any court relating to the Marks. There is no pending infringement, opposition or cancellation. There is no pending material federal or state court litigation involving the Principal Marks or other Marks.

There are no currently effective agreements that significantly limit Licensor's or our rights to use or license the use of the Principal Marks or other Marks in a manner material to the franchise.

Our license agreement with Licensor gives us broad rights to use the Marks in connection with the operation of the Grand Welcome franchise System, and to sublicense to franchisees the right to use the Marks, in strict accordance with our Franchise Agreement. The term of our license agreement is for five (5) years, commencing December 27, 2019, and will automatically renew every five (5) years. The license agreement will terminate only upon (i) our bankruptcy or (ii) our election to terminate by providing 180 days' prior notice to the Licensor. A termination of the license agreement will have no effect on sublicenses granted to franchisees prior to the date of termination.

As of the date of this Disclosure Document, we know of no superior prior rights or infringing uses that could materially affect your use of the Principal Mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents and have no pending patent applications that are material to the franchise. We have registered no copyright with the United States Copyright Office. However, we claim copyrights on certain forms, advertisements, promotional materials and other written materials. We also claim copyrights and other proprietary rights in our Operations Manual and the contents of our website.

There are no current material determinations of, or proceedings pending in, the United States Patent and Trademark Office, the U.S. Copyright Office, or any court regarding any of our copyrights discussed above.

There are no agreements currently in effect that limit your right to use any of our copyrights. As of the date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights that could materially affect your use of them.

You must notify us immediately when you learn about an infringement of or challenge to your use of our copyrights. We will take any action we think appropriate and, if you have given us timely notice and are in full compliance with the Franchise Agreement, we will indemnify you for all expenses and damages arising from any claim challenging your authorized use of our copyrights. We have the right to control any administrative proceedings or litigation involving our copyrights licensed by us to you. You must cooperate fully with us in defending and/or settling the litigation.

If you develop any new concept, process, product, service, or improvement ("Improvement") in the operation or promotion of the Franchised Business, you are required to promptly notify us and provide us with all requested information related to the Improvement and sign all documents necessary for us to obtain full proprietary rights to the Improvement. We have no obligation to compensate you for the Improvement or for any cost you incur to sign over your rights to the Improvement to us.

During the term of the Franchise Agreement, you may have access to and become acquainted with our trade secrets, including, but not limited to, methods, processes, pricing algorithms, customer lists, vendor partnerships and/or relationships, sales and technical information, costs, product prices and names, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of your Franchised Business; systems of operation, services, programs, products, procedures, policies, standards, techniques, requirements and specifications which are part of the System; the Operations Manual; methods of advertising and promotion; instructional materials; marketing plans, business methods, research, development or know-how, any other information which we may or may not specifically designate as "confidential" or "proprietary", and the components of our System whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively called the "Confidential Information"). You agree that you will take all reasonable measures to maintain the confidentiality of all Confidential Information in your possession or control and that all such Confidential Information and trade secrets shall remain our exclusive property. You may never during the Initial Term, any Renewal 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 in writing to you prior to any dissemination. Any and all of your personnel who have access to our Confidential Information must sign our Confidentiality/Non-Competition Agreement (Franchise Agreement, Attachment 8).

You must promptly tell us when you learn about unauthorized use of any Confidential Information. We are not obligated to take any action but will respond to this information as we think appropriate. We will indemnify you for losses brought by a third party concerning your use, in strict compliance with the Franchise Agreement, of the Confidential Information.

ITEM 15: OBLIGATIONS OF THE FRANCHISEE TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

The Franchise Agreement requires that you personally supervise and manage the day-to-day operation of your Franchised Business. You may not appoint a non-owner manager of your Franchised Business, unless you receive our prior written approval. Upon approval, your manager must successfully complete our Initial Business Training Program and all other training courses we require. Your manager must devote full time to the job and cannot have an interest or business relationship with any of our competitors. If the franchisee is a business entity, your manager is not required to have an equity interest in the franchisee entity but must otherwise meet our approval.

Your manager and all other personnel who will have access to our proprietary and Confidential Information and training must sign our Non-Disclosure/Non-Competition Agreement, which is attached to our Franchise Agreement as Attachment 8. If your Franchised Business is owned by an entity, all owners of the entity must personally sign the Franchise Agreement as a Principal. If you are a married individual, your spouse must sign our Personal Guaranty, which is attached to our Franchise Agreement as Attachment 6.

ITEM 16: RESTRICTION ON WHAT FRANCHISEE MAY SELL

You may only offer and sell the products and services that are part of the System, and the services and products which we incorporate into the System in the future. You must offer all products and services that we have authorized.

You may not use our Marks for any other business, and you may not conduct any other business at or through your Franchised Business operations or office. You cannot engage in any other business that competes with your Franchised Business, with us or our affiliates, or with Grand Welcome outlets owned by other franchisees, whether such business is inside or outside of the Territory.

We may add to, delete from or modify the products and services that you can and must offer. You must abide by any additions, deletions and modifications. There are no other limits on our rights to make these changes.

You may only solicit unit listings from owners of vacation home properties in your Territory. Your local advertising must target customers in your Territory, although the reach of your local advertising may extend beyond your Territory.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Art. 4	Term is ten (10) years.

	Provision	Section in Franchise Agreement	Summary
b.	Renewal or extension of the Term	Art. 5	If you are in good standing as defined below, you can sign a successor agreement for an additional term of five (5) years, unless we have determined, in our sole discretion, to withdraw from the geographical area where your Franchise is located.
c.	Requirements for franchisee to renew or extend	Sections 5.1 and 5.2	Be in full compliance, have no more than three (3) events of default during current term, provide written notice to us at least nine months before the end of the term, execute a new franchise agreement, pay us the Successor Agreement Fee of 10% of the then-current Tier 2 initial franchise fee being offered, repair, upgrade or replace the equipment and other Franchised Business assets to meet then-current specifications, execute a general release, comply with then-current qualifications and training requirements, including completion of additional training, subject to state law. You may be asked to sign a new Franchise Agreement with materially different terms and conditions than your original Franchise Agreement.
d.	Termination by franchisee	Not Applicable	Not Applicable, subject to state law.
e.	Termination by franchisor without cause	Section 16.7	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
f.	Termination by franchisor with cause	Article 17	We may terminate only if you default, subject to state law. The Franchise Agreement describes defaults throughout. Please read it carefully.
g.	"Cause" defined – curable defaults	Section 17.3	You have 5 days to cure non-payments and any other defaults (except for non-curable defaults listed in the Franchise Agreement and described in h. immediately below).

h.	"Cause" defined – non-curable defaults	Sections 17.1 and 17.2	The Franchise Agreement will terminate automatically, without notice for the following defaults: insolvency; bankruptcy; written admission of inability to pay debts; receivership; levy; composition with creditors; unsatisfied final judgment for more than 30 days; or foreclosure proceeding that is not disclosed within 30 days. We may terminate the Franchise Agreement upon notice to you if you: do not obtain required licenses and permits and/or open the Franchised Business within required time frames; falsify any report to us; fail to operate for a period of five (5) consecutive days or more; fail to comply with applicable laws; understate Gross Revenue two (2) or more times; fail to comply with insurance and indemnification requirements; attempt a transfer in violation of the Franchise Agreement; fail, or your legal representative fails to transfer as required upon your death or permanent disability; misrepresent or omit a material fact in applying for the Franchise; are convicted or plead no contest to a felony or crime that could damage the goodwill or reputation of the Marks or the System; receive an adverse judgment in any proceeding involving allegations of fraud, racketeering or improper trade practices or similar claim that could damage the goodwill or reputation of the Marks or the System; conceal revenues or maintain false books; create a threat or danger to public health or safety; refuse an inspection or audit by us; use the Marks, copyrighted material or Confidential Information in an unauthorized manner; make an unauthorized disclosure of Confidential Information; fail to comply with non-competition covenants; default in the performance of your obligations three (3) or more times during the term or receive two (2) or more default notices in any 12-month period; default under any other agreement with us or our affiliate; have insufficient funds to honor a check or EFT two (2) or more times within any twelve (12)-month period; receives numerous customer complaints beyond the industry average within any consecutive twelve (12)-month period; commits a default of any unit listing agreement on two (2) or more occasions within a twelve (12)-month period; defaults under any other agreement with us, our affiliate or a supplier; fails to meet Minimum Performance Standards; or terminate the Franchise Agreement without cause.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisee's obligations on termination/ non-renewal	Article 18	Upon termination, you must: cease operations; cease to identify yourself as a Grand Welcome franchisee; cease to use the Marks; cancel any assumed name registration that contains any Mark; pay us and our affiliates all sums owing; pay us any damages, costs or expenses we incur in obtaining any remedy for any violation of the Franchise Agreement by you, including, but not limited to attorneys' fees; deliver to us all Confidential Information, the Operations Manual and all records and files related to your Franchised Business; comply with the non-disclosure and non-competition covenants; sell to us, at our option, all fixtures, equipment, inventory and supplies of your Franchised Business; and assign, at our option, your telephone numbers, directory and internet listings, and social media and software accounts.
j.	Assignment of contract by franchisor	Section 16.1.1	No restrictions on our right to assign.
k.	"Transfer" by franchisee defined	Section 16.3	Any assignment, sale, transfer, gift, devise or encumbrance of any interest in the Franchise Agreement, the Franchised Business, any assets of the Franchised Business, or in the Franchisee (if the Franchisee is a business entity).
L.	Franchisor approval of transfer by franchisee	Section 16.3	No transfer is allowed without our consent, which we will not unreasonably withhold.

	Provision	Section in Franchise Agreement	Summary
m.	Conditions for franchisor approval of a transfer	Section 16.3 and 16.4	Conditions include: our decision not to exercise our right of first refusal; transferee meets our then-current standards for qualifying franchisees; transferee signs our then-current form of Franchise Agreement, which may have materially different terms from your Franchise Agreement; transferee successfully completes our Initial Management Training Program; you have paid us and third-party creditors all amounts owed; you and the transferee sign a General Release in the form of Attachment 4 to the Franchise Agreement; you shall subordinate any claims you have against the transferee to us; you will indemnify us for a period of 3 years following the transfer; our approval of the material terms and conditions of the transfer; and payment of a transfer fee equal to 75% of the then-current Tier 2 initial franchise fee or 50% of the then-current Tier 2 initial franchise fee for transfer to an existing franchisee in good standing, or $1,500 for transfer to an entity owned and controlled by the franchisee for convenience purposes or $3,500 for a transfer to a spouse, parent or child upon death or permanent disability, subject to state law.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 16.6	You must promptly notify us of any written offer to purchase your Franchise. We have 30 days to exercise our first right to buy it on the same terms and conditions, provided that (a) we may substitute cash for any other consideration (b).we may pay the entire purchase price at closing, (c) our credit is deemed as good as the proposed purchaser, (d) we have at least 60 days to close and € you shall give us all customary seller's representations and warranties.
o.	Franchisor's option to purchase franchisee's business	Section 18.2	Upon termination of the Franchise Agreement, we have the option to purchase your equipment, signs, advertising materials, supplies and inventory at your cost or fair market value, whichever is less.
p.	Death or disability of franchisee	Sections 16.3, 16.4 and 16.7	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.

	Provision	Section in Franchise Agreement	Summary
q.	Non-competition covenants during the term of the franchise	Section 19.5.1	You may not: divert, or attempt to divert, customers or referral sources of any Grand Welcome outlet (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
R.	Non-competition covenants after the franchise is terminated or expires	Section 19.5.2	For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers or referral sources of any Grand Welcome business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 50 miles of your former Grand Welcome Territory or any other Grand Welcome office location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
S.	Modification of the agreement	Sections 9.4, 14.6, 19.1.4 and 21.4	No oral modifications generally, but we may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.
T.	Integration/merger clause	Section 21.4	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, subject to state law.
v.	Choice of forum	Section 20.3	Litigation takes place in Nevada, subject to applicable state law.
w.	Choice of law	Section 20.3	Nevada law applies, subject to applicable state law.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

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.

This Item contains a historic financial performance representation about our existing affiliate-owned outlets in 2022. As of December 31, 2022, we had 25 total territory outlets in operation. At the end of the year, we had 5 corporate and 6 franchised outlets in operation. 1 franchise territory outlet was excluded due to a suspension of operations during fiscal year 2022. 19 territory outlets were excluded because they were new to the systems and were not open for a full year.

The following table[1] shows Key Performance Indicators (KPI's), Gross Revenues and Costs information for our Operating Affiliates' 5 territories, which continuously operated during the entire 2022 calendar year. Our affiliate's operation in Hawaii consists of 3 territories; however, financial information is provided to us in a single, consolidated report.

Units Operating Continuously for 12 Months from January 1 - December 31, 2022	CORPORATE LOCATIONS				
	Lake Tahoe, CA-NV	Mammoth, CA	Sea Ranch, CA	Kona-Maui-Oahu, HI	Santa Barbara, CA
KPI's					
Year Started/Months in Business (as of March 2023)	2017	2009	2016	2015-2016	2018
Territory Size - Tier 1, 2, 3 or 4	Tier 4	Tier 4	Tier 1	Tier 4	Tier 4
# of Properties managed	222	92	42	111	14
Ave Daily Rate in $ (ADR)	$448	$251	$406	$299	$570
Ave Length of Stay in Days (ALOS)	3	3	3	7	8
Ave Monthly Occupancy (Guests only)	40%	39%	63%	77%	51%
No. of Paying Reservations	6,287	3,076	2,039	2,207	131
Average Annual Units Gross Revenue	$60,921	$43,062	$89,395	$56,529	$66,925
Revenue					
Rental Income	$8,576,811	$2,270,817	$2,349,219	$4,023,391	$765,795
Cleaning Fee	$2,346,992	$712,990	$573,872	$556,968	$65,749
Reservation Fee	$1,151,641	$391,385	$402,256	$648,210	$83,929

Other Fees	$249,697	$108,310	$78,500	$103,979	$30,625
Taxes	$1,148,098	$470,608	$310,916	$880,366	$64,537
Gross Revenue	**$13,473,239**	**$3,954,110**	**$3,714,763**	**$6,212,914**	**$1,010,635**
Cost of Goods					
Taxes	($1,148,098)	($470,608)	($310,915)	($880,366)	($64,536)
CC Merchant / OTA Commissions	($734,497)	($207,161)	($201,002)	($384,964)	($78,646)
Owner Revenue Share	($7,133,700)	($1,683,596)	($1,877,706)	($3,190,391)	($615,834)
Net Revenue	**$4,456,944**	**$1,592,745**	**$1,325,140**	**$1,757,193**	**$251,619**
Property Costs					
Maintenance Costs	$505,979	$79,459	$165,946	$280,913	$73,071
Owner Chargebacks	($364,326)	($125,281)	($168,296)	($309,109)	($18,087)
Cleaning Costs	$2,141,137	$542,043	$504,223	$446,835	$48,548
	$2,282,790	**$496,221**	**$501,873**	**$418,639**	**$103,532**
Gross Profit	**$2,174,154**	**$1,096,524**	**$823,267**	**$1,338,554**	**$148,087**
Operating Expenses & Franchise Fees					
General Manager	$80,000	$65,000	$75,000	$84,000	$0
Rent	$26,606	$50,732	$15,950	$65,156	$2,603
Insurance					
Payroll	$225,439	$137,690	$56,963	$351,714	
Payroll Taxes & Benefits	$38,362	$27,396	$22,677	$55,076	
Accounting & Legal	$4,778	$1,512	$899	$14,234	
Travel, Meals and Entertainment	$3,299	$692	$1,392	$21,837	$666
Utilities	$10,865	$10,671	$6,665	$9,671	
Marketing	$30,826	$2,790	$4,450	$9,804	$1,973
Telephone	$556	$1,196	$1,885	$2,810	
Office Expense	$40,301	$14,648	$20,714	$21,049	$2,549
Local Taxes, Fees & Permits	$35,144		$928	$663	
Local Unit Owner Targeted Marketing Expenditure	$30,000	$30,000	$18,000	$30,000	
Royalty Fee	$299,045	$107,834	$89,186	$117,404	
Brand Advertising Contribution	$42,721	$15,405	$12,741	$16,772	
Guest Services Support Fee	$94,305	$46,140	$30,585	$33,105	
Technology Fee	$79,920	$33,120	$15,120	$39,960	
	$1,042,166	**$544,826**	**$373,155**	**$873,255**	**$7,791**
Net Franchise Profit	**$1,131,988**	**$551,698**	**$450,112**	**$465,299**	**$140,296**

The following table[1] shows Key Performance Indicators (KPI's), Gross Revenues and Costs information for our 5 franchised territories, which continuously operated during the entire 2022 calendar year.

Units Operating Continuously for 12 Months from January 1 - December 31, 2022	**Newport Beach, CA**	**Breckenridge, CO**	**Nashville, TN**	**Austin, TX**	**Orlando, FL**
KPI's	-				
Year Started/Months in Business (as of March 2023)	27	24	24	15	15
Territory Size - Tier 1, 2, 3 or 4	Tier 4	Tier 4	Tier 3	Tier 4	Tier 4
# of Properties managed	19	35	50	38	73
Ave Daily Rate in $ (ADR)	$590	$395	$248	$322	$181
Ave Length of Stay in Days (ALOS)	7	4	4	4	6
Ave Monthly Occupancy (Guests only)	65%	37%	54%	36%	62%
No. of Paying Reservations	383	787	2,478	631	1,159
Average Annual Units Gross Revenue	$99,718	$50,860	$61,992	$27,177	$21,845
Revenue					
Rental Income	$1,356,974	$1,158,024	$1,903,242	$587,915	$989,402
Cleaning Fee	$202,446	$228,355	$577,899	$161,072	$230,145
Reservation Fee	$127,265	$136,336	$252,943	$65,888	$103,928
Other Fees	($25,771)	$65,269	$15,564	$58,031	$83,475
Taxes	$154,033	$120,000	$331,683	$65,888	$148,118
Gross Revenue	**$1,814,947**	**$1,707,983**	**$3,081,331**	**$938,795**	**$1,555,068**
Cost of Goods					
Taxes	($154,033)	($120,000)	($331,683)	($120,377)	($75,601)
CC Merchant / OTA Commissions	($83,726)	($77,525)	($137,815)	($42,236)	($69,039)
Owner Revenue Share	($1,146,653)	($848,232)	($1,484,060)	($450,099)	($856,468)
Net Revenue	**$430,535**	**$662,227**	**$1,127,772**	**$326,082**	**$553,960**
Property Costs					

Maintenance Costs	$34,669	$19,181	$86,417	$24,744	
Owner Chargebacks	($32,738)				
Cleaning Costs	$161,969	$218,504	$500,882	$139,074	$193,117
	$163,900	**$237,685**	**$587,299**	**$163,818**	**$193,117**
Gross Profit	**$266,635**	**$424,542**	**$540,473**	**$162,264**	**$360,843**
Operating Expenses & Franchise Fees					
General Manager	$78,449	$60,168	$65,000	$70,000	
Rent	$17,144	$2,900	$6,711	$4,089	
Insurance	$3,860	$3,022	$1,561	$6,752	$3,776
Payroll	$13,500	$28,480	$164,593	$115,623	$25,500
Payroll Taxes & Benefits	$10,124	$11,296			
Accounting & Legal	$423		$1,774		$36,597
Travel, Meals and Entertainment	$5,674	$14,620	$7,838	$2,245	$19,909
Utilities			$853	$81	$190
Marketing	$16,288	$5,896	$44,771	$12,803	$16,796
Telephone	$770		$0		$1,859
Office Expense	$2,870	$24,619	$4,038	$8,971	$13,088
Local Taxes, Fees & Permits			$6,592		
Local Unit Owner Targeted Marketing Expenditure	$30,000	$26,000		$25,000	$30,500
Royalty Fee	$13,993	$47,065	$72,321	$19,763	$31,419
Brand Advertising Contribution	$4,665	$6,987	$10,463	$2,823	$4,489
Guest Services Support Fee	$3,060	$5,175	$17,220	$4,695	$15,420
Technology Fee	$4,800	$8,850	$15,450	$6,500	$11,450
	$205,620	**$245,079**	**$419,184**	**$279,345**	**$210,993**
Net Franchise Profit	**$61,015**	**$179,463**	**$121,289**	**($117,081)**	**$149,850**

[1] Gross Revenues means all rental income received from guest stays and other guest payments, including cleaning fee, damage waiver, reservation fees, and sundry other fees, less taxes, credit card/merchant processing fees, and OTA commissions.

[2] This includes rent, utilities, telephone, travel, office-related expenses, local taxes and fees, payroll, payroll taxes and benefits, and some other general expenses. You may not incur all of these expenses depending on how you operate, or you might incur other costs not included in this table, such as vehicle expenses.

[3] This includes adjustments for certain profit and loss items if run as a franchise for maintenance chargebacks, third party commissions, insurance, accounting and the cost of a General Manager running our corporate locations.

[4] Our affiliate-owned Grand Welcome® outlets operate in substantially the same manner as franchise outlets; however, our Operating Affiliates are not subject to the same fees that a franchisee will experience. Item 6 of this disclosure document outlines the fees to which a franchisee will be subject. Specifically, a franchisee who achieved the same sales results that our Operating Affiliates achieved would incur Local Marketing Fees, Brand Fund Contributions, Technology Fees, and Royalty Fees, as reflected in the above table.

Table 2
Unit Count by Location

Franchise Locations	**Prior to 2022 Unit Count**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**2022 Unit Count Added**	**2023 YTD Unit Count Added**	**Grand Total # of Units**
Atlanta, GA												1		1	1	2
Austin, TX	20	5	3	3		3	1	1		9	4	6	1	36	6	62
Bend-Central, OR															1	1
Big Bear, CA									1	7	5	1	2	16	11	27
Branson, MO				21	27	16	13	41	20	15	13	12	6	184	33	217
Breckenridge, CO	45	1	3		1	3	2	3	1		4	3	1	22	1	68
Cincinnati, OH-Northern, KY								1	2	13		4		20	3	23
Fort Myers, FL	18						1							1		19
Fresno-Monterey, CA					2		1		2	3	5	1	5	19	9	28
Nashville, TN	67	5	2	2	3	4	1	4	5	3	2	5	3	39	13	119
Newport Beach, CA	7	3				1	2				1	3	3	13		20
North Georgia Mountains, GA											1			1	8	9
Oceanside-Carlsbad, CA															1	1
Orlando, FL	4	8	10	7	12	8	6	6	4	8	6	9	6	90	17	111
Pagosa Springs, CO															5	5
Palm Beach & Broward Counties, FL								1	1	4	4	6	6	22	9	31
Palm Springs-Palm Desert, CA	1					5	15	3	6	5	7	3	6	50	22	73
Panama City Beach, FL						4	9	3		1	2	2	1	22	12	34
Park City, UT				1	6	4	4		13	4	2		1	35	1	36
Port Aransas, TX															1	1
Rehoboth-Bethany Beach, DE			6	1			3	4	2	1	1		3	21	4	25
30A-Rosemary Beach, FL										1			4	5	2	7
Scottsdale, AZ								1	4	1	2	2	2	12	2	14
Smoky Mountains, TN							2	1	1		4	5	2	15	9	24
St. George-Southern, UT								1	1		4	4		10	4	14
Tampa, FL								1	2		1	2		6	9	15
Total # of Franchise Units Signed	**162**	**22**	**24**	**35**	**51**	**48**	**60**	**71**	**65**	**75**	**68**	**69**	**52**	**640**	**184**	**986**
Ave # of Franchise Units Signed 2022		**4**	**5**	**6**	**9**	**5**	**5**	**5**	**4**	**5**	**4**	**4**	**3**	**5**		

Corporate Locations	**Prior to 2022 Unit Count**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**2022 Unit Count Added**	**2023 YTD Unit Count Added**	**Grand Total # of Units**
Mammoth, CA	46		1	2	1	1		1	1	1				8	3	57
Santa Barbara, CA	9	1		1	1	1					1		2	7		16
Sea Ranch, CA	25	1	1	2	1		2	3	1			1		12	2	39
Lake Tahoe, CA	144	6	10	9	9	6	6	6	7	4	5	4	2	74	10	228
Kona-Ko Olina-Kohala-Maui-Waikiki, HI	65	2		3	4	3	1	1	2	3	2	12	9	42	25	132
Total # of Corporate Units Signed	**289**	**10**	**12**	**17**	**16**	**11**	**9**	**11**	**11**	**8**	**8**	**17**	**13**	**143**	**40**	**472**
Ave # of Corporate Units Signed 2022		**3**	**4**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**6**	**4**	**3**		

All Locations	Prior to 2022 Unit Count	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Unit Count Added	2023 YTD Unit Count Added	Grand Total # of Units
Grand Welcome Total Units Signed	451	32	36	52	67	59	69	82	76	83	76	86	65	1234	224	1458

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representations, 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 Brandon Ezra, Grand Welcome Franchising, LLC, 923 Incline Way #38, Incline Village, Nevada 89451, 888-870-0102, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	0	3	+3
	2021	3	6	+3
	2022	6	25	+19
Company – Owned*	2020	10	8	-2
	2021	8	5	-3
	2022	5	5	0
Total Outlets	2020	10	11	+1
	2021	11	11	0
	2022	11	30	+19

Table No. 2

Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2020	0
	2021	1
	2022	0
Total	2020	0
	2021	1
	2022	0

Table No. 3

Status of Franchised Outlets
For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Terminations	Column 6 Non-renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
Arizona	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
California	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
Colorado	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Delaware	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Florida	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	8	0	0	0	0	10
Georgia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Kentucky	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

Missouri	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Tennessee	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Texas	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Utah	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
Total	2020	0	3	0	0	0	0	3
	2021	3	3	0	0	0	0	6
	2022	6	19	0	0	0	0	25

Table No. 4

Status of Company Owned* Outlets
For Years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
California	2020	5	0	0	0	1	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Colorado	2020	1	0	0	0	0	1
	2021	1	0	0	0	1	0
	2022	0	0	0	0	0	0
Hawaii	2020	3	0	0	0	0	3
	2021	3	0	0	2	0	1
	2022	1	0	0	0	0	1
Idaho	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Total	2020	10	0	0	1	1	8
	2021	8	0	0	2	1	5
	2022	5	0	0	0	0	5

Table No. 5

Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Alabama	0	2	0
Alaska	0	1	0
Arizona	0	2	0
Arkansas	0	2	0
California	4	5	0
Colorado	2	5	0
Connecticut	0	1	0
Delaware	0	1	0
District of Columbia	0	1	0
Florida	7	6	0
Georgia	2	2	0
Idaho	0	2	0
Illinois	0	2	0
Indiana	0	1	0
Kentucky	0	2	0
Louisiana	0	1	0
Maine	0	2	0
Maryland	0	2	0
Massachusetts	0	3	0
Michigan	0	2	0
Minnesota	0	3	0
Mississippi	0	2	0
Missouri	0	1	0
Montana	0	2	0
Nebraska	0	1	0
Nevada	0	2	0
New Hampshire	0	1	0
New Jersey	0	1	0
New Mexico	0	1	0
New York	0	2	0
North Carolina	1	3	0
North Dakota	0	1	0
Ohio	0	2	0

Oregon	1	4	0
Pennsylvania	0	2	0
Rhode Island	0	1	0
South Carolina	0	3	0
South Dakota	0	1	0
Tennessee	0	4	0
Texas	4	6	0
Utah	0	2	0
Vermont	0	2	0
Virginia	0	1	0
Washington	0	4	0
West Virginia	0	1	0
Wisconsin	0	1	0
Wyoming	0	1	0
Total	21	100	0

* Our company-owned outlet is operated by our affiliate.

Exhibit I lists the location of each Grand Welcome franchisee in our System. During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

ITEM 21: <u>FINANCIAL STATEMENTS</u>

Grand Welcome Franchising, LLC, was formed on October 8, 2019. Our audited financials, which comprise the balance sheet and the related statements of operations and members equity, and cash flows for the year ended December 31, 2022, December 31, 2021 and December 31, 2020, are included in Exhibit H.

Our fiscal year end is December 31.

ITEM 22: <u>CONTRACTS</u>

A copy of all proposed agreements regarding the franchise offering are included in this Disclosure Document, as follows:

- Exhibit B -- The Franchise Agreement and all attachments to it.
- Exhibit C – Unit Listing Agreement
- Exhibit D -- Promissory Note, if you obtain direct financing of the Initial Franchise Fee from us;
- Exhibit E – Security Agreement, if you obtain direct financing of the Initial Franchise Fee from us;
- Exhibit F -- Franchisee Acknowledgement Statement, as permitted by state law. No statement, questionnaire, or acknowledgment 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.

ITEM 23: <u>RECEIPT</u>

A receipt in duplicate is attached to this Disclosure Document as Exhibit K. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Brandon Ezra, Grand Welcome Franchising, LLC, 923 Incline Way #38, Incline Village, Nevada 89451.

EXHIBIT A

AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B

FRANCHISE AGREEMENT

GRAND WELCOME FRANCHISING, LLC, FRANCHISE AGREEMENT

TABLE OF CONTENTS

List of Attachments:

THIS FRANCHISE AGREEMENT (this "Agreement") is being entered into this day of ____________________________, (the "Effective Date") by and between Grand Welcome Franchising, LLC, a Wyoming limited liability company with its principal place of business at 923 Incline Way #38, Incline Village, Nevada 89451 (herein "Franchisor") and __________________ ____________, a(n) ________________________, with its principal place of business located at ____________________________________ and ___________________________'s principals _____________________, an individual residing at _______________________________ and _ _________________________, an individual residing at ___________________________________ _______("Principal(s)"). ______________________ and Principal(s) shall be individually and collectively referred to, and each is, the "Franchisee".

RECITATIONS

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides comprehensive vacation home rental and management services, using Franchisor's format, trade dress, methods of marketing and operation, training and assistance, Franchisor's enterprise property management system, Franchisor's confidential operations manual of business practices and policies (taken together herein the "System").

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the service mark Grand Welcome, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the "Marks").

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System's high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor's high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards, practices, policies and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. **RECITATIONS.** The Recitations set out above form part of this Agreement.

2. **GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Grand Welcome franchise that provides to property owners (each a "Unit Owner") and their lodgers (each a "Guest") comprehensive vacation home rental and management services, using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time (the "Franchise" or

"Franchised Business"). This grant applies only within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the "Territory").

3. SOLICITATION AND SALES RESTRICTIONS

3.1 Territory. This Agreement grants Franchisee the right to operate the Franchised Business within the Territory only. Subject to Sections 3.2, 3.3 and 3.4 below, Franchisor agrees that during the Term of this Agreement, Franchisor will not operate, and will not permit any other Grand Welcome franchisees to operate, a Grand Welcome business in the Territory using the same Marks as licensed to Franchisee in this Agreement so long as Franchisee (i) meets the minimum performance standards ("Minimum Performance Standards") set forth in Attachment 3 and (ii) is not in default under this Agreement or this Agreement has not been terminated. Except as otherwise specified in this Agreement, Franchisor reserves the right to open, operate or franchise Grand Welcome franchises bordering and adjacent to the Territory and to use alternative methods of distribution, as more fully specified herein, within the Territory.

3.2 Minimum Performance Standards. Franchisee acknowledges the importance of actively developing the Territory to achieve maximum revenues, and, to that end, Franchisee agrees to use best efforts to market Franchisee's Franchised Business to meet the Minimum Performance Standards. Franchisor shall determine Franchisee's Minimum Performance Standards at the execution of this Agreement. Franchisee's failure to meet the Minimum Performance Standards is a material default of this Agreement, and upon such default, Franchisor is entitled to either (i) reduce the size of the Territory or (ii) terminate this Agreement.

3.3 Outside-Area Service and Solicitation. Franchisee shall provide vacation home rental and management services only for approved properties (each a "Unit") located within the Territory. In furtherance of the foregoing:

3.3.1 In the event that Franchisee is requested to provide vacation home rental and/or management services at a property located outside of the Territory, Franchisee shall refer such request to the Grand Welcome franchisee who services the area where the property is located or, otherwise, refer such request to Franchisor. Notwithstanding the foregoing, if the property is not in the territory of another Grand Welcome franchisee, Franchisee may request Franchisor's approval (i) to service the property on an isolated basis or (ii) to expand the Territory to include the unserved area. Franchisor may grant or withhold such approval in Franchisor's sole discretion. Should Franchisor grant approval to expand the Territory, Franchisee shall pay Franchisor a territory expansion fee, as follows:

POTENTIAL TERRITORY REVENUE	TERRITORY EXPANSION FEE
<1M	No Charge
1M-2M	$ 1,688
2M-3M	$ 3,375
3M-4M	$ 5,063
4M-5M	$ 6,750
5M-6M	$ 8,438

6M-7M	$ 10,125
7M-8M	$ 11,813
8M-9M	$ 13,500
9M-10M	$ 15,188
10M-11M	$ 16,875
11M-12M	$ 18,563
12M-13M	$ 20,250
13M-14M	$ 21,938
14M-15M	$ 23,625
15M-16M	$ 25,313
16M-17M	$ 27,000
17M-18M	$ 28,688
18M-19M	$ 30,375
19M-20M	$ 32,063
20M-60M	$ 33,750
60M-100M	$ 56,250
100M-140M	$ 78,750

In addition, prior to performing any vacation home rental services outside of the original Territory, Franchisee shall obtain (x) any and all required licenses to conduct business in the subject area and (y) all required insurance as set forth in Article 15 hereof covering services that Franchisee performs in the subject area. Franchisor and Franchisee shall amend Attachment 2 to include the expanded Territory, if applicable.

3.3.2 Franchisee is permitted to solicit Unit Owners who reside outside of the Territory to provide vacation home rental and management services to such Unit Owners' whose properties are located within the Territory. Franchisee hereby acknowledges that other System franchisees have substantially similar rights to solicit Unit Owners outside of their territories, which includes soliciting Unit Owners who may reside within Franchisee's Territory, and Franchisee hereby agrees that the exercise of such right by other System franchisees is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

3.4 Reservation of Rights. Franchisee understands and agrees that all rights to any businesses, other than as specified in this Agreement, are fully reserved to Franchisor within or outside of the Territory. By way of example only, Franchisor reserves the rights to offer (i) other services and products not offered under the Marks, (ii) other property management concepts or products under the Marks or other trademarks, (iii) products or services through other channels of distribution in the Territory including, but not limited to, co-branding with other real estate businesses and travel and tour organizations, and products offered through retail stores, the Internet or direct marketing ("Alternate Channels of Distribution"). Franchisor further specifically reserves the right to solicit, negotiated rates with, and service real estate firms that own or manage multiple properties across multiple areas or have multiple locations either regionally or nationally, such as property management firms, timeshare companies and builders ("Commercial Accounts"). Franchisor may offer Franchisee the right to service Commercial Accounts in the Territory, provided that Franchisee accepts negotiated terms; otherwise, Franchisor may service the Commercial Accounts either directly or permit another franchisee to provide such service.

Franchisee will receive no compensation for Franchisor's sales through Alternate Distribution Channels or declined Commercial Accounts made within the Territory. Franchisee agrees that such implementation of Franchisor's rights pursuant to this Section 3.4 is deemed not to impair or injure Franchisee's rights pursuant to Section 2 hereof.

4. **TERM.** Unless terminated earlier in accordance with the terms set forth in this Agreement, this Agreement and the Franchise granted hereunder shall commence upon the Effective Date set forth above and terminate on the date that is ten (10) years following the Opening Date, as defined in Section 8 hereof (the "Term").

5. **SUCCESSOR OPTIONS.** Subject to the terms and conditions of this Agreement, Franchisee shall have the right, following the expiration of the Term hereof, to enter into a new franchise agreement and other agreements then customarily employed by Franchisor and in the form then generally being offered to prospective franchisees in the state in which the Territory is located (the "Successor Franchise Agreement") for one (1) additional term of five (5) years. The term of such Successor Franchise Agreement shall commence upon the date of expiration of the immediately preceding term. Franchisee shall be charged a renewal fee equal to 10% of the then-current Tier 2 Initial Franchise Fee ("Successor Agreement Fee").

5.1 Form and Manner of Successor Agreement. If Franchisee desires to exercise Franchisee's option to enter into a Successor Franchise Agreement, it shall be done in the following manner:

5.1.1 Not less than nine (9) months prior to the expiration of the Term of this Agreement, Franchisee shall request from Franchisor in writing, a copy of Franchisor's then current Disclosure Document (including Franchisor's then current franchise agreement).

5.1.2 Franchisee must execute and return to Franchisor all required documents, including any and all ancillary documents, within sixty (60) days after receipt by Franchisee of a copy of Franchisor's then current Disclosure Document.

5.1.3 The Successor Franchise Agreement shall supersede this Agreement in all respects, and Franchisee understands and acknowledges that the terms of such new agreement may differ from the terms of this Agreement, including, without limitation, higher or lower royalty and other fees.

5.1.4 If Franchisee fails to perform any of the acts, or deliver any of the notices required pursuant to this Section 5.1 in a timely fashion, such failure shall be deemed an election by Franchisee not to exercise Franchisee's option to enter into the Successor Franchise Agreement, and such failure shall cause Franchisee's right and option to automatically lapse and expire, without further notice by Franchisor.

5.1.5 Franchisee acknowledges that the initial Term of this Agreement provides Franchisee more than a sufficient opportunity to recoup Franchisee's investment in the Franchise, as well as a reasonable return on such investment.

5.2 Conditions of Successor Agreement. Franchisee's right to enter into a Successor Franchise Agreement is conditioned upon the following:

5.2.1 Franchisee shall be in full compliance with this Agreement and shall have materially performed Franchisee's obligations under this Agreement, Franchisor's operations manual ("Manual") and under all other agreements that may be in effect between Franchisee and Franchisor, including but not limited to all monetary obligations.

5.2.2 Franchisee shall not have committed three (3) or more events constituting default during the Term of this Agreement, whether or not such defaults were cured.

5.2.3 Franchisee will have completed any required additional training to Franchisor's reasonable satisfaction.

5.2.4 Franchisee performs such repairs, upgrades and replacements as Franchisor may require to cause the Franchised Business equipment, computer system, vehicle and other assets to conform to the then-current specifications for franchised businesses on the successor agreement date.

5.2.5 Franchisee shall execute a general release of all claims Franchisee may have against Grand Welcome Franchising, LLC, its parent, subsidiaries and affiliates, its officers, directors, shareholders, agents, and employees, whether in their corporate and/or individual capacities, in the form attached hereto as Attachment 4. This release will include all claims arising under any federal, state, or local law, rule, or ordinance.

5.2.6 Franchisee shall pay the required Successor Agreement Fee and sign the Successor Franchise Agreement.

5.3 Notice Required by Law. If applicable law requires Franchisor to give notice to Franchisee prior to the expiration of the Term, this Agreement shall remain in effect on a month-to-month basis until Franchisor has given the notice required by such applicable law. If Franchisor is not offering new Grand Welcome franchises, is in the process of revising, amending or renewing Franchisor's form of franchise agreement or disclosure document, or Franchisor is not lawfully able to offer Franchisee the then-current form of Successor Franchise Agreement at the time Franchisee advises Franchisor pursuant to Paragraph 5.2 hereof that Franchisee desires to renew, Franchisor may, in Franchisor's sole discretion, (i) offer to renew this Agreement upon the same terms set forth herein for the appropriate successor term or (ii) offer to extend the Term hereof on a month-to-month basis following the expiration of the Term for as long as Franchisor deems necessary or appropriate so that Franchisor may lawfully offer the then current form of

Successor Franchise Agreement. Any timeframes specified in this Paragraph 5 shall be inclusive of any state mandated notice periods.

5.4 Additional Reservation of Rights. Notwithstanding anything herein to the contrary, Franchisor reserves the right not to enter into a successor franchise agreement for this Franchise as a result of a decision to withdraw from the Territory in which Franchisee's Franchised Business is located.

6. FEES

6.1 Initial Franchise and Royalty Fees. As part of the consideration for the right to operate the Franchise granted herein, Franchisee shall pay to Franchisor the following fees:

6.1.1 Initial Franchise Fee. Franchisee acknowledges and agrees that the grant of this Franchise and the rights and obligations of the parties under this Agreement constitute the sole and only consideration for the initial franchise fee in the amount set forth on Attachment 3 (the "Initial Fee"). **The Initial Fee is fully earned at the time this Franchise Agreement is signed and is not refundable under any circumstances.** Franchisee shall pay the full amount of the Initial Fee to Franchisor upon Franchisee's execution of this Agreement.

6.1.2 Royalty Fee. Franchisee agrees to pay Franchisor, monthly throughout the Term, a royalty fee equal to eight percent (8%) of the prior month's Net Revenue realized from the Franchised Business and from any other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets (the "Royalty Fee"). "Net Revenue" is defined as Gross Revenue less the following amounts: (i) transient occupancy taxes, sales taxes and other taxes separately stated that Franchisee pays on behalf of Unit Owners or Guests to taxing authorities, (ii) online travel agency ("OTA") commissions and other charges, (iii) merchant and/or credit card payment processing fees, (iv) Guest Targeted Marketing Fee (as described in Section 13.2.3 hereof), and (v) Unit Owner Distributions (as set forth in the applicable Unit Listing Agreement described in Section 10.4 hereof). The term "Gross Revenue" means (1) Guest payments for Unit rentals (less any chargebacks), including all revenue received or receivable from Guests, whether directly or indirectly through OTA websites, including daily rental and all charges associated with the reservation ("Rental Payments") plus (2) all charges Franchisee imposes on Guests to arrange for, or to provide, optional services and items plus (3) any other revenues and income from any source derived or received by Franchisee from, through, by or on account of the operation of the Franchised Business or made pursuant to the rights granted hereunder, including but not limited to, any and all other revenues received using Franchisor's trademarks, methods, operations and/or trade secrets whether received in cash, in services, in kind, from barter and/or exchange, on credit (whether or not payment is actually received) or otherwise, plus (4) favorably resolved chargebacks, plus (5) all proceeds from any business interruption insurance.

6.1.3 Revenue Reports. Franchisee shall, on or before the fifth (5th) business day of each calendar month, furnish Franchisor with (and/or Franchisor shall otherwise access to) a report showing Franchisee's Gross Revenue, plus all taxes paid, at or from the Franchised Business and/or made pursuant to the rights granted hereunder during the immediately prior calendar month (the "Revenue Report"). The Revenue Report shall be in such form and shall contain such information as Franchisor may from time to time prescribe. At Franchisor's discretion, Franchisee shall submit (and/or Franchisor shall otherwise access to) the Revenue Report by an electronic transfer of data via the computer information systems ("Computer System") that Franchisor requires Franchisee to use in the operation of the Franchised Business.

6.1.4 Method of Payment. Franchisee acknowledges that Rental Payments shall be made through centralized payment processing systems maintained by Franchisor or Franchisor's affiliate. On or before the twelfth (12th) day of each calendar month, Franchisor or Franchisor's affiliate shall distribute to Franchisee the amount of Rental Payments made for Units that Franchisee has onboarded into Franchisor's property management system (a "Unit Listing") in the previous month, **less:** (i) the Royalty Fee and Brand Fund Contribution due on Net Revenue, (ii) the Guest Services Support Fee (as described in Section 6.5 hereof) (iii) the Technology Fee (as described in Section 6.6 hereof), (iv) the Guest Targeted Marketing Fee, (v) other charges paid by Franchisor or Franchisor's affiliate in relation to Unit Listings and Rental Payments, including but not limited to, OTA listing fees and commissions and merchant and/or credit card processing fees, and (vi) any other sum due to Franchisor or Franchisor's affiliate by Franchisee pursuant to this Agreement (the "Distributed Balance"). In addition, Franchisee shall, together with the submission of the Revenue Report, pay Franchisor the Royalty Fee and the Brand Fund Contribution due with regard to all other Gross Revenue realized by Franchisee and paid by means other than the centralized payment processing systems maintained by Franchisor or Franchisor's affiliate. At Franchisor's option, Franchisor may collect these additional Royalty Fees and Brand Fund Contributions through deduction from the Distributed Balance. At Franchisor's request, Franchisee must execute documents that allow Franchisor to automatically take any sums due Franchisor, from business bank accounts via electronic funds transfers. Franchisee's failure to allow electronic funds transfers on an ongoing basis is a material breach of this Agreement. Franchisor reserves the right to modify the method of Rental Payments and/or method and frequency of collection of the Royalty Fee and Brand Fund Contribution, Technology Fee, Guest Targeted Marketing Fee, reimbursement of fees paid by Franchisor or Franchisor's affiliate on Franchisee's behalf, or other sums payable pursuant to this Agreement upon forty-five (45) days' prior notice to Franchisee.

6.2 Late Fee. For any sum payable to Franchisor pursuant to this Agreement and not otherwise collected by deduction from the Distributed Balance and which remains unpaid after the due date, Franchisee shall pay to Franchisor, in addition to the overdue amount, a late fee of Seventy-Five Dollars ($75.00). This late fee is reasonably related to Franchisor's costs resulting from the delay in payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement for Franchisee's failure to timely pay amounts due to Franchisor.

6.3 Interest. Any and all amounts that shall become due and owing from Franchisee to Franchisor under the terms hereof which are not collected through deduction from the Distributed Balance, shall bear interest from the date due until paid at the rate of 18% per annum or at the highest rate permitted by law, whichever is lower.

6.4 Non-Sufficient Funds Fee. In the event any of Franchisee's checks are returned, or an electronic funds transfer from Franchisee's bank account is denied, for insufficient funds, Franchisee shall pay Franchisor, in addition to the amount due, a non-sufficient funds fee of One Hundred Dollars ($100.00) per occurrence. This non-sufficient funds fee is reasonably related to Franchisor's costs resulting from the delayed and declined payment, is not a penalty, and is in addition to any other remedy available to Franchisor under this Agreement.

6.5 Guest Services Support Fee. Franchisee shall engage the services of Franchisor's Guest Services Support Center for guest-related requests and services, and Franchisee shall pay to Franchisor a Guest Services Support fee for all such services rendered in accordance with the Guest Services Support Center's then-current fee schedule ("Guest Services Support Fee"). The Guest Services Support Fee shall be paid in the same manner and time as the Royalty Fee.

6.6 Technology Fee. Franchisee shall pay Franchisor a technology fee, in an amount that Franchisor reasonably determines, for technology adopted, developed or otherwise required by Franchisor for the benefit of the System and Franchised Business, including but not limited to, assigned phone numbers and email addresses required for use in the Franchised Business, a franchise Property Management System, rate management technology and digital lock subscriptions, benchmarking platform(s) or other operations or communications systems ("Technology Fee"). In Franchisor's sole discretion, Franchisor may (i) increase the amount of the technology fees or (ii) replace the technology with different technology, developed by Franchisor or a third-party, and Franchisee shall pay the then-current fees for the replacement technology and for continuous access thereto. Franchisor shall not increase the amount of the Technology Fee by more than twenty-five percent (25%) annually, on a cumulative basis. Payment of the Technology Fee will be made in accordance with Section 6.1.4 hereof.

6.7 Initial Data Collection Fee. Franchisee shall pay to Franchisor an initial data collection fee equal to one month of Franchisee's Local Unit Owner Targeted Marketing Expenditure, based on Franchisee's Tier, as set forth in Section 13.2.1 ("Initial Data Collection Fee"), subject to increase. The Initial Data Collection Fee is due and payable one month prior to the opening of the Franchised Business.

6.8 Taxes. If any sales, excise, use, or privilege tax is imposed or levied by any government or governmental agency on Franchisor for any Royalty Fee, Brand Fund Contribution or other fees due and payable to Franchisor under this Agreement, Franchisee shall pay

Franchisor a sum equal to the amount of such tax.

7. TRAINING

7.1 Initial Management Training Program. Franchisee shall attend and complete to Franchisor's sole and absolute satisfaction, Franchisor's initial management training program ("Initial Management Training Program") prior to the opening of the Franchised Business. The Initial Management Training Program consists of a course conducted at Franchisor's headquarters and/or field offices. Franchisor reserves the right to designate an alternate location for the Initial Management Training Program. Franchisee must at all times during the term of this Agreement have a principal who has successfully completed the Initial Management Training Program to Franchisor's sole and complete satisfaction. No charge shall be made for up to two (2) Franchise owners and one (1) general manager, if applicable, to take the Initial Management Training Program prior to opening the Franchised Business ("Initial Trainees"). Notwithstanding the foregoing, Franchisee shall be required to pay all of the expenses of the Initial Trainees, including, without limitation, costs of travel, meals and wages.

7.2 Satisfactory Completion. Franchisor shall determine, in Franchisor's sole discretion, whether the Initial Trainees have satisfactorily completed the Initial Management Training Program. If the Initial Management Training Program is not satisfactorily completed by the Initial Trainees, or if Franchisor, in Franchisor's reasonable business judgment based upon the performance of the Initial Trainees, determines that the Initial Management Training Program cannot be satisfactorily completed by Franchisee or a Principal, Franchisor may require the Franchisee to repeat one or more components of the Initial Training Program or may terminate this Agreement.

7.3 Opening Assistance. Within six (6) months of the opening of the Franchised Business, Franchisor shall provide Franchisee with opening assistance by a trained representative of Franchisor. The trainer will provide on-site opening training, supervision, and assistance to Franchisee for up to two (2) days at no charge to Franchisee.

7.4 Additional Training. Franchisor may offer mandatory and/or optional additional training programs from time to time. If required by Franchisor, Franchisee, or Franchisee's Principal(s), shall participate in on-going training and/or a national business meeting or annual convention, for up to five (5) days per year. Franchisor reserves the right to impose a reasonable fee for all additional training programs. Franchisee shall be responsible for any and all incidental expenses incurred by Franchisee or Franchisee's personnel in connection with additional training or attendance at Franchisor's national business meeting or annual convention, including, without limitation, costs of travel, lodging, meals and wages. Franchisee's failure to attend and/or complete mandatory additional training or failure to attend Franchisor's national business meeting or annual convention is a default of this Agreement. Franchisee or Franchisee's principal(s) shall be required to obtain any missed mandatory additional training at a location Franchisor designates. Franchisee shall pay all costs and expenses for such additional missed training, including but not limited to, tuition at the then-current rate and any and all transportation, meals and lodging of Franchisee, Franchisee's principal(s) and Franchisor's training personnel. Franchisee shall pay to Franchisor any incurred expenses by Franchisor's training personnel within ten (10) days of Franchisor's billing thereof to Franchisee.

7.5 In-Territory Remedial Training. Upon Franchisee's reasonable request or as Franchisor shall deem appropriate, Franchisor shall, during the term hereof, subject to the availability of personnel, provide Franchisee with additional trained representatives who shall provide on-site remedial training and assistance to Franchisee's personnel. For any additional on-site training and assistance, Franchisee shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals.

7.6 Counseling and Assistance. In addition to visits by Franchisor's field representatives, as Franchisor deems appropriate, Franchisor shall, within reasonable limits and subject to the availability of Franchisor's personnel, upon Franchisee's request and at no charge, unless such assistance is provided in Territory pursuant to Section 7.4, furnish consultation and assistance to Franchisee, either by phone, email or video conferencing, as determined by Franchisor, in Franchisor's sole discretion, with respect to the operation of the Franchised Business, including consultation and advice regarding Unit Owner or Guest service issues, marketing, operation issues, bookkeeping and System improvements.

8. FRANCHISED BUSINESS SITE REQUIREMENTS

8.1 Site Requirements.

8.1.1 Franchisee shall commence operation of the Franchised Business from a home-based office. If Franchisee desires to operate out of a commercial office location during the Term, such office location is subject to Franchisor's approval, and in accordance with Section 8.3 hereof. Franchisee assumes all cost, liability, expense and responsibility for equipping and outfitting the Franchised Business office as outlined in the Manual. After an office location for the Franchised Business is identified and approved, the address thereof shall be set forth on Attachment 2 of this Agreement.

8.1.2 At Franchisee's option, Franchisee may operate from a commercial office location. Before signing a lease or other binding commitment for commercial premises, Franchisee shall submit to Franchisor, in writing, a description of the proposed office location, together with such other information and materials as Franchisor may reasonably require. Franchisor shall have ten (10) business days after receipt of this information and materials to consent, in its sole and absolute discretion, to the proposed site. No commercial site may be used for the office location of the Franchised Business unless it is consented to in writing by Franchisor.

8.2 Time to Open. Franchisee acknowledges that time is of the essence in this Agreement. Upon Franchisee's compliance with the conditions stated below, Franchisee shall open the Franchised Business, which shall be defined herein as the "Opening Date". Prior to the Opening Date, Franchisee shall (i) satisfactorily complete Franchisor's Initial Management Training Program, as further set forth in Article 7, (ii) outfit a home-based or commercial office, (iii) hire and train staff, if required, (iv) obtain all required licenses to operate the Franchised Business, (v) obtain all equipment Franchisor requires, including but not limited to, computer systems, software, applications, and a vehicle in accordance with Franchisor's standards, (vi) retain the services of Franchisor's designated third-party tax remittance vendor, and (vii) provide Franchisor with documentation for bank account(s) for use in the Franchised Business. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening for business. Franchisee's failure to open the Franchised Business and commence business (i) in accordance with the foregoing and (ii) within ninety (90) days following the date of this Agreement, unless otherwise extended by Franchisor, shall be deemed a material event of default under this Agreement.

8.3 No Relocation. Franchisee's rights to operate the Franchised Business shall be limited to the Territory set forth in Attachment 2, and no other. Franchisee shall not relocate the office of the Franchised Business at any time without Franchisor's written approval, which approval shall be granted only in the sole and complete discretion of Franchisor, and if permitted, shall be at Franchisee's sole expense. In the event such permission is granted, (i) Franchisee shall remove any signs or other property from the original Franchised Business office which identified the original Franchise Business office as part of the System and (ii) the parties shall amend Attachment 2 to reflect the address of the new Franchised Business office location.

9. MAINTENANCE AND IMPROVEMENT OF THE FRANCHISED BUSINESS AND SYSTEM

9.1 Maintenance of Franchised Business Assets. Franchisee shall maintain the Franchised Business office premises, all required Franchised Business equipment, Franchisee's vehicle, the Computer System, and all hardware, software and related accessories to the standards of quality, repair and condition required by Franchisor, which standards are specified in the Manual and other written directives, standards and specifications. Franchisee, at Franchisee's expense, shall make such alterations, repairs, refurbishing and replacements as may be required to comply with Franchisor's standards, including, without limitation, periodic repairs or replacement of worn or impaired equipment, vehicle and computer hardware, software and accessories, as Franchisor may direct.

9.2 Equipment and Technology Updates. Franchisee shall make any and all upgrades to equipment and technology, including but not limited to, the Computer System, payment processing systems, telecommunications hardware and software, and any technology used in conjunction therewith, as Franchisor requires in its sole and absolute discretion.

9.3 System Services. From time to time, Franchisor, in Franchisor's sole discretion, may modify or add to the vacation home rental and management services offered by the Grand Welcome System. Upon written notice by Franchisor, Franchisee shall incorporate all modifications and additions to the services offered by Franchised Business, and Franchisee shall (i) purchase, or otherwise obtain access to, all necessary equipment, software, applications and/or supplies to perform such modified or additional services and (ii) attend any additional training, in accordance with Section 7.3 hereof, as Franchisor may direct.

9.4 Trade Dress Modifications.

9.4.1 Franchisee is aware that to maintain and improve the image and reputation of the System, Franchisor, in its sole and absolute discretion, may change and modify identifying elements of the System, including but not limited to, the adoption and use of new or modified, color schemes, tag lines, logos or marks (collectively, "Trade Dress Modifications").

9.4.2 Franchisee shall, at Franchisee's sole expense, modify identifying elements of the Franchised Business, as required by Franchisor to conform to Trade Dress Modifications. Franchisee, upon notice by Franchisor and in accordance with Section 14.6 hereof, shall immediately discontinue the use of any Mark that is no longer desirable or available to Franchisor and substitute a different Mark or Marks as Franchisor directs.

9.4.3 Franchisee will accept, use and display any such Trade Dress Modifications as if they were a part of this Franchise Agreement at the time of execution hereof.

9.5 No Liability/Waiver of Claims. Franchisor shall not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any of the additions or modifications, including Trade Dress Modifications, required by this Article 9. Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor or any third party, complaining of any such or seeking expenses, losses or damages caused thereby. Further, Franchisee expressly waives any claims, demands or damages arising from or related to the additions and modifications contemplated by this Article 9, 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.

9.6 Legal Restrictions. Franchisee acknowledges that laws, regulations and rules governing the jurisdiction of the Territory ("Local Laws") may limit, at any time during the Term, the method, means or ability of Franchisee to perform System services or other of Franchisee's obligations pursuant to this Agreement. Franchisee hereby acknowledges and agrees that Franchisee (i) has conducted due diligence regarding Local Laws, (ii) has determined that Local Laws permit Franchisee to operate as contemplated by this Agreement, (iii) recognizes that Local Laws may change, and (iv) expressly waives any and all claims against Franchisor or Franchisor's affiliates for losses, damages and/or expenses in the event that current or future Local Law impedes Franchisee's ability to operate as required hereunder.

9.7 Franchisee Advisory Council. Franchisor reserves the right to create (and if created, the right to change or dissolve) a franchisee advisory council as a formal means for System franchisees to communicate ideas. In the event a franchisee advisory council is created, Franchisor may invite Franchisee to participate in council-related activities and meetings, which invitation may be based on a franchisee's level of success, superior performance and profitability.

10 FRANCHISOR'S OBLIGATIONS

Franchisor and/or its designated representative will provide the services described below:

10.1 Territory and Site Determination. Designate the boundaries of Franchisee's Territory, by description and/or mapped boundaries, and set forth same in Attachment 2 attached hereto and incorporated herein. Franchisor shall also approve the site of the Franchised Business office premises in accordance with Section 8.1.

10.2 Manual. Provide Franchisee access to the Confidential Operations Manual and such other manuals and written materials as Franchisor may hereafter develop for use by franchisees, as the same may be revised by Franchisor from time to time. Such documents may be provided electronically or via the Internet, at Franchisor's sole and absolute discretion.

10.3 Pre-Opening Requirements. Provide Franchisee with a written list of equipment (including vehicle specifications), signage, supplies and products that will be required and/or recommended to open the Franchised Business for business.

10.4 Unit Listing Agreement. Provide Franchisee with Franchisor's standard form agreement that sets forth the vacation home rental services, and terms and conditions therefor, that Franchisee shall provide for execution with Unit Owners ("Unit Listing Agreement") Franchisee shall revise the Unit Listing Agreement, as necessary to conform with state and local law applicable to the Territory. All revisions to the Unit Listing Agreement made by Franchisee require Franchisor's approval, such approval shall not be unreasonably withheld.

10.5 Unit Approval. Provide criteria for a property to be eligible as a Unit available for rent through the Grand Welcome System and approve Franchisee's proposed Units.

10.6 Advertising Materials. Provide samples or digital artwork of certain advertising and promotional materials and information developed by Franchisor from time to time for use by Franchisee in marketing and conducting local advertising for the Franchised Business.

10.7 Short-Term Rental Data. Upon payment of the Initial Data Collection Fee, provide Franchisee with an initial data report containing short-term rental units and property owner contact information in the Territory. From time to time, in Franchisor's discretion, Franchisor may issue subsequent short-term rental data reports to Franchisee at no charge to Franchisee, provided that, in the event Franchisee desires an additional short-term data report within thirty (30) of the last issued report to Franchisee, Franchisor reserves the right to charge Franchisor's then-current fee for such additional report.

10.8 List of Supplies/Suppliers. Make available from time to time, and amend as deemed appropriate by Franchisor, a list of required and/or recommended products and services for System franchisees and a list of approved and/or recommended suppliers of such items.

10.9 Training. The training programs specified in Article 7 herein.

10.10 On-Going Assistance. Post-opening assistance in accordance with the provisions of Article 7.

10.11 Brand Fund. Administer a Brand Fund in accordance with Section 13.3 and conduct Systemwide marketing efforts, including the implementation of a central reservations center, as Franchisor determines in Franchisor's discretion.

10.12 OTA Accounts. For brand uniformity and recognition, maintain accounts with OTAs through which Franchisor shall post Unit Listings and through which Rental Payments shall be made. Franchisor reserves the right, at any time, to change the accounts through which Franchisor shall post Unit Listings and/or through which Guests shall make Rental Payments, which includes the right to require Franchisee, at Franchisee's expense, to establish one or more account(s) in Franchisee's own name in accordance with Franchisor's requirements.

10.13 Website. Maintain the Grand Welcome website, through which Franchisor shall post Unit Listings and through which Rental Payments shall be made.

10.14 Unit Rates. Set rental and fee rates for each Unit Listing based on Franchisor's proprietary algorithms and designated software systems. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering Unit rentals or other services or products at any particular rate or price will enhance Franchisee's sales or profits.

11 FRANCHISEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS

11.1 Principal Representations. Franchisee and each Principal represent, warrant and covenant that:

11.1.1 All information, including financial information, that Franchisee and each Principal has provided to Franchisor in applying for this Franchise is complete and accurate at the time provided and as of the Effective Date.

11.1.2 Franchisee, including each of Franchisee's Principals, covenants and agrees that he or she shall make all commercially reasonable efforts to operate the Franchised Business so as to achieve optimum sales.

11.1.3 The performance of Franchisee and each Principal hereunder does not and will not constitute a default under, and is not in any respect in conflict with, the provisions of any indenture or other agreement or any judgment to which Franchisee or any Principal is a party or by which Franchisee or any Principal may be bound or affected, including but not limited to, any obligation of Franchisee or any Principal under any confidentiality or non-competition agreement with a third party. Franchisee shall not use in the operation of the Franchised Business any information which is subject to a confidentiality agreement between Franchisee or any Principal and a third party, including information such as (but not limited to) price lists, customer lists, marketing or business plans, trade secrets, confidential business information that is subject to such a confidentiality agreement. Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, costs, or judgments against Franchisor arising out of any allegation of a breach by Franchisee or any Principal of any such restrictive covenant or agreement.

11.2 Corporate Representations. If Franchisee is a corporation, partnership, limited liability company, or other legal entity, Franchisee and each Principal represent, warrant and covenant that:

11.2.1 Franchisee is duly organized and validly existing under the state law of its formation;

11.2.2 Franchisee is duly qualified and is authorized to do business in the jurisdiction of the Franchised Business premises and the Territory;

11.2.3 Franchisee's organizational documents shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Franchise granted herein, unless otherwise consented to in writing by Franchisor, which consent may be withheld by Franchisor in Franchisor's sole discretion;

11.2.4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within Franchisee's power and have been duly authorized by Franchisee;

11.2.5 Any financial statements and tax returns provided to Franchisor shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis. No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of the statements or returns, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities; and

11.3 Spousal Guaranty. If any Franchisee or Principal is a married individual and the Franchisee's or Principal's spouse has not executed this Agreement, such Franchisee or Principal shall cause his or her spouse to personally execute and bind himself or herself to the terms of a Guaranty, in the form attached as Attachment 6 hereof.

11.4 Personal Supervision.

11.4.1 Franchisee shall personally supervise the operation of the Franchised Business and may not appoint a manager, unless Franchisee receives Franchisor's prior written consent. Franchisee accepts full responsibility for, and shall be fully liable to, Franchisor for the acts and omissions of any and all agents, employees or third persons working for or with Franchisee. Franchisee shall ensure that its agents, employees and all third-party business affiliates observe and adhere to all applicable terms, conditions and restrictions contained in this Agreement and in the Manual; including but not limited to quality and service standards, confidentiality, works made for hire, non-compete and the agreement to return all Franchisor proprietary and confidential information. Any breach of a term or condition contained in this Agreement by an agent, employee or third party working for Franchisee shall be deemed to be the same as a direct breach by Franchisee and its Principals; and Franchisor shall have all the same rights and remedies as if the breach occurred through the direct acts or omissions of the Franchisee and/or its named Principals. Franchisee's agents, employees and third-party business affiliates shall further:

(i) Meet all Franchisor's standards and criteria for such individual(s), as set forth in the Manual.

(ii) Execute a confidentiality and non-compete agreement in a form substantially similar to Attachment 8.

(iii) Satisfy the training requirements set forth in Article 7, including completion of the Initial Management Training Program, if required by Franchisor. Franchisee shall pay Franchisor the then-current fee for attendance at the Initial Management Training Program and shall pay all other costs of to attend training, including transportation, lodging, and meals.

11.4.2 Franchisee shall promptly notify Franchisor when any employee, agent or third-party affiliate previously granted access to Franchisor's proprietary or confidential information ceases to be employed or affiliated with Franchisee, so that any and all access rights to Franchisor proprietary or confidential information may be terminated and all such materials returned to Franchisor. Any failure by Franchisee to comply with the requirements of this Section shall be deemed a material event of default under this Agreement.

11.5 Legal Compliance. Franchisee shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business. Such laws, rules and regulations shall include, without limitation, licenses to do business, fictitious name registrations, sales and other tax permits, state or local real estate broker licenses, if required, certificates or licenses required by any industry regulatory agency or association and any other requirement, rule, law or regulation of any federal, state or local jurisdiction.

11.6 Claims and Potential Claims. Franchisee shall notify Franchisor in writing within three (3) days of any incident or injury that could lead to, or the actual commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which in any way relating to or affecting the operation or financial condition of the Franchised Business. Any and all media inquiries concerning the Franchised Business, including, but not limited to, the business operation and incidents and occurrences related to a Unit Owner, Guest or employee, shall be referred to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium, except as directed by Franchisor.

11.7 Assignment of Numbers and Listings. Franchisee shall execute such forms and documents included in Attachment 7 to appoint Franchisor its true and lawful attorney-in-fact, with full power and authority, for the sole purpose of assigning to Franchisor, Franchisee's telephone numbers and listings; and provide Franchisor with passwords and administrator rights for all email, software, social media, or other such accounts used or created by Franchisee in order to operate the Franchised Business. Upon the expiration or termination of this Agreement, Franchisor may exercise its authority, pursuant to such documents, to obtain any and all of Franchisee's rights to the telephone numbers of the Franchised Business and all related telephone directory listings and other business listings, and all Internet listings, domain names, Internet advertising, websites, listings with search engines, electronic mail addresses, social media, or any other similar listing or usages related to the Franchised Business.

11.8 Access to Tax Filings. Upon execution of this Agreement, and at any time thereafter upon Franchisor's request, and at any time thereafter upon Franchisor's reasonable request and/or in the event of Franchisee's default, Franchisee shall provide Franchisor with Franchisee's tax returns and reports filed with any state or federal taxing authority.

11.9 Continuing Obligation. Franchisee and each Principal acknowledge and agree that the representations, warranties and covenants set forth in this Article 11 are continuing obligations of Franchisee and each Principal, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement. Franchisee and each Principal shall cooperate with Franchisor in any efforts made by Franchisor to verify compliance with such representations, warranties and covenants.

12 FRANCHISEE'S OPERATIONS

12.1 Operation of Franchised Business. In order to maintain the highest degree of quality and service on a uniform System-wide basis, Franchisee shall operate the Franchised Business in conformity with the methods, standards and specifications prescribed by Franchisor. Franchisee agrees to comply with the Manual, as it is modified from time to time, and all directives, rules and procedures specified by Franchisor, and will, among other things:

12.1.1 Procure the necessary licenses or permits to allow the operation of the Franchised Business and otherwise comply with all applicable governmental laws, ordinances, rules and regulations. Franchisee shall obtain a real estate broker license, if necessary, and comply with all requirements to keep such license current;

12.1.2 Solicit Unit Owners in accordance with Franchisor's standards and specifications and execute with each Unit Owner a Unit Listing Agreement, in the form required by Section 10.4 hereof. Franchisee shall revise the standard Unit Listing Agreement to comply with the applicable laws, rules and regulations in the Territory and submit to Franchisor for review and approval prior to use. Franchisee shall use only the revised Unit Listing Agreement that has been approved by Franchisor;

12.1.3 Employ sufficient employees and/or property maintenance, cleaning and other contractors so as to provide all vacation home rental and management services to Unit Owners and Guests in a prompt and efficient manner in conformity with the methods, standards, and specifications prescribed by Franchisor. Franchisee acknowledges and agrees that poorly trained employees or contractors, sloppy or unclean appearances and incompetent or discourteous service are extremely damaging to the goodwill of the System and the Marks and are a material default of this Agreement. Franchisee and Franchisee's employees and contractors shall wear System-branded clothing as required by Franchisor and set forth in the Manual or other written directives to Franchisee;

12.1.4 Timely make all required payments to Unit Owners, suppliers, property maintenance, cleaning, and other contractors and other creditors of the Franchised Business in accordance with the Unit Listing Agreements or other applicable agreements and provide documentation thereof, as requested by Franchisor;

12.1.5 Timely pay all taxes (including all transient taxes due at the time payment to Unit Owners is made), and provide documentation thereof, as requested by Franchisor. Franchisor reserves the right to require Franchisee, at Franchisee's cost and expense, to use a third-party tax payment services vendor, designated and approved by Franchisor. Franchisor may designate new third-party tax payment services vendor(s) at any time, and Franchisee shall use such newly designated vendor(s) upon notice from Franchisor;

12.1.6 Permit Franchisor or its agents, to inspect the Franchised Business office and any services, products, or equipment, to determine whether they meet Franchisor's then-current standards, specifications, and requirements. In addition to any other remedies Franchisor may have, Franchisee shall reimburse Franchisor for

Franchisor's inspection costs of any product or service that does not conform to the System standards and specifications;

12.1.7 Maintain in good working order, cleanliness and appearance, all vehicles for use in the Franchised Business. Franchisor reserves the right to set specifications and standards of condition, age and branding, as set forth in the Manual, of vehicles used in the Franchised Business.

12.1.8 Prominently display identifying elements of the System of such nature, form, color, number, location and size, and containing such material, as Franchisor may from time to time reasonably direct or approve in writing; and to refrain from using any sign, advertising media or identifying element of any kind to which Franchisor reasonably objects, including signs and advertising media which have been outdated. Upon giving Franchisee notice of its objection to same or upon termination hereof, Franchisor may at any time enter upon the Franchised Business office premises or elsewhere and remove any objectionable or non-approved sign, advertising media or identifying element and keep or destroy same without paying therefor or without being deemed guilty of trespass or any other tort;

12.1.9 Conduct all advertising programs in a manner consistent with Franchisor's standards and specifications, in a manner satisfactory to Franchisor and that will not detract from the reputation of the System or the Marks;

12.2. <u>Bookkeeping and Reports</u>.

12.2.1. Franchisee agrees to keep and maintain complete and accurate books and records of its transactions and business operations using the accounting procedures and chart of accounts specified by Franchisor. Franchisee agrees to purchase the computer systems specified in Section 12.3 to maintain the records and accounts of the Franchisee to the standards of the Franchisor. Franchisee acknowledges and agrees that the financial data of Franchisee's Franchised Business (i) is owned by Franchisor, (ii) is Franchisor's Proprietary Information, (iii) may be published in franchise disclosure document(s) issued by Franchisor following the Effective Date hereof, and (iv) may be shared with other franchisees in the System.

12.2.2. Within sixty (60) days after the close of each fiscal year, Franchisee will furnish Franchisor a full and complete written statement of income and expense and a profit and loss statement for the operation of the Franchised Business during said period, together with a balance sheet and tax reports for the Franchised Business, all of which shall be prepared in accordance with generally accepted accounting principles and practice. Franchisee's annual statements and balance sheets shall be prepared in accordance with Generally Accepted Accounting Principles.

12.2.3. The financial statements required hereunder shall be in such form and contain such information as Franchisor may from time to time reasonably designate.

12.2.4. Franchisor reserves the right to require Franchisee to engage the services of a third-party accounting services firm, designated and approved by Franchisor, in the event that (i) Franchisee fails to keep books and records in accordance with Franchisor's standards or (ii) Franchisor, in its sole discretion, determines that use of a third-party accounting services firm by all System franchisees is beneficial to the System.

12.2.5. Franchisor shall have the right at all reasonable times to examine, at its expense, Franchisee's books, records, and tax returns. If Franchisor's examination finds any underpayment owed in any Revenue Report, unless due solely to Franchisor error in the calculation of the Distributed Balance, Franchisee shall reimburse Franchisor for the cost of such examination and pay the Franchisor the amounts due together with interest thereon at the rate provided herein. Such understatement may be considered a material default hereunder. Two (2) such understatements during the Term of this Agreement may, at the option of Franchisor, be considered an incurable default and thereby subject to termination as provided herein.

12.3 Computer Systems.

12.3.1. Franchisee, at Franchisee's sole expense, shall install and maintain the Computer System and other computer hardware, software, applications and accounts Franchisor requires for the operation of the Franchised Business and shall follow the procedures related thereto that Franchisor specifies in the Manual or otherwise in writing.

12.3.2. Franchisor may require Franchisee, at Franchisee's sole expense, to install and maintain systems, bookkeeping accounts and OTA accounts that permit Franchisor to independently and electronically access and retrieve any information stored in Franchisee's Computer System and accounts, including, without limitation, information concerning Gross Revenue. Upon Franchisor's request, Franchisee shall execute such documents as Franchisor deems necessary to permit Franchisor to independently and electronically access and retrieve all information stored on Franchisee's Computer System, other systems and bookkeeping and OTA accounts.

12.3.3 Any and all Unit Owner and Guest data collected or provided by Franchisee, retrieved from Franchisee's Computer System, or otherwise collected from Franchisee by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor's proprietary and Confidential Information. Franchisor has the right to use such data in any manner without compensation to Franchisee. Franchisor licenses to Franchisee the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

12.3.4. Franchisor may require Franchisee, at Franchisee's sole expense, to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System.

12.3.5. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the speed required by Franchisor from time to time. Franchisee shall use the electronic mail account provided by Franchisor. Franchisee shall promptly read and respond to all electronic mail related to the Franchised Business no less often than on a daily basis and shall accept and acknowledge receipt of all electronic mail sent by Franchisor. Franchisee shall not establish any website or other presence on the Internet except as provided and specifically permitted herein.

12.3.6. Franchisor has established a website that provides information about the System and the services and products offered by the Grand Welcome System (the "Website"). Franchisor has sole discretion and control over the Website. Franchisor shall include Franchisee's Unit Listings on the Website, in Franchisor's discretion. Franchisee has no ownership or other proprietary rights to Franchisor's Website and Franchisee will lose all rights to Unit Listings on the Website upon expiration or termination of this Agreement for any reason.

12.3.7. In addition to Franchisee's obligations pursuant to Section 6.6 hereof, Franchisee shall pay all other fees, whether to Franchisor or to third party vendors, and expenses for technology required by this Agreement, including but not limited to, the costs of computer hardware and software, regularly recurring fees for software and Internet access, license fees, help desk fees, licensing or user-based fees.

12.3.8 Franchisee is solely responsible for maintaining the security and integrity of the computer systems used in the Franchised Business and the Unit Owner, Guest and other data stored therein. Franchisee, at Franchisee's sole cost and expense, shall implement all computer hardware, software and Internet security procedures, including required updates or upgrades thereto, that are reasonably necessary to protect Franchisee's computer and systems and the data stored therein from viruses, malware, privacy breaches or other unauthorized access.

12.4 Safety and Security. Franchisee is solely responsible for the safe and secure operation of the Franchised Business and the services provided thereby for Franchisee, Franchisee's personnel, Unit Owners, Guests, and the general public. All matters of safety and security are within Franchisee's discretion and control, and Franchisee's indemnification obligations set forth in Section 15.7 hereof shall apply to any claims made against Franchisor regarding safety or security.

12.5 Customer Dispute Resolution. Franchisee acknowledges that customer satisfaction is essentia1 to Franchisee's success as well as the reputation and success of the System and other Grand Welcome franchisees. Accordingly, Franchisee agrees to: (i) use its best efforts to ensure the satisfaction of each of Unit Owner and Guest; (ii) use good faith in all dealings with Unit Owners, potential Unit Owners, Guests, potential Guests, suppliers and vendors; (iii) respond to Unit Owner and Guest complaints in a courteous, prompt, and professional manner; (iv) use best efforts to promptly and fairly resolve Unit Owner or Guest disputes; and (v) within seven (7) days of receiving a request from Franchisor, provide Franchisor a written summary of the dispute. If Franchisee fails to resolve a dispute with a Unit Owner or Guest, for any reason whatsoever, Franchisor, in its sole discretion and for the sole purpose of protecting the goodwill and reputation of the System and the Marks, may (but shall not be obligated to) investigate the matter and take such action as Franchisor may deem necessary or appropriate to resolve the dispute fairly and promptly, including, but not limited to, the issuance of a refund on Franchisee's behalf. Within ten (10) days after receiving notice thereof, Franchisee shall pay Franchisor a Customer Resolution Fee in the amount of Two Hundred Dollars ($200.00), plus any amounts refunded to a Unit Owner or Guest on Franchisee's behalf. Nothing contained in this Section or any other provision of this Agreement shall be construed to impose liability upon Franchisor to any third party for any action by or obligation of Franchisee.

12.6 Prices. Franchisor shall use Franchisor's proprietary algorithms to set rental rates for Unit Listings. Franchisor may set minimum and maximum prices for other services or products offered by the Franchised Business. Franchisee acknowledges that Franchisor has made no guarantee or warranty that offering Unit rentals or other services or products at any particular rate or price will enhance Franchisee's sales or profits.

12.7 Unapproved Item/Suppliers. If Franchisee desires to purchase, lease or use any unapproved equipment, product, or service or to purchase, lease or use any equipment, product or service from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval prior to using such product, service or supplier. Franchisee shall not purchase or lease any item or use any supplier until and unless such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities and to test or otherwise evaluate samples from the supplier. Franchisor reserves the right to charge Franchisee an evaluation fee equal to Five Hundred Dollars ($500.00), plus the actual cost of evaluation, inspection and/or testing. Franchisor shall notify Franchisee whether Franchisor approves or disapproves of the proposed item or supplier within sixty (60) days after Franchisor receives all required information to evaluate the product, service or supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular item or supplier.

12.8 External Quality Assurance Services. Franchisor reserves the right to establish quality assurance programs conducted by third-party providers, including, but not limited to, customer surveys and periodic quality assurance audits ("Quality Review Services"). Upon Franchisor's request and at Franchisee's sole cost and expense, Franchisee shall subscribe, to any such third-party provider for Quality Review Services to monitor the operations of the Franchised Business as directed by Franchisor.

12.9 Variations in Standards. Notwithstanding anything to the contrary contained in this Agreement and this Section 12 in particular, Franchisee acknowledges and agrees that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary performance standards for some franchisees based upon the peculiarities and characteristics of the particular circumstance, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of such particular franchise business. Franchisor has full rights to vary standard specifications and practices for any other franchisee at any time without giving Franchisee comparable rights. Franchisee shall not be entitled to require Franchisor to disclose or grant to Franchisee a like or similar variation.

13. ADVERTISING, PROMOTIONS AND RELATED FEES

13.1 Advertising Programs. Franchisor may from time to time develop and administer advertising and sales promotion programs designed to promote and enhance the collective success of all Franchised Businesses operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor from time to time for each program. In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by Franchisor, as modified from time to time, shall be final and binding upon Franchisee.

13.2 Local Marketing.

13.2.1 In addition to the ongoing national brand fund contributions set forth herein, Franchisee shall spend monthly a minimum amount based on Franchisee's Tier, set forth in Attachment 3, for marketing efforts targeting current and potential Unit Owners in the Territory ("Local Unit Owner Targeted Marketing Expenditure"), as follows:

MONTHLY LOCAL UNIT OWNER TARGETED MARKETING EXPENDITURE	
TIER 1	$ 500
TIER 2	$ 1,500
TIER 3	$ 2,000
TIER 4	$ 2,500

Franchisor reserves the right to increase the minimum amount of the Local Unit Owner Targeted Marketing Expenditure, in Franchisor's reasonable discretion, no more often than once in each consecutive twelve (12) month period.

13.2.2 Within ten (10) business days of Franchisor's request, Franchisee shall provide a quarterly expenditure report accurately reflecting Franchisee's accounting and use of required Local Unit Owner Targeted Marketing Expenditures for the preceding quarterly period. The following costs and expenditures incurred by Franchisee are ***not*** permitted uses of Local Unit Owner Targeted Marketing Expenditures for purposes of this Section, unless approved in advance by Franchisor in writing: (i) incentive programs for employees or agents of Franchisee; (ii) salaries and expenses of any of Franchisee's personnel to attend advertising meetings, workshops or other marketing activities; and (iii) charitable, political or other contributions or donations.

13.2.3 In addition to the ongoing national brand fund contributions set forth herein, Franchisee shall pay to Franchisor monthly one and one-half percent (1.5%) of Franchisee's Gross Revenue for Franchisor's marketing efforts targeting current and potential Guests for stays at Units in the Territory ("Guest Targeted Marketing Fee"). Franchisee acknowledges that a portion of Guest Targeted Marketing Fees may be used together with Guest Targeted Marketing Fees paid by other System franchisees for combined marketing activities that cannot be readily allocated. Franchisor reserves the right to increase the Guest Targeted Marketing Fee, in Franchisor's reasonable discretion, by no more than twenty-five percent (25%) in each consecutive twelve (12) month period. Payment of the Guest Targeted Marketing Fee shall be made in accordance with Section 6.1.4 hereof.

13.3 <u>Brand Fund</u>.

13.3.1 Franchisor has established a national fund on behalf of the System for national advertising, marketing, and brand development (the "Brand Fund"). Franchisee is required to contribute, as determined by Franchisor, one percent (1%) of the Net Revenue generated by Franchisee's Franchised Business to the Brand Fund ("Brand Fund Contribution"). Franchisor reserves the right, in Franchisor's sole discretion and at any time and from time to time, to increase the amount of the Brand Fund Contribution to any amount not to exceed three percent (3%) of the Net Revenue. Brand Fund Contributions will be made in the same manner and time as the Royalty Fees.

13.3.2. Franchisor shall direct the Brand Fund and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Franchised Businesses operating under the System.

13.3.3. Franchisor may, but has no obligation to, contribute to the Brand Fund on the same basis as Franchisee with respect to Grand Welcome outlets operated by Franchisor or Franchisor's affiliates.

13.3.4. Franchisor may use the Brand Fund to satisfy any and all costs of developing, preparing, producing, directing, administering, conducting, maintaining and disseminating advertising, marketing, promotional and public relations materials, programs, campaigns, sales and marketing seminars and training programs of every kind and nature, through media now existing or hereafter developed (including, without limitation, the cost of television, radio, magazine, social media, newspaper and electronic advertising campaigns; direct mail and outdoor billboard advertising; public relations activities; conducting marketing research, employing advertising agencies to assist therein; developing, enhancing and maintaining the Website, social media platforms, apps, and other technology for the benefit of the Brand image and/or Systemwide improvements; and staff salaries and other personnel and departmental costs for advertising that Franchisor internally administers or prepares). While Franchisor does not intend that any part of the Brand Fund will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations, to explain the franchise system, and/or to include a notation in any advertisement indicating "Franchises Available."

13.3.5. The Brand Fund will not be used to defray any of Franchisor's general operating expenses, except for reasonable administrative costs and overhead that Franchisor may incur in activities related to the administration and direction of the Brand Fund and such costs and expenses pursuant Section 13.3.4. Franchisor further reserves the right to include "Franchises Available" or similar language and contact information in advertising produced with Brand Fund contributions. The Brand Fund and its earnings shall not otherwise inure to Franchisor's benefit except that any resulting technology and intellectual property shall be deemed the property of Franchisor.

13.3.6. Franchisor will prepare an unaudited annual statement of the Brand Fund's operations and will make it available to Franchisee upon request. In administering the Brand Fund, Franchisor undertakes no obligation to make expenditures for Franchisee that are equivalent or proportionate to Franchisee's contribution or to ensure that any particular franchisee benefits directly or pro rata from the production or placement of advertising.

13.3.7. Although the Brand Fund is intended to be of perpetual duration, Franchisor may terminate it at any time and for any reason or no reason. Franchisor will not terminate the Brand Fund, however, until all monies in the Brand Fund have been spent for advertising or promotional purposes or returned to contributors, without interest, on the basis of their respective contributions.

13.4 <u>Directory Listings</u>. At Franchisee's sole cost and expense, Franchisee must list the Franchised Business in local business directories, including, but not limited to, listings on Internet search engines. Notwithstanding the foregoing, Franchisee may not maintain any business profile on Facebook, Instagram, Twitter, LinkedIn, YouTube, TikTok or any other social media and/or networking site without Franchisor's prior written approval and in strict accordance with Franchisor's requirements.

13.5 <u>Approval of Advertising</u>. All advertising and promotion by Franchisee, in any medium, shall be conducted in a professional manner and shall conform to the standards and requirements of Franchisor as set forth in the Manual or otherwise. Franchisee shall submit to Franchisor for its approval samples of all advertising, press releases, promotional plans and materials and public relations programs that Franchisee desires to use, including, without limitation, any materials in digital, electronic or computerized form, or in any form of media now or hereafter developed that have not been either provided or previously approved by Franchisor. Franchisor shall approve or disapprove such plans and materials within ten (10) business days of Franchisor's receipt thereof. If Franchisor fails to respond to Franchisee's submission within ten (10) business days, such plans and materials shall be deemed "disapproved". Franchisee shall not use such unapproved plans or materials until they have been approved by Franchisor in writing and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor. Any advertising, marketing or sales concepts, programs or materials proposed or developed by Franchisee for the Grand Welcome brand and approved by Franchisor may be used by other System franchisees without any compensation to Franchisee.

14. INTELLECTUAL PROPERTY

14.1 Ownership.

14.1.1. Franchisee expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) are the record owner of the Marks. Franchisor holds the exclusive right to license the Marks to franchisees of the System for use pursuant to the System. Franchisee further expressly understands and acknowledges that Franchisor and/or Franchisor's affiliate(s) claim copyrights on certain material used in the System, including but not limited to the Website, documents, standard agreements, advertisements, promotional materials and the Manual, whether or not Franchisor and/or Franchisor's affiliate(s) have filed for copyrights thereto with the U.S. Copyright Office. The Marks and copyrights, along with Franchisor's trade secrets, service marks, trade dress and proprietary systems are hereafter collectively referred to as the "Intellectual Property".

14.1.2. As between Franchisor and Franchisee, Franchisor and/or Franchisor's affiliate(s) are the owner of all right, title and interest in and to the Intellectual Property and the goodwill associated with and symbolized by them.

14.2 No Interference. Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the validity of Franchisor's and/or Franchisor's affiliate(s)'s rights with respect to the Intellectual Property. Nothing in this Agreement shall give the Franchisee any right, title, or interest in or to any of the Intellectual Property or any of Franchisor's and/or Franchisor's affiliate(s)'s service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Intellectual Property and the System in accordance with the terms and conditions of this Agreement for the operation of a Franchised Business and only at or from the Franchised Business office premises or in approved advertising related to the Franchised Business.

14.3 Goodwill. Franchisee understands and agrees that any and all goodwill arising from Franchisee's use of the Intellectual Property and the System shall inure solely and exclusively to the benefit of Franchisor and/or Franchisor's affiliate(s), and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the Intellectual Property.

14.4 Validity. Franchisee shall not contest the validity of, or Franchisor's and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property or assist others to contest the validity of, or Franchisor's and/or Franchisor's affiliate(s)'s interest in, the Intellectual Property.

14.5 Infringement. Franchisee acknowledges that any unauthorized use of the Intellectual Property shall constitute an infringement of Franchisor's and/or Franchisor's affiliate(s)'s rights in the Intellectual Property and a material event of default hereunder. Franchisee shall provide Franchisor and/or Franchisor's affiliate(s) with all assignments, affidavits, documents, information and assistance Franchisor and/or Franchisor's affiliate(s) reasonably requests to fully vest in Franchisor and/or Franchisor's affiliate(s) all such rights, title and interest in and to the Intellectual Property, including all such items as are reasonably requested by Franchisor and/or Franchisor's affiliate(s) to register, maintain and enforce such rights in the Intellectual Property.

14.6 Substitution. Franchisor reserves the right to substitute different Marks for use in identifying the System and the Franchised Business, if it in its sole discretion, determines that substitution of different Marks will be beneficial to the System. Franchisor will not be liable to Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any additions, modifications, substitutions or discontinuation of the Marks. Franchisee covenants not to commence or join in any litigation or other proceeding against Franchisor for any of these expenses, losses or damages.

14.7 Franchisee's Use of the Intellectual Property. With respect to Franchisee's use of the Intellectual Property pursuant to this Agreement, Franchisee further agrees that:

14.7.1 Unless otherwise authorized or required by Franchisor, Franchisee shall advertise the Franchised Business only under the Marks "Grand Welcome" and design. Franchisee shall not use the Marks as part of its corporate or other legal name. All fictitious names used by Franchisee shall bear the designation "a franchisee of Grand Welcome Franchising, LLC".

14.7.2. Franchisee shall identify itself as the owner of the Franchised Business and as an independent Grand Welcome franchisee in conjunction with any use of the Intellectual Property, including, but not limited to, uses on invoices, the Unit Listing Agreement, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous location upon the office and vehicle, as directed by Franchisor, used in the Franchised Business, as Franchisor may designate in writing.

14.7.3. Franchisee shall not use the Intellectual Property to incur any obligation or indebtedness on behalf of Franchisor.

14.7.4. Any item offered by Franchisee that contains the Marks, must be approved by Franchisor in writing prior to being distributed or sold by Franchisee and such approval may be granted or denied in Franchisor's sole and absolute discretion.

14.8 Claims. Franchisee shall notify Franchisor immediately via both email and telephone, of any apparent infringement of or challenge to Franchisee's use of any Intellectual Property and of any claim by any person of any rights in any Intellectual Property. Franchisee shall not communicate with any person other than Franchisor or any designated affiliate thereof, their counsel and Franchisee's counsel in connection with any such infringement, challenge or claim. Franchisor shall have complete discretion to take such action as it deems appropriate in connection with the foregoing, and the right to control exclusively, or to delegate control to any of its affiliates of, any settlement, litigation or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Intellectual Property. Franchisee agrees to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any other person or entity in any litigation or other proceeding or to otherwise protect and maintain the interests of Franchisor or any other interested party in the Intellectual Property. Franchisor will indemnify and defend Franchisee against and reimburse Franchisee for actual damages (including settlement amounts) for which Franchisee is held liable in any proceeding arising out of Franchisee's use of any of the Intellectual Property that infringes on the rights of any other party, provided that the conduct of Franchisee with respect to such proceeding and use of the Intellectual Property is in full compliance with the terms of this Agreement.

14.9 Franchisor may use and grant franchises and licenses to others to use the Intellectual Property and the System and to establish, develop and franchise other systems, different from the System licensed to Franchisee herein, without offering or providing Franchisee any rights in, to or under such other systems and Franchisor may modify or change, in whole or in part, any aspect of the Intellectual Property or the System, so long as Franchisee's rights thereto are in no way materially harmed thereby.

14.10 Franchisee shall not register or attempt to register the Intellectual Property in Franchisee's name or that of any other person, firm, entity or corporation.

15. INSURANCE AND INDEMNIFICATION

15.1 Required Insurance. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and thereafter maintain in full force and effect during the term of this Agreement at Franchisee's sole cost and expense and to Franchisor's sole satisfaction, the following required insurance policies, which shall be primary and non-contributory to any insurance that Franchisor may carry. Franchisee's insurance shall be provided by insurance companies with an A.M. Best rating of not less than A-VII, protecting Franchisee and Franchisor, and naming Franchisor, its officers, directors, partners, owners, employees and affiliates as additional insureds as their interests may appear, in the following minimum limits (except as additional coverage and higher policy limits may reasonably be specified from time to time in the Manual or otherwise in writing):

15.1.1 Liability. Comprehensive general liability insurance, including personal and advertising injury coverage, together with the costs and expenses of the defense and/or adjustment of injury or damage, in the recommended amount of at least One Million Dollars ($1,000,000.00) per occurrence and Two Million Dollars ($2,000,000.00) in the aggregate;

15.1.2 Automobile Insurance. Prior to operation of any vehicle on behalf of the Franchised Business, Franchisee must obtain comprehensive automobile liability insurance in the recommended amount of at least a combined single limit for bodily and property damage of One Million Dollars ($1,000,000.00), or greater if required by state law; and

15.1.3 Employment. At all times when Franchisee has any employees, worker's compensation coverage in the limits required by state law, employment practices/abuse and employee dishonesty insurance with third-party coverage in the recommended amount of at least One Million Dollars ($1,000,000.00), and employer liability insurance with a recommended minimum policy limit of One Million Dollars ($1,000,000.00) shall be carried on all of Franchisee's employees, as well as such other insurance as may be required by statute or rule of the state in which the Franchised Business is located and operated.

15.2 Recommended Insurance. Franchisor recommends, but does not require, Franchisee to procure, prior to the commencement of any operations under this Agreement, the following insurance policies:

15.2.1 Cyber Coverage. Comprehensive data security and privacy cyber insurance, including coverage for unauthorized access and use, security failure, breach of confidential information, privacy perils, and breach mitigation costs and regulatory coverage, in the recommended amount of One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) in the aggregate;

15.2.2 Property. If operating the Franchised Business from a commercial premises, fire, vandalism and extended coverage insurance with primary and excess recommended limits of not less than Fifty Thousand Dollars ($50,000.00) or such higher amount to cover the full replacement value of the building, fixtures, inventory, equipment, computer systems, vehicles and other personal property of the Franchised Business;

15.2.3 Business. Business interruption insurance in a recommended amount no less than the greater of (i) One Hundred Thousand Dollars ($100,000.00) or (ii) an amount necessary to satisfy Franchisee's obligations under this Agreement for a minimum period of twelve (12) months;

15.2.4 Employment Practices Liability. Employment practices liability coverage and employee dishonesty insurance with third-party coverage in the recommended minimum amount of One Million Dollars ($1,000,000.00), including third party coverage, and wage and hour defense cost coverage in an amount of not less than One Hundred Thousand Dollars ($100,000.00);

15.2.5 Electronic Data Processing. At Franchisee's option, coverage for damage or loss of electronic and computer equipment, media and data in an amount of not less than Ten Thousand Dollars ($10,000.00); and

15.2.6 Fidelity/Crime. At Franchisee's option, coverage for fraud or theft in an amount of at least Two Hundred Fifty Thousand Dollars ($250,000.00).

15.3 Evidence of Insurance. Franchisee shall deliver to, and maintain at all times with Franchisor, current Certificates of Insurance evidencing the existence and continuation of the required coverages. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder.

15.4 Failure to Procure. If, for any reason, Franchisee should fail to procure or maintain the insurance required by this Agreement as revised from time to time for all franchisees by the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation) to immediately procure such insurance and to charge Franchisee for the cost thereof together with an administrative fee of ten percent (10%) for Franchisor's expenses in so acting, including all attorneys' fees. Franchisee shall pay Franchisor immediately upon notice by Franchisor to Franchisee that Franchisor has undertaken such action and the cost thereof.

15.5 Increase in Coverage. The levels and types of insurance stated herein are minimum requirements. Franchisor reserves the right to raise the required minimum requirements for any type of insurance or add additional types of insurance requirements as Franchisor deems reasonably prudent to require. Within thirty (30) days of any such required new limits or types of coverage, Franchisee must submit proof to Franchisor of Franchisee's coverage pursuant to Franchisor's requirements.

15.6 Additional Insured. All required insurance policies shall name Franchisor, Franchisor's affiliate(s), and their members, officers, agents and employees as additional insureds as their interests may appear. All public liability policies shall contain a provision that the additional insureds, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss caused by Franchisee or Franchisee's servants, agents or employees.

15.7 Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, FRANCHISEE AGREES TO EXONERATE AND INDEMNIFY AND HOLD HARMLESS GRAND WELCOME FRANCHISING, LLC, GRAND WELCOME, LLC, AND ANY OF THEIR PARENT COMPANIES, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS,

ASSIGNS AND DESIGNEES, AS WELL AS THEIR DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND SHAREHOLDERS (COLLECTIVELY REFERRED TO AS THE "GRAND WELCOME INDEMNITEES"), FROM ALL CLAIMS BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATED TO FRANCHISEE'S FRANCHISE AND/OR THE OPERATION THEREOF, INCLUDING BUT NOT LIMITED TO, ANY CLAIM IN CONNECTION WITH FRANCHISEE'S EMPLOYEES OR AGENTS; FRANCHISEE'S COMPUTER SYSTEMS; THE FRANCHISED BUSINESS PREMISES; OR FRANCHISEE'S ADVERTISING OR BUSINESS PRACTICES. FRANCHISEE AGREES TO PAY FOR ALL THE GRAND WELCOME INDEMNITEES' LOSSES, EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES) OR CONCURRENT OR CONTRIBUTING LIABILITY INCURRED IN CONNECTION WITH ANY ACTION, SUIT, PROCEEDING, INQUIRY (REGARDLESS OF WHETHER THE SAME IS REDUCED TO JUDGMENT OR DETERMINATION), OR ANY SETTLEMENT THEREOF FOR THE INDEMNIFICATION GRANTED BY FRANCHISEE HEREUNDER. THE GRAND WELCOME INDEMNITEES SHALL HAVE THE RIGHT TO SELECT AND APPOINT INDEPENDENT COUNSEL TO REPRESENT ANY OF THE GRAND WELCOME INDEMNITEES IN ANY ACTION OR PROCEEDING COVERED BY THIS INDEMNITY. FRANCHISEE AGREES THAT TO HOLD THE GRAND WELCOME INDEMNITEES HARMLESS, FRANCHISEE WILL REIMBURSE THE GRAND WELCOME INDEMNITEES AS THE COSTS AND EXPENSES ARE INCURRED BY THE GRAND WELCOME INDEMNITEES.

_____
Initial

16. TRANSFERS

16.1 Transfers by Franchisor.

16.1.1 Franchisor shall have the right to assign this Agreement, and all of Franchisor's rights and privileges hereunder, to any person, firm, corporation or other entity, without Franchisee's permission or prior knowledge, provided that, with respect to any assignment resulting in the subsequent performance by the assignee of Franchisor's obligations, the assignee shall expressly assume and agree to perform Franchisor's obligations hereunder. Specifically, and without limitation to the foregoing, Franchisee expressly affirms and agrees that Franchisor may: (i) sell Franchisor's assets and Franchisor's rights to the Marks and the System outright to a third party; (ii) engage in a public or private placement of some or all of Franchisor's securities; (iii) merge, acquire other corporations, or be acquired by another corporation, including competitors; (iv) undertake a refinancing, recapitalization, leveraged buy-out or other economic or financial restructuring; and (v) with regard to any or all of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or relating to the loss of association with or identification of Franchisor. Nothing contained in this Agreement shall require Franchisor to remain in the business franchised herein or to offer the same products and services, whether or not bearing the Marks, in the event that Franchisor exercises its prerogative hereunder to assign Franchisor's rights in this Agreement.

16.1.2 Franchisee agrees that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or non-competitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of the facilities (which Franchisee acknowledges may be within the Territory, proximate thereto, or proximate to any of Franchisee's Units).

16.1.3 If Franchisor assigns its rights in this Agreement, nothing herein shall be deemed to require Franchisor to remain in the vacation home rental and management business or to offer or sell any products or services to Franchisee.

16.2 Restrictions on Transfers by Franchisee. Franchisee's rights and duties under this Agreement are personal to Franchisee as it is organized and with the Principal(s) of the business as they exist on the date of execution of this Agreement, and Franchisor has made this Agreement with Franchisee in reliance on Franchisor's perceptions of the individual and collective character, skill, aptitude, attitude, business ability, and financial capacity of Franchisee. Thus, no transfer, as hereafter defined, may be made without Franchisor's prior written approval. Franchisor may void any transfer made without such approval.

16.3 Transfers by Franchisee. Franchisee shall not directly or indirectly sell, assign, transfer, give, devise, convey or encumber this Agreement or any right or interest herein or hereunder (a "Transfer"), the Franchise, the Franchised Business or any assets thereof (except in the ordinary course of business) or suffer or permit any such assignment, transfer, or encumbrance to occur by operation of law unless it first obtains the written consent of Franchisor. A transfer of any stock in the Franchisee if it is a corporation or a transfer of any ownership rights in Franchisee if it is a partnership, a limited liability company or limited partnership shall be considered a Transfer restricted hereunder. If Franchisee has complied fully with this Agreement and subject to Franchisor's Right of First Refusal set forth in Section 16.6, Franchisor will not unreasonably withhold its consent of a Transfer that meets the following requirements:

16.3.1 The proposed transferee and all its principals must have the demeanor and be individuals of good character and otherwise meet Franchisor's then-applicable standards for franchisees.

16.3.2 The transferee must have sufficient business experience, aptitude and financial resources to operate the Franchised Business and to comply with this Agreement;

16.3.3 The transferee has agreed to complete Franchisor's Initial Management Training Program to Franchisor's satisfaction;

16.3.4 Franchisee has paid all amounts owed to Franchisor and third-party creditors;

16.3.5 The transferee has executed Franchisor's then-standard form of Franchise Agreement, which may have terms and conditions different from this Agreement, except that the transferee shall not be required to pay the Initial Franchise Fee;

16.3.6 Franchisee and the transferee and each of Franchisee's and the transferee's Principals shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's officers, directors, shareholders, members and employees in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules and ordinances. Franchisee will agree to subordinate any claims Franchisee may have against the transferee to Franchisor, and indemnify Franchisor against any claims by the transferee relating to misrepresentations in the transfer process, specifically excluding those representations made by Franchisor in the Franchise Disclosure Document given to the transferee;

16.3.7 Franchisor has granted written approval of the material terms and conditions of the Transfer, including, without limitation, that the price and terms of payment will not adversely affect the Franchised Business's operation. However, Franchisor's approval of a Transfer is not in any way a representation or warranty of the transferee's success or the soundness of transferee's decision to purchase the Franchise on such terms and conditions. Franchisee shall provide Franchisor all proposed transfer documents for Franchisor's review at least thirty (30) days prior to a closing of the proposed Transfer; and

16.3.8 If Franchisee or any Principal finances any part of the sale price of the Transfer, Franchisee or its Principal have agreed that all obligations of the transferee under any notes, agreements or security interests to Franchisee or its Principal will be subordinate to the transferee's obligations to Franchisor.

16.4 Transfer Fee. As a condition to any Transfer, Franchisee shall pay Franchisor a transfer fee equal to seventy-five percent (75%) of the then-current Tier 2 initial franchise fee; provided however, (i) for transfers to an existing franchisee in good standing with Franchisor, the transfer fee is fifty percent (50%) of the then-current Tier 2 initial franchise fee, (ii) for transfers of ownership interest among existing principals, shareholders or members, or to add a business entity or new shareholder or member of the Franchisee entity and such transfer does not change management control of the Franchise, the transfer fee is One Thousand Five Hundred Dollars ($1,500.00), and (iii) for a transfer to a spouse, parent or child upon death or permanent disability of Franchisee or Franchise's Principal, as the case may be, the transfer fee is Three Thousand Five Hundred Dollars ($3,500.00).

16.5 Entity Formation Documents. The By-Laws of a corporation or Operating Agreement of a limited liability company of a Franchisee that is an entity must state that (i) the issuance and assignment of any interest in Franchisee are restricted by this Article 16; (ii) Franchisee may conduct no business except the operation of a Franchised Business pursuant to the terms of this Agreement; (iii) transfers of interests in Franchisee are subject to the terms of this Agreement governing transfers; and (iv) stock or member certificates will contain a legend so indicating.

16.6 Franchisor 's Right of First Refusal.

16.6.1 If Franchisee wishes to transfer all or part of its interest in the Franchised Business or this Agreement or if a Principal wishes to transfer any ownership interest in Franchisee, pursuant to any bona fide offer to purchase such interest, then Franchisee or such Principal shall promptly notify Franchisor in writing of each such offer, and shall provide such information and documentation relating to the offer as Franchisor may require.

16.6.2 Franchisor has the right, exercisable by written notice to Franchisee within thirty (30) days after receipt of written notification and copies of all documentation required by Franchisor describing such offer, to buy the interest in this Agreement and the Franchised Business or the Principal's interest in Franchisee for the price and on the terms and conditions contained in the offer, subject to Section 16.6.3.

16.6.3 Franchisee further agrees, in the event Franchisor exercises its right of first refusal, notwithstanding anything to the contrary contained in the offer, that (i) Franchisor may substitute cash for any other form of consideration contained in the offer; (ii) at Franchisor 's option, Franchisor may pay the entire purchase price at closing; (iii) Franchisor 's credit will be deemed equal to the credit of any proposed transferee; (iv) Franchisor will have at least sixty (60) days to close the purchase; and (v) Franchisor will be entitled to receive from the Franchisee all customary representations and warranties given by a seller of the assets of a business or equity interest in an entity, as applicable.

16.6.4 If Franchisor does not exercise its right to buy within thirty (30) days, Franchisee may thereafter transfer the interest to the transferee on terms no more favorable than those disclosed to Franchisor, provided that such transfer is subject to Franchisor's prior written approval pursuant to Section 16.3 hereof. However, if (i) the sale to the transferee is not completed within one hundred twenty (120) days after the offer is given to Franchisor or (ii) there is any material change in the terms of the offer, the offer will again be subject to Franchisor's right of first refusal.

16.7 Death or Permanent Disability. The grant of rights under this Agreement is personal to Franchisee, and on the death or permanent disability of Franchisee or any of Franchisee's Principals, the executor, administrator, conservator or other personal representative of Franchisee or Principal, as the case may be, shall be required to transfer Franchisee's or Principal's interest in this Agreement within six (6) months from the date of death or permanent disability, to a third party approved by Franchisor. Failure to transfer in accordance with the forgoing will constitute a material default and the Franchise granted by this Agreement will terminate. A transfer under this Section 16.7, including without limitation, transfer by devise or inheritance, is subject to the conditions for Transfers in this Article 16 and unless transferred by gift, devise or inheritance, subject to the terms of Section 16.6 above. For purposes of this Agreement, the term "permanent disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent such person from providing continuous and material supervision of the operation of Franchisee’s Franchised Business during the six (6)-month period from its onset.

Immediately after the death or permanent disability of such person, or while the Franchise is owned by an executor, administrator, guardian, personal representative or trustee of that person, the Franchised Business shall be supervised by an interim successor manager satisfactory to Franchisor, or Franchisor, in its sole discretion, may provide interim management for a fee equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, pending transfer of the Franchise to the deceased or disabled individual's lawful heirs or successors.

16.8 Effect of Consent to Transfer. Franchisor's consent to a Transfer will not waive any claims Franchisor may have against the Franchisee or any Franchisee’s Principals nor waive its right to demand that the transferee comply strictly with this Agreement.

16.9 Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee’s interest in the assets of the Franchised Business to a lender of the funds needed by Franchisee for Franchisee’s initial investment, provided that the security interest is subordinate to Franchisee’s obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee obtains financing whereby funding is provided with the assistance of the United States Small Business Administration (“SBA Financing”), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any collateral Franchisee uses to secure the SBA Financing, and Franchisor agrees to (i) subordinate its interest in any lien on Franchisee’s collateral to that of the lender of the SBA Financing and (ii) waive the requirement of the written acknowledgement referenced in this Section.

17. DEFAULTS

17.1 Default and Automatic Termination. Franchisee shall be deemed to be in material default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee or Principal shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee or Principal files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or admits in writing an inability to pay debts when due; or if Franchisee or Principal is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee or Principal under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or Principal or other custodian for Franchisee's business or assets is filed and consented to by Franchisee or Principal; or if a receiver or other custodian (permanent or temporary) of Franchisee's or Principal's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or Principal; or if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's or Principal's business or property; or if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against Franchisee and not dismissed within thirty (30) days.

17.2 Defaults with No Opportunity to Cure. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.2.1 fails to obtain all required licenses and permits before opening or to open the Franchised Business within the time and in the manner specified in Article 8.

17.2.2 falsifies any report required to be furnished Franchisor hereunder;

17.2.3 ceases to operate the Franchised Business for a period of five (5) days or more;

17.2.4 fails to comply with any federal, state or local law, rule or regulation, applicable to the operation of the Franchised Business, including, but not limited to, the failure to pay taxes;

17.2.5 understates Gross Revenue on two (2) occasions or more, whether or not cured on any or all of those occasions;

17.2.6 fails to comply with the covenants in Article 15;

17.2.7 permits a Transfer in violation of the provisions of Article 16 of this Agreement;

17.2.8 fails, or Franchisee's legal representative fails, to transfer the interests in this Franchise Agreement and the Franchised Business upon death or permanent disability of Franchisee or any Principal of Franchisee as required by Section 16.7.

17.2.9 has misrepresented or omitted material facts in applying for the Franchise;

17.2.10 is convicted of, or pleads no contest to, a felony or to a crime that could damage the goodwill associated with the Marks or does anything that could harm the reputation of the System or the goodwill associated with the Marks;

17.2.11 receives an adverse judgment or a consent decree in any case or proceeding involving allegations of fraud, racketeering, unfair or improper trade practices or similar claim which is likely to have an adverse effect on the System, or the Marks, the goodwill associated therewith or Franchisor's interest therein, in Franchisor's sole opinion;

17.2.12 conceals revenues, knowingly maintains false books or records, or knowingly submits any false reports;

17.2.13 creates a threat or danger to public health or safety from operation of the Franchised Business;

17.2.14 refuses to permit Franchisor to inspect or audit Franchisee's books or records or inspect or audit the Franchised Business as required by this Agreement;

17.2.15 makes any unauthorized use of the Marks or copyrighted material or any unauthorized use or disclosure of Confidential Information (as defined in Section 19.2);

17.2.16 fails to comply with the non-competition covenants in Section 19.5;

17.2.17 defaults in the performance of Franchisee's obligations under this Agreement three (3) or more times during the term of this Agreement or any renewals or has been given at least two (2) notices of default in any consecutive twelve (12)–month period, whether or not the defaults have been corrected;

17.2.18 has insufficient funds to honor a check or electronic funds transfer two (2) or more times within any consecutive twelve (12)-month period;

17.2.19 receives numerous customer complaints beyond the industry average within a twelve (12)-month period;

17.9.20 commits a default of any material provision of any Unit Listing Agreement on two (2) or more occasions within a twelve (12)-month period;

17.2.21 defaults, or an affiliate of Franchisee defaults, under any other agreement, including any other franchise agreement, with Franchisor or any of its affiliates, or suppliers and does not cure such default within the time period provided in such other agreement;

17.2.22 fails to meet Minimum Performance Standards; or

17.2.23 terminates this Agreement without cause.

17.3 Curable Defaults. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, if

Franchisee fails to cure the default within the time period set forth in this Section 17.3, effective immediately upon notice to Franchisee, if Franchisee, or any Principal, as the case may be:

17.3.1 fails to pay when due any amounts due to Franchisor under this Agreement or any related agreement and does not correct the failure within five (5) days after written notice; provided, however, Franchisor has no obligation to give written notice of a late payment more than two (2) times in any twelve (12)–month period, and the third such late payment in any twelve (12)–month period shall be a non-curable default under Sections 17.2.17 and/or 17.2.18;

17.3.2 fails to perform any non-monetary obligation imposed by this Agreement (excepting those defaults of obligations set forth in Sections 17.1 and 17.2 for which there is no opportunity to cure) and such default shall continue for five (5) days after Franchisor has given written notice of such default, or if the default cannot be reasonably corrected within said five (5)-day period, then if it is not corrected within such additional time as may be reasonably required assuming Franchisee proceeds diligently to cure; provided, however, Franchisor has no obligation to give written notice of a non-monetary default more than two (2) times in any twelve (12)–month period, and the third such default, whether monetary or non-monetary, in any twelve (12) – month period shall be a non-curable default under Section 17.2.17.

17.4 Franchisor's Cure of Franchisee's Defaults. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor may, but has no obligation to:

17.4.1 effect a cure on Franchisee's behalf and at Franchisee's expense, and Franchisee shall immediately pay Franchisor the costs incurred by Franchisor upon demand; or

17.4.2 exercise complete authority with respect to the operation of the Franchise Business until such time as Franchisor determines that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement. Franchisee specifically agrees that a designated representative of Franchisor may take over, control and operate the Franchised Business. In addition to all other fees payable under this Agreement, Franchisee shall pay Franchisor a fee for interim management equal to the then-current interim management support fee, plus any and all costs of travel, lodging, meals and other expenses reasonably incurred by Franchisor, until the default has been cured and Franchisee is complying with the terms of this Agreement.

17.5 Notice to Suppliers. In the event of a default by Franchisee, in addition to Franchisor's right to terminate the Franchise Agreement, and not in lieu thereof, Franchisor reserves the right with five (5) days' prior written notice to Franchisee, to direct suppliers to stop furnishing any and all products and services, including, but not limited to products and services sold under Franchisor's discounted pricing schedules, until such time as Franchisee's default is cured. In no event shall Franchisee have recourse against Franchisor for loss of revenue, customer goodwill, profits or other business arising from Franchisor's actions and the actions of suppliers.

17.6 Reimbursement of Costs. Franchisee shall reimburse Franchisor all costs and expenses, including but not limited to attorneys' fees, incurred by Franchisor as a result of Franchisee's default, including costs in connection with collection of any amounts owed to Franchisor and/or enforcement of Franchisor's rights under this Agreement."

18. POST-TERMINATION

18.1 Franchisee's Obligations. Upon termination or expiration of this Agreement, all rights and licenses granted hereunder to Franchisee shall immediately terminate and Franchisee and each Principal shall:

18.1.1 immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly identify himself, herself or itself as a current Grand Welcome owner, franchisee or licensee;

18.1.2 immediately and permanently cease to use the Marks, any imitation of any Mark, Franchisor's copyrighted material or other intellectual property, confidential or proprietary material or indicia of the Franchised Business, or use any trade name, trade or service mark or other commercial symbol that suggests a current or past association with Franchisor, Franchisor's affiliate(s), or the System. In particular, Franchisee shall cease to use, without limitation, all signs, billboards, advertising materials, displays, stationery, forms and any other articles, which display the Marks;

18.1.3 take such action as may be necessary to cancel any assumed name or equivalent registration that contains the Mark or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence of compliance with this obligation, which is satisfactory to Franchisor, within five (5) days after termination or expiration of this Agreement;

18.1.4 promptly pay all sums owing to Franchisor and its affiliates. Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default by Franchisee. The payment obligation herein shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, fixtures, and inventory or other business assets owned by Franchisee at the time of default;

18.1.5 pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement that survive its termination;

18.1.6 immediately deliver at Franchisee's sole cost and expense, to Franchisor the Manual and all records, files, instructions, correspondence, invoices, agreements, all confidential, proprietary and copyrighted material and all other materials related to operation of the Franchised Business, including but not limited to Unit Listing Agreements and Unit Owner and Guest lists and records, (all of which are acknowledged to be Franchisor's property), delete all electronic copies and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law; and

18.1.7 comply with the non-disclosure and non-competition covenants contained in Article 19.

18.2. <u>Right to Purchase</u>.

18.2.1 Franchisor shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment (including any computer systems and vehicles), signs, fixtures, advertising materials, and supplies of Franchisee related to the operation of the Franchised Business, at Franchisee's cost or fair market value, whichever is less. Franchisor shall purchase Franchisee's assets free and clear of any liens, charges, encumbrances or security interests and Franchisor shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days of Franchisor's exercise of its option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding. In the event of such appraisal, each party shall bear its own legal and other costs and shall split the appraisal fees equally. If Franchisor elects to exercise its option to purchase herein provided, it shall have the right to set off (i) all fees for any such independent appraiser due from Franchisee, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash. Closing of the purchase shall take place no later than thirty (30) days after determination of the fair market value.

18.2.2 With respect to the option described in Section 18.2.1, Franchisee shall deliver to Franchisor in a form satisfactory to Franchisor, such warranties, releases of lien, bills of sale, assignments and such other documents and instruments that Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the assets being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents.

18.2.3 Franchisor shall be entitled to assign any and all of its option in Section 18.2.1 to any other party, without the consent of Franchisee.

18.3 Assignment of Communications. Franchisee, at the option of Franchisor, shall assign to Franchisor all rights to the telephone numbers of the Franchised Business and any related public directory listing or other business listings and execute all forms and documents required by Franchisor and any telephone company at any time, to transfer such service and numbers to Franchisor. Further, Franchisee shall assign to Franchisor any and all social media and internet listings, domain names, internet advertising, websites, listings with search engines, electronic mail addresses or any other similar listing or usage related to the Franchised Business. Notwithstanding any forms and documents that may have been executed by Franchisee under Section 11.7, Franchisee shall provide Franchisor with all passwords and administrative rights, and hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration or termination of this Agreement. Franchisee shall thereafter use different telephone numbers, electronic mail addresses, social media accounts or other listings or usages at or in connection with any subsequent business conducted by Franchisee.

18.4 Survival. The rights and obligations of the parties contained in this Article 18 shall survive the expiration or sooner termination of this Agreement.

19. NON-DISCLOSURE AND NON-COMPETITION COVENANTS

19.1 Operations Manual.

19.1.1 Franchisor has provided to Franchisee, on loan, a current copy of the Manual. The Manual may be in hard copy or made available to Franchisee in digital, electronic or computerized form or in some other form now existing or hereafter developed that would allow Franchisee to view the contents thereof. If the Manual (or any changes thereto) are provided in a form other than physical copy, Franchisee shall pay any and all costs to retrieve, review, use or access the Manual. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Marks, Franchisee shall operate all aspects of the Franchised Business in accordance with the Manual, as they may from time to time be modified by Franchisor, other written directives that Franchisor may issue to Franchisee from time to time, whether or not such directives are included in the Manual, and any other manual and materials created or approved for use in the operation of the Franchised Business.

19.1.2 Franchisee and all Principals shall at all times treat the Manual, written directives, and other materials and any other confidential communications or materials, and the information contained therein, as confidential and shall maintain such information as trade secret and confidential in accordance with this Article and this Agreement. Franchisee and Franchisee's Principal(s) shall not divulge and make such materials available to anyone other than those of Franchisee's employees who require the information contained therein to operate the Franchised Business. Franchisee shall, prior to disclosure, fully train and inform its employees on all the restrictions, terms and conditions under which it is permitted to use Franchisor's intellectual, proprietary and confidential information; and shall ensure its employees' compliance with such restrictions, terms and conditions. Franchisee, Franchisee's Principal(s), and any person working with Franchisee shall agree not, at any time to use, copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent.

19.1.3 The Manual, written directives, and other materials and any other confidential communications provided or approved by Franchisor shall at all times remain the sole property of Franchisor. Franchisee shall maintain the Manual and all Franchisor's confidential and proprietary materials at all times in a safe and secure location, shall take all reasonable measures to prevent unauthorized access thereto, whether any attempted unauthorized access takes the form of physical access or access via computer or telecommunications networks or otherwise, and shall report the theft or loss of the Manual, or any portion thereof, immediately to Franchisor. At a minimum, Franchisee shall, in the case of computer and telecommunications networks, use the latest available firewall, encryption and similar technology to prevent unauthorized access. Franchisee shall delete all electronic copies and return and cease using any physical copy of the Manual and other confidential and proprietary materials to Franchisor immediately upon request or upon transfer, termination or expiration of this Agreement.

19.1.4 Franchisor may from time to time revise the contents of the Manual and other materials created or approved for use in the operation of the Franchised Business. Franchisee expressly agrees to comply with each new or changed policy, standard or directive. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor shall control.

19.1.5 If Franchisee loses, misplaces or otherwise requests a physical copy of the Manual, Franchisor, in its discretion, may provide such physical copy and Franchisee shall pay Franchisor the then-current replacement fee.

19.2 <u>Confidential Information</u>. Franchisee along with its Principal(s) acknowledge and accept that during the term of this Agreement, Franchisee and any Principal will have access to Franchisor's trade secrets, including, but not limited to, methods, processes, pricing structures vendor partnerships and/or relationships, sales and technical information, costs, software tools and applications, website and/or email design, products, services, equipment, technologies and procedures relating to the operation of the Franchised Business; the Manual; methods of advertising and promotion; instructional materials; any other information which Franchisor may or may not specifically designate as "confidential" or "proprietary"; and the components of the System, whether or not such information is protected or protectable by patent, copyright, trade secret or other proprietary rights (collectively referred to herein as the "Confidential Information"). Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate or divulge to, or use for the benefit of, any other person or entity, and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information that may be communicated to Franchisee or any Principal or of which Franchisee or any Principal may be apprised in connection with the operation of the Franchised Business under the terms of this Agreement. Franchisee and any Principal shall not divulge and make any Confidential Information available to anyone other than those of Franchisee's employees who require the Confidential Information to operate the Franchised Business and who have themselves entered into confidentiality and non-compete agreements containing the same provisions as contained in this Agreement, in accordance with Section 19.10 hereof. Franchisee and any Principal shall not at any time copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, or otherwise make the same available to any person other than those authorized above, without Franchisor's prior written consent. The covenant in this Section 19.2 shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each Principal.

19.3 Protection of Information. Franchisee shall take all steps necessary, at Franchisee's own expense, to protect the Confidential Information and shall immediately notify Franchisor if Franchisee finds that any Confidential Information has been divulged in violation of this Agreement.

19.4 New Concepts. If Franchisee or any Principal develops any new concept, process, product, service, or improvement in the operation or promotion of the Franchised Business ("Improvements"), Franchisee is required to promptly notify Franchisor and provide Franchisor with all related information, processes, products or other improvements, and sign any and all forms, documents and/or papers necessary for Franchisor to obtain full proprietary rights to such Improvements, without compensation and without any claim of ownership or proprietary rights to such Improvements. Franchisee and any Principal acknowledge that any such Improvements will become the property of Franchisor, and Franchisor may use or disclose such information to other franchisees as it determines to be appropriate.

19.5 Noncompetition Covenants. Franchisee and each Principal specifically acknowledge that, pursuant to this Agreement, Franchisee and each Principal will receive valuable training, trade secrets and Confidential Information of the System that are beyond the present knowledge, training and experience of Franchisee, each Principal and Franchisee's employees. Franchisee and each Principal acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to such specialized training, trade secrets and Confidential Information is, therefore, a primary reason why Franchisee and each Principal are entering into this Agreement. In consideration for such specialized training, trade secrets, Confidential Information and rights, Franchisee and each Principal covenant that, except as otherwise approved in writing by Franchisor:

19.5.1 During the term of this Agreement, Franchisee and each Principal shall not, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with, any person or entity (i) divert, or attempt to divert, any business, Unit Owner, Guest, customer, vendor or referral source of the Franchised Business or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any vacation home rental business similar to the System; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Grand Welcome franchisees or Franchisor-affiliated outlets.

19.5.2 Upon the expiration or earlier termination of this Agreement or upon a Transfer and continuing for twenty-four (24) months thereafter, Franchisee and Principals shall not, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person or entity (i) divert, or attempt to divert, any business, Unit Owner, Guest, customer, vendor or referral source of the Franchised Business, Franchisor or of other franchisees in the System to any competitor, by direct or indirect inducement or otherwise; or (ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any vacation home rental business within fifty (50) miles of the Territory or within fifty (50) miles of any Grand Welcome office location; or (iii) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System or (iv) in any manner interfere with, disturb, disrupt, decrease or otherwise jeopardize the business of the Franchisor or any Grand Welcome franchisees.

19.6 Reasonableness of Restrictions. Franchisee and each Principal acknowledges and agrees that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on Franchisee or Principal(s), since Franchisee or Principal(s), as the case may be, have other considerable skills, experience and education which afford Franchisee or Principal(s), as the case may be, the opportunity to derive income from other endeavors.

19.7 Reduction of Time or Scope. If the period of time or the geographic scope specified above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Paragraph 19 or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees to forthwith comply with any covenant as so modified.

19.8 Injunction. Franchisee and each Principal acknowledges that a violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee and each Principal hereby consents to the entry of an injunction prohibiting any conduct by Franchisee or any Principal in violation of the terms of the covenants not to compete set forth in this Agreement.

19.9 No Defense. Franchisee and each Principal expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section.

19.10 Covenants of Employees, Agents and Third Persons. Franchisee shall require and obtain execution of covenants similar to those set forth in this Section (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, contractors or third persons who will have access to Franchisor's confidential and proprietary information. Such covenants shall be substantially in the form set forth in Attachment 8 as revised and updated from time to time and contained in the Manual. Franchisee is required to maintain copies of all such agreements and provide them to Franchisor upon Franchisor's request.

20. DISPUTE RESOLUTION

20.1 Internal Dispute Resolution. Franchisee shall first bring any claim, controversy or dispute arising out of or relating to this Agreement, the Attachments hereto or the relationship created by this Agreement to Franchisor's president and/or chief executive officer for resolution. After providing notice as set forth in Section 21.7 below, Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

20.2 Mediation. At Franchisor's option, any claim, controversy or dispute that is not resolved pursuant to Section 20.1 hereof shall be submitted to non-binding mediation. Franchisee shall provide Franchisor with written notice of Franchisee's intent to pursue any unresolved claim, controversy or dispute, specifying in sufficient detail the nature thereof, prior to commencing any legal action. Franchisor shall have thirty (30) days following receipt of Franchisee's notice to exercise Franchisor's option to submit such claim, controversy or dispute to mediation. Mediation shall be conducted through a mediator or mediators in accordance with the American Arbitration Association Commercial Mediation Rules. Such mediation shall take place in the then-current location of Franchisor's corporate headquarters. The costs and expenses of mediation, including compensation and expenses of the mediator (and except for the attorneys' fees incurred by either party), shall be borne by the parties equally. Franchisor may specifically enforce Franchisor's rights to mediation, as set forth herein.

20.3 Governing Law and Venue. This Agreement is made in, and shall be substantially performed, in the State of Nevada. Any claims, controversies, disputes or actions arising out of this Agreement shall be governed, enforced and interpreted pursuant to the laws of the State of Nevada. Franchisee and its Principals, except where specifically prohibited by law, hereby irrevocably submit themselves to the sole and exclusive jurisdiction of the state and federal courts in Nevada. Franchisee and its Principal(s) hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision.

20.4 Mutual Benefit. Franchisee, each Principal, if any, and Franchisor acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 20.3 provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising hereunder. Each of Franchisee, Principal(s), and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

20.5 Waiver of Jury Trial and Certain Damages. Franchisee and each Principal hereby waive, to the fullest extent permitted by law, any right to or claim for (i) a trial by jury in any action, proceeding or counterclaim brought by or against Franchisor, and (ii) any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever. Each of Franchisee and Principal(s) agree that in the event of a dispute, Franchisee and each Principal shall be limited to the recovery of any actual damages sustained.

20.6 Injunctive Relief. Nothing herein contained (including, without limitation, Sections 20.1 through 20.3 above) shall bar Franchisor from the right to obtain immediate injunctive relief from any court of competent jurisdiction against threatened conduct by Franchisee that may cause Franchisor loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

20.7 Limitations of Claims. Any and all claims arising out of or relating to this Agreement or the relationship among the parties will be barred unless a proceeding for relief is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

20.8 Attorneys' Fees. In the event of any action in law or equity by and between Franchisor and Franchisee concerning the operation, enforcement, construction or interpretation of this Agreement, the prevailing party in such action shall be entitled to recover reasonable attorneys' fees and court costs incurred.

20.9 Survival. The provisions of this Article 20 shall continue in full force and effect notwithstanding the expiration or termination of this Agreement or a transfer by Franchisee or any Principal of their respective interests in this Agreement.

21. GENERAL

21.1 Relationship of the Parties.

21.1.1 Independent Licensee. Franchisee is and shall be an independent licensee under this Agreement, and no partnership shall exist between Franchisee and Franchisor. This Agreement does not constitute Franchisee as an agent, legal representative, or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, or in any way to bind Franchisor. Franchisee agrees not to incur or contract any debt or obligation on behalf of Franchisor or commit any act, make any representation, or advertise in any manner which may adversely affect any right of Franchisor or be detrimental to Franchisor or other franchisees of Franchisor. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisor will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee' operation of the Franchised Business. Pursuant to the above, Franchisee agrees to indemnify Franchisor and hold Franchisor harmless from any and all liability, loss, attorneys' fees, or damage Franchisor may suffer as a result of claims, demands, taxes, costs, or judgments against Franchisor arising out of any allegation of an agent, partner, or employment relationship.

21.1.2 No Relationship. Franchisee acknowledges and agrees that Franchisee alone exercises day-to-day control over all operations, activities, and elements of the Franchised Business, and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never claim otherwise, that the various restrictions, prohibitions, specifications, and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor's Operations Manual or otherwise, does not directly or indirectly constitute, suggest, infer or imply that Franchisor controls any aspect or element of the day-to-day operations of the Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising control of the day-to-day operations of the Franchised Business.

21.1.3 Franchisee's Employees. Franchisee acknowledges and agrees that any training Franchisor provides for Franchisee's employees is geared to impart to those employees, with Franchisee's ultimate authority, the various procedures, protocols, systems, and operations of a Grand Welcome outlet and in no fashion reflects any employment relationship between Franchisor and such employees. If ever it is asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees in any private or government investigation, action, proceeding, arbitration or other setting, Franchisee irrevocably agree to assist Franchisor in defending said allegation, appearing at any venue requested by Franchisor to testify on Franchisor's behalf participate in depositions, other appearances or preparing affidavits rejecting any assertion that Franchisor is the employer, joint employer or co-employer of any of Franchisee's employees.

21.2 Successors. This Agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Franchisee (including the individuals executing this Agreement on behalf of the Franchisee entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Franchisee or Principals in this Agreement or the Franchised Business, except in accordance with Article 16 hereof.

21.3 Invalidity of Part of Agreement. Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

21.4 Construction. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any provision herein may require, as if such words had been fully and properly written in the appropriate number and gender. All covenants, agreements and obligations assumed herein by Franchisee and any Principal shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named.

21.5 Captions. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

21.6 Notices. Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

21.7 Effect of Waivers. No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different kind. Any use by Franchisee of the System or any part thereof at any place other than in the Territory shall not give Franchisee any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Franchisee to restrict said use to the Territory.

21.8 Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies that are provided for herein or that may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of Franchisor's rights pursuant to Articles 17 and 18 shall not discharge or release Franchisee or any Principal from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

21.9 Consent to Do Business Electronically. The parties to the Franchise Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of Nevada, the parties hereby affirm to each other that they agree with the terms of the Franchise Agreement, and by attaching their digital signature, including any DocuSign signature, to the Franchise Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to the Franchise Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

21.10 Counterparts. This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument.

21.11 Survival. Any obligation of Franchisee or any Principal that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or any Principal therein shall be deemed to survive such termination, expiration or transfer.

21.12 Entire Agreement. This Agreement, including all attachments, is the entire agreement of the parties, superseding all prior written or oral agreements of the parties concerning the same subject matter, and superseding all prior written or oral representations made to Franchisee, except that nothing herein is intended to disclaim any representations made to Franchisee in Franchisor's Franchise Disclosure Document. No agreement of any kind relating to the matters covered by this Agreement and no amendment of the provisions hereof shall be binding upon either party unless and until the same has been made in writing and executed by all interested parties.

Remainder of Page Intentionally Blank

The parties hereto have executed this Franchise Agreement on the day and year first above written.

FRANCHISOR:

Grand Welcome Franchising, LLC

By:____

_________________________, __________________

(Print Name, Title)

FRANCHISEE:

____

By:____

_________________________, __________________

(Print Name, Title)

PRINCIPAL:

____

____

(Print Name)

ATTACHMENT 1

Character Mark –

Grand Welcome

Service Mark –

ATTACHMENT 2

TERRITORY DESCRIPTION

Franchised Business Office Address:

____
____

Territory (insert map and/or define by zip codes):

Notwithstanding any change in population or demographics during the Term, the Territory shall not extend beyond the boundaries set forth above.

ATTACHMENT 3

ANNUAL MINIMUM PERFORMANCE STANDARDS

Minimum Performance Standards are calculated at the end of each twelve (12) month period of the Term, commencing with the Opening Date. Franchisee shall have satisfied the Minimum Performance Standard for each applicable twelve (12) month period if, at the conclusion of such period, Franchisee has a total annual revenue value of properties managed, as set forth in the Table below.

Franchisee's Tier: ________________
Initial Franchise Fee: ______________

Total Annual Revenue Value of Properties Managed at Year End				
	Tier 1	Tier 2	Tier 3	Tier 4
Year 1	$250,000	$500,000	$750,000	$1,000,000
Year 2	$625,000	$1,250,000	$1,875,000	$2,500,000
Year 3	$1,000,000	$2,000,000	$3,000,000	$4,000,000
Year 4	$1,125,000	$2,250,000	$3,375,000	$4,500,000
Year 5+	$1,250,000	$2,500,000	$3,750,000	$5,000,000

ATTACHMENT 4

GENERAL RELEASE

This release (the "Release") is given this day of ______________________ by ________________________________, a(n) _________________, with its principal place of business located at____ ("Franchisee") and ____________________'s principals __________________________, an individual residing at ____and ("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless Grand Welcome Franchising, LLC ("Franchisor"), Grand Welcome, LLC, their parent company, affiliates, officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated ___________________________ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of _____________________________ by:

FRANCHISEE:

____

By:_________________________________

______________________,______________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ATTACHMENT 5

STATEMENT OF OWNERSHIP INTERESTS IN FRANCHISEE/ENTITY

Name	**Percentage of Ownership**

ATTACHMENT 6

GUARANTY

This Guaranty and Covenant (this “Guaranty”) is given by the undersigned (“Guarantor”) on____________________________, (the “Effective Date”) to Grand Welcome Franchising, LLC, a Wyoming limited liability company (“Franchisor”), in order to induce Franchisor to enter into that certain Franchise Agreement dated on or about the Effective Date hereof (the “Franchisee Agreement”) with _______________________________________, a(n) __________________ ____________ and ___________________________ (collectively “Franchisee”).

Guarantor acknowledges that Guarantor is the spouse of Franchisee’s Principal, as that term is used in the Franchise Agreement.

Guarantor acknowledges that Guarantor has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to the granting of, the rights granted in the Franchise Agreement to Franchisee, and that Franchisor would not have granted these rights without the execution of this Guaranty by Guarantor.

Guarantor hereby individually makes, agrees to be bound by, and agrees to perform, all of the monetary obligations and non-disclosure and non-competition covenants and agreements of the Franchisee as set forth in the Franchise Agreement, including but not limited to, the covenants set forth in Sections 19.2, 19.5, 19.6, 19.8 and 19.9 of the Franchise Agreement (“Guaranteed Obligations”). Guarantor shall perform and/or make punctual payment to Franchisor of the Guaranteed Obligations in accordance with the terms of the Franchise Agreement or other applicable document forthwith upon demand by Franchisor.

This Guaranty is an absolute and unconditional continuing guaranty of payment and performance of the Guaranteed Obligations. This Guaranty shall not be discharged by renewal of any claims guaranteed by this instrument, change in ownership or control of the Franchisee entity, transfer of the Franchise Agreement, the suffering of any indulgence to any debtor, extension of time of payment thereof, nor the discharge of Franchisee by bankruptcy, operation of law or otherwise. Presentment, demand, protest, notice of protest and dishonor, notice of default or nonpayment and diligence in collecting any obligation under any agreement between Franchisee and Franchisor are each and all waived by Guarantor and/or acknowledged as inapplicable. Guarantor waives notice of amendment of any agreement between Franchisee and Franchisor and notice of demand for payment by Franchisee. Guarantor further agrees to be bound by any and all amendments and changes to any agreement between Franchisee and Franchisor.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

If other guarantors have guaranteed any and or all of the Guaranteed Obligations, their liability shall be joint and several to that of Guarantor.

Until all of the Guaranteed Obligations have been paid in full and/or performed in full, Guarantor shall not have any right of subrogation, unless expressly given to Guarantor in writing by Franchisor.

All Franchisor's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between Franchisor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Franchisor by law.

Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

This Guaranty shall extend to and inure to the benefit of Franchisor and its successors and assigns and shall be binding on Guarantor and its successors and assigns.

Guarantor has signed this Guaranty as of the date set forth above.

GUARANTOR - SPOUSE OF FRANCHISEE'S PRINCIPAL:

____

Print Name: ________________________________

Address: __________________________________

____

ATTACHMENT 7

INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT (the "Agreement") is made and entered into this day of ________________ (the "Effective Date"), by and between Grand Welcome Franchising, LLC, a Wyoming limited liability company with its principal place of business at 923 Incline Way #38, Incline Village, Nevada 89451 (the "Franchisor"), and ________________________, a(n) ______________________________, with its principal place of business located at______________________________ and ________________________'s principal(s), ______________________________, an individual, residing at ________________ ______________, and __________________________, an individual, residing at ________________________ _______ ("Principal(s)"). ____________________ and Principal(s) shall be collectively referred to in this Agreement as the "Franchisee".

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for an Grand Welcome business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the Grand Welcome brand.

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Listings**

2.1 Interest in Web Sites, Social Media Accounts, Other Electronic Listings and Software. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, the right to hyperlink to certain web sites and listings on various internet search engines, and the right to use certain software (collectively, "Electronic Advertising and Software") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the "Internet and Software Companies") with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee's interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet and Software Companies to transfer all Franchisee's interest in and to the Electronic Advertising and Software to Franchisor, or alternatively, to direct the Internet and Software Companies to terminate any or all of the Electronic Advertising and Software;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet and Software Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet and Software Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and Software and/or Telephone Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet and Software Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Software Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's interest in any matter hereunder.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Nevada, without regard to the application of Nevada conflict of law rules.

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:______________________________

_______Brandon Ezra__, ______CEO________________
(Print Name, Title)

FRANCHISEE:

____

By:______________________________

__________________________,____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ATTACHMENT 8

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

This Confidentiality and Non-Compete Agreement (the "Agreement") is made and entered into this ___ day of___________________________, 20___, by ____ _________________________, a(n) ____ _____________ ("Franchisee"), a franchisee of Grand Welcome Franchising, LLC a Wyoming limited liability company ("Franchisor"), and ______________________, an individual ("Covenantor") in connection with a Franchise Agreement dated.

WHEREAS, Franchisee and Franchisor are parties to a franchise agreement dated ________________, 20___ (the "Franchise Agreement"), whereby Franchisor has granted Franchisee the right to use certain trademarks, including, the registered trademark "Grand Welcome" and design mark, and certain proprietary products, services, promotions and methods (the "System") for the establishment and operation of a Grand Welcome franchise (the "Franchised Business");

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the confidential information, knowledge, know-how, techniques, contents of the Grand Welcome operations manual and other materials used in or related to the System and/or concerning the methods of operation of the System (collectively referred to as "Confidential Information");

WHEREAS, the Confidential Information provides economic advantages to Franchisor and licensed users of the System, including Franchisee;

WHEREAS, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

1. Confidentiality Agreement.

a. Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a Franchised Business under the Franchise Agreement.

b. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Confidential Information without Franchisor's express written permission.

c. Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of the Franchised Business.

d. Covenantor shall surrender any material containing some or all of the Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

e. Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the System.

f. Covenantor agrees that no Confidential Information may be reproduced, in whole or in part, without written consent.

2. Covenants Not to Compete.

a. In order to protect the goodwill and unique qualities of the System, and in consideration for the disclosure to Covenantor of the Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other Grand Welcome franchisees in the System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any vacation home rental business similar to the System.

b. In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business, customer, vendor or referral source of the Franchised Business or of other franchisees in the Grand Welcome System to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any vacation home rental business similar to the System within fifty (50) miles outside of the boundaries of the Franchisee's Territory or within fifty (50) miles of any Grand Welcome office location, or

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

3. General.

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

b. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisee is obligated to enforce the provisions of this Agreement and shall be entitled, in addition to any other remedies that are made available to it at law or in equity, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

c. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

d. Any failure Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF STATE OF NEVADA. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF NEVADA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

f. The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

g. Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

h. This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

i. All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

____

____

If directed to Covenantor:

____

____

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

j. Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

k. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE:

____

By: ___________________________________
Name: _________________________________
Title: _________________________________

COVENANTOR:

____
Name: _________________________________

EXHIBIT C

UNIT LISTING AGREEMENT

Management & Rental Agreement

This Agreement ("Agreement") is effective from the signatures below ("Effective Date"). Hawaiian Vacation Rentals, LLC DBA Grand Welcome ("Manager"), and Owner ("Owner"). Owner and Manager (each a "Party" and collectively, the "Parties") agree as follows:

a. Management of Property. Owner represents and warrants that, as of the Effective Date of this Agreement and throughout the Term hereof, Owner owns (and shall continue to own) the property located at the address provided under "Property Information" below ("Property") and that this Agreement will not violate any existing agreement to which Owner is a party or any agreement, covenant or other restriction affecting the Property. Owner grants to Manager the sole and exclusive right and authority to rent and manage short-term vacation rentals of the Property as defined by the laws of the state, county, city or other government in which the Property is located. Manager may terminate this agreement immediately if use of the Property as a short-term vacation rental is prohibited.

b. No Joint Venture. The Owner and Manager do not intend to form a joint venture, partnership or similar relationship; instead, the parties intend that the Manager shall act solely in the capacity of an independent contractor for the Owner. Neither Owner nor Manager shall have the power to bind or obligate the other party by virtue of this Agreement, except as expressly provided in this Agreement.

c. Term. The exclusive rental rights and the other rights of Manager under this Agreement shall commence at 12:01 a.m. local time on the date set below (the "Effective Time"), and, shall continue until 11:59 p.m. local time one (1) year from the Effective Time (the "Initial Term"). This Agreement will automatically renew for successive one (1) year terms (the Initial Term and any subsequent renewal terms, hereinafter the "Term"); notwithstanding the foregoing, either Party may terminate this Agreement at any point during the Term upon thirty (30) days prior written notice given to the other.

d. Rentals. During the Term hereof, Manager shall use best efforts to procure short-term vacation rental guests (each a "Guest" and collectively, the "Guests"), and in pursuit thereof Manager may set, adjust and negotiate rates, minimum days, fees and other charges with Guests, prepare, enter into, renew, extend and/or cancel commercially reasonable rental agreements with such Guests (each, a "Rental Agreement"), make refunds, return security deposits, charge Guest Fees (as defined herein), and take other actions which Manager considers appropriate for managing and maximizing the occupancy and income of the Property. Owner hereby acknowledges that certain Property terms, conditions, and description may vary by marketing channel.

e. Management Fee. In consideration of Manager's services hereunder, Manager will receive compensation based on the "Management Fee" (as set out under "Property Information" below) multiplied by the rental proceeds received from Guests. For purposes of this Agreement, "Rental Proceeds" means the total rent paid by Guests (excluding all other charges, taxes, Guest Fees (as defined herein) and the cost of any additional services provided for herein or otherwise agreed upon between the Parties hereto). The Management Fee will be earned by Manager at the same time Rental Proceeds are earned under the applicable Rental Agreement. All monies owed to Manager will be deducted from Owner's portion of the Rental Proceeds or paid directly by Owner to the extent Rental Proceeds aren't sufficient to cover such monies owed. Manager will endeavor to deliver Owner's portion of Rental Proceeds (each, an "Owner Distribution") by the 15th day of the month following the month in which a Guest checks out from the Property. Owner may only dispute charges within sixty (60) days of an Owner Distribution (the "Dispute Period") and upon the expiration of any applicable Dispute Period, the Owner Distribution made by Manager shall be deemed to be conclusive.

f. Additional Services. Manager shall engage an annual deep cleaning of the Property at Owner's expense. Manager shall engage promotional photography of the Property at Manager's cost, and Manager and its designees shall maintain full ownership and the exclusive right to make full and complete use of and to disseminate such promotional photography for the purpose of marketing the Property to Guests.

g. Property Maintenance and Repairs. Owner shall make or cause to be made all ordinary and necessary repairs, general maintenance and alterations to the Property (collectively, the "Property Maintenance") during the Term of this Agreement. In the commission of such Property Maintenance, Owner may engage third-party maintenance providers and/or contractors selected and engaged directly by Owner, or upon notice and appropriate authorization to Manager, permit Manager or Manager's employees, maintenance providers and/or contractors to perform such Property Maintenance. To the extent Manager is engaged for any Property Maintenance services, Manager will bill Owner (i) a reasonable per hour charge for labor and (ii) costs of any materials or parts required for such Property Maintenance.

h. Guest Fees. Manager may, in Manager's reasonable discretion, charge certain Guest Fees, to include without limitation: a cleaning fee, extra dirty fee, early check-in fee, late check-out fee, cancellation fee, booking fee, travel-agent fee (i.e. airbnb, booking.com, home away marketing etc.), accidental damage waiver fee and other miscellaneous fees (collectively, the "Guest Fees"). Guest Fees will be earned by Manager when incurred by Guests pursuant to the applicable Rental Agreement. Owner will receive fifty percent (50%) of the following Guest Fees: early check-in fee, late check-out fee and cancellation fee. For all other Guest Fees, in no event shall Owner receive a share or percentage of such Guest Fees even if such Guest Fees are combined with other fees charged to Guests, including Rental Proceeds, booking fees or any other charge permitted hereunder or charged by Manager and/or Franchisor (as defined herein) in the ordinary course of business. Amounts paid to Manager by Guests will first be allocated to Guest Fees, and such Guest Fees shall be expressly excluded from Rental Proceeds.

i. Owner's Responsibilities. Owner is responsible for paying all utility charges (gas, electric, sewer, water, cable, internet, trash and any others), mortgage payments, homeowner assessments, property taxes, locking long distance telephone, cable TV services, and all other customary expenses related to Property not otherwise allocated herein. Owner shall furnish the Property with suitable equipment, appliances, furniture, and furnishings (collectively, the "Furnishings") necessary and appropriate for third-party short-term vacation rental occupancy. At any time during the Term of this Agreement, Manager may provide owner with a list of required Furnishings, which shall be provided by Owner, at Owner's sole cost and expense. Any monies owed by Owner under this Agreement which are outstanding for more than thirty (30) days after the applicable Owner Distribution will accumulate a compounding interest charge of the lesser of one and one-half percent (1.5%), or the maximum permitted by law.

j. Owner Use of Property. Owner has the right to use the Property so long as Owner reserves the dates in advance with Manager, and there is no conflict with bookings by Guests for such dates; provided, at Owner's request, Manager may, at Manager's discretion, elect to work cooperatively with Owner and any Guest to relocate such Guest in the event of a booking conflict, with Owner expressly obligated to compensate Manager for any loss in income related thereto. Owner will pay all expenses related to Owner's stay, including but not limited to cleaning fees. Notwithstanding the foregoing, or anything to the contrary contained herein, Owner may not, for any reason, enter the Property while it is occupied by a Guest.

k. Insurance. Owner will obtain and keep in force a comprehensive general-liability insurance policy specifically for short-term vacation rentals covering against liability for loss, damage or injury to property or persons that may arise out of the occupancy, management, operation or maintenance of the Property. Such policies shall provide coverage in a minimum amount of not less than $1,000,000 (per occurrence) and shall include the Manager as an additionally named insured. The policies must be primary for all occurrences and incidents which happen in or about the Property. Owner will provide copies of such policies to Manager from time to time upon Manager's request. If the Property becomes unavailable due to a natural disaster, major repair, or other reason, Manager will be entitled to an amount equal to the Management Fee Manager would have earned during that period out of any recovery of rental income on displaced reservations from such policies.

l. Reservations after Termination. Manager may move all existing reservations including associated revenue after termination of this Agreement to other properties. If Manager does not move an existing reservation, Owner will honor the reservation or compensate Manager for any loss of income related thereto. This section will survive termination of this Agreement.

m. Guest Information. All information regarding Guests is the sole and exclusive property of Manager. This includes but is not limited to Guest names, addresses, phone numbers, email addresses, other contact information ("Guest Information"). Owner shall not be entitled to any Guest Information that may be provided to or accessible by Manager.

n. Indemnification. To the fullest extent permitted by law, Owner will indemnify, defend, and hold harmless Manager and its directors, officers, shareholders, owners, managers, members, partners, agents, employees, franchisors, attorneys, consultants, advisors, lenders, representatives, and affiliates from and against any and all allegations, demands, causes of action, claims, losses, liabilities, expenses (including attorney's fees and costs), and damages to persons, personal property or the Property based on, arising out of, caused by, connected to, or related to (i) a breach of any of the provisions of this Agreement, or (ii) any acts of negligence or willful misconduct on the part of Owner or its agents, representatives or affiliates. This Section will survive termination of this Agreement.

o. Non-Solicitation. During the period commencing on the Effective Date and ending three (3) years following the expiration or termination of this Agreement, the Owner shall not, without Manager's prior written consent, on behalf of Owner or any other person or entity, hire, solicit in any manner, or enter into a contract with, any individual who is a current or former employee of Manager or its affiliates (expressly including Franchisor (as defined herein) and its affiliates), within the three (3) year period immediately preceding the expiration or termination of this Agreement.

p. Amendments. This Agreement may be amended at any time upon the mutual assent of the parties; provided, however, Manager may need to, and shall be permitted to, amend this Agreement upon written notice to Owner to comport with changed systems and processes occurring during the Term. If Owner does not reject an amendment in writing within thirty (30) days, Owner will automatically be deemed to have agreed to the amendment without any further action by Owner. Notwithstanding the foregoing, no amendment to this Agreement requested by Owner will be binding on Manager unless a duly-authorized officer of Manager signs the written amendment proposed by Owner.

q. Integration of Entire Agreement. This Agreement is the final, entire Agreement among the Parties pertaining to the subject matter of this Agreement, and supersedes all previous agreements and understandings pertaining to this Agreement or its subject matter, including but not limited to any advertising or marketing materials provided by Manager, or contemporaneous communications, agreements, representations, or warranties, whether oral or written, relating to the subject matter hereof..

r. Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality, and enforceability of that provision in every other respect and the remaining provisions of this Agreement will not, at the election of the Party for whose benefit the provision exists, be in any way affected or impaired.

s. Notices. All notices required in this Agreement shall be in writing and shall be either (i) hand delivered or sent via electronic mail, or (ii) sent by reputable overnight courier service, and shall be deemed given (x) when received at the address listed below if hand delivered or sent via electronic mail, or (y) as of the date noted on the written affirmation of delivery when sent by reputable overnight courier service.

GRAND WELCOME

t. Survival of Terms. Terms that by their nature should logically survive termination of this Agreement shall continue in force and effect after termination hereof.

u. Applicable Law. This Agreement will be governed by the laws of the State in which the Property is located, without regard to choice of law or principles of conflict of law. The Parties hereto will submit all disputes arising under this agreement to arbitration in the State in which the Property is located, and in the city in which the Manager maintains its principal office (to the extent such office is located in the State in which the Property is located), before a single arbitrator of the American Arbitration Association, to be selected by application of the rules of the American Arbitration Association, or by mutual agreement of the parties. No Party will challenge the jurisdiction or venue provisions as provided in this section.

v. Limitation of Liability. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO CASE SHALL MANAGER OR ITS AFFILIATES (INCLUDING BUT NOT LIMITED TO THEIR OFFICERS, DIRECTORS, EMPLOYEES, MEMBERS, OWNERS, FRANCHISORS, PARTNERS AND AGENTS) BE LIABLE TO OWNER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR EXEMPLARY DAMAGES, OR FOR ANY DAMAGES FOR PERSONAL OR BIDILY INJURY, EMOTIONAL DISTRESS OR DAMAGE TO PROPERTY, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, WHETHER BASED ON A THEORY OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, AND EVEN IF MANAGER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO CASE SHALL MANAGER'S LIABILITY TO OWNER FOR BREACH OF CONTRACT OR NEGLIGENCE, IN THE AGGREGATE, EXCEED THE TOTAL MANAGEMENT FEE RECEIVED BY MANAGER UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD PRIOR TO THE EVENT GIVING RISE TO THE LIABILITY.**

w. Assignment. Either party may assign this Agreement or any of its rights or delegate any of its duties, or other interests in this Agreement at any time without the other party's consent; provided, such assignee shall have and assume all rights and obligations of the assignor Party under this Agreement, and shall sign a written assumption of this Agreement if requested by the other Party hereto.

x. Franchisor Waiver: It is understood and agreed to by Owner that the Manager is an independent franchisee of Grand Welcome Franchising, LLC, an affiliate of Grand Welcome Holdings, Inc., Grand Welcome Services, Inc., and Grand Welcome IP, LLC (collectively, the "Franchisor") and that Owner and Franchisor shall have no relationship (either direct or indirect) by virtue of this Agreement. The relationship between Manager and Franchisor shall be independent from this agreement and governed solely by the terms and conditions set forth in the franchise agreement entered into by such parties (the "Franchise Agreement"). Owner acknowledges that pursuant to the Franchise Agreement, Manager may accept, and Franchisor may provide, certain platforms, systems, services, training, and operational/marketing methods, pursuant to which (i) Franchisor may be authorized to collect, control, and/or distribute fees payable under this Agreement on behalf of Manager, and (ii) may permit Franchisor access to certain Owner, Property and Guest information, to include, without limitation, booking rates, occupancy and vacancy history, and Guest contact information. Notwithstanding anything to the contrary contained herein, Franchisor makes no warranties or guarantees upon which Owner may rely and assumes no liability or obligation to Owner in connection with this Agreement.

PROPERTY INFORMATION:

Property Address: ______________________________

Mailing Address: ______________________________

Management Fee: ____________________ Pets allowed (Yes/No) : ____________________

MANAGER

Signature: ______________________

Print Name: ______________________

Title: ______________________

Date: ______________________

OWNER

Signature: ______________________

Print Name: ______________________

Tax ID/SS: ______________________

Date: ______________________

Phone: ______________________

E-mail: ______________________

EXHIBIT D

PROMISSORY NOTE

PROMISSORY NOTE

$___________   ______________________, 20____

FOR VALUE RECEIVED, and intending to be legally bound hereby, the undersigned, _____________________________, a _____________________________having a principal address of _______________________________ and ________________________, an individual having a principal address of _______________________________ (________________________ and ______________collectively referred to as the "Borrower"), promises to pay to the order of Grand Welcome Franchising, LLC, with an address of 923 Incline Way #38, Incline Village, Nevada 89451 (the "Lender"), _______________________ Dollars ($________________) ("Loaned Amount") in forty-eight (48) equal monthly principal installments of $___________ plus interest at the rate equivalent to eighteen percent (18%) per annum on the unpaid principal balance (as more specifically stated below) with the first installment due and payable on the 5th day of the month immediately following Borrower's Opening Date, as that term is defined in that certain franchise agreement executed by and between Borrower and Lender on or about ____________, 20__ (hereafter the "Franchise Agreement"), and the final installment of all unpaid principal and accrued interest due and payable on the 5th day of the _____ (__) month following Borrower's Opening Date, if not sooner paid, with the privilege of prepaying the unpaid principal balance in whole or in part at any time without penalty. Interest shall be calculated on the basis of a 360-day year, counting the actual number of days elapsed.

In the event that any monthly payment hereunder shall become overdue for a period of three (3) days, the Borrower shall pay to the Lender a late charge of ten percent (10%) of such payment. Any other payments which may become due under the terms of this Note, including penalties, costs, and attorneys' fees, shall bear interest from the date upon which they become due at the rate of eighteen percent (18%) per annum or the highest rate allowable by law, whichever is lower. Such costs and fees shall become due and payable upon demand by Lender.

Notwithstanding the foregoing, this Note shall become immediately due and payable without further notice or demand upon the occurrence of any Event of Default. Each of the following shall constitute an "Event of Default," whatever the reason for such event and whether or not it shall be voluntary or involuntary, or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body: (a) if the Opening Date does not occur in accordance with the Franchise Agreement and Addendum thereto, (b) if any payment of principal and/or interest on the Loaned Amount as aforesaid shall not be paid when due, (c) if Borrower shall breach any covenant or default in the performance of any obligation of Borrower under this Note, the security agreement of even date herewith securing the Note ("Security Agreement"), the Franchise Agreement or Addendum thereto, or any other agreement between Borrower and Lender or Lender's affiliates, (d) if Borrower shall admit to Lender that Borrower is unable to pay their debts as they become due, or shall become insolvent, or shall suspend transaction or operation of their Franchised Business, as that term is defined in the Franchise Agreement; (e) if Borrower enters into any oral and/or written agreement to sell, assign, gift and/or in any way transfer (or if Borrower does sell, assign, gift and/or in any way transfer) any of their interest in the Franchised Business, without Lender's prior written consent; (f) if Borrower shall make an assignment for the benefit of creditors, or files a voluntary petition under the Bankruptcy Code, as amended, or federal or state insolvency law or apply for or consent to the appointment of a receiver, trustee or custodian of all or a part of their property, in each case which shall remain unstayed for thirty (30) days; (g) if an order for relief shall be entered following the filing of an involuntary petition against Borrower under the Bankruptcy Code, as amended, or any other Federal or state insolvency law, or if an order shall be entered appointing a trustee, receiver or custodian of all or part of their property, in each case which shall remain unstayed for thirty (30) days; or (h) if any individual of Borrower dies or becomes permanently incapacitated such that he or she is unable to perform daily functions on behalf of the Franchised Business.

Upon an Event of Default, payment of the entire unpaid balance of the Loaned Amount and all other sums due by Borrower hereunder together with interest accrued thereon at the rate hereinbefore specified, shall at the option of Lender and without further notice to Borrower, become due and payable immediately and payment of the same may be recovered in whole or in part at any time by one or more of the remedies provided to Lender in this Note or by law or at equity; and in such case, Lender may also recover all costs of suit and other expenses in connection therewith, together with reasonable attorney's fees for collection of twenty percent (20%) of the total amount then due by Borrower to Lender.

The remedies of Lender as provided herein shall be joint and several against Borrower, cumulative and concurrent and may be pursued singly, successively or together against Borrower and/or any other obligor under this Note to Lender as security for this Note, at the sole discretion of Lender, and such remedies shall not be exhausted by any exercise thereof but may be exercised as often as occasion therefor shall occur.

Lender shall not by any act of omission or commission be deemed to have waived any of Lender’s rights or remedies hereunder unless such waiver be in writing and signed by Lender, and then only to the extent specifically set forth therein; a waiver on one event shall not be construed as continuing or as a bar to or waiver of such right or remedy on a subsequent event.

Borrower hereby waives and releases all errors, defects and imperfections of a procedural nature in any proceedings instituted by Lender under the terms of this Note, as well as all benefits that might accrue to Borrower by virtue of any present or future laws exempting any other property, real or personal, or any part of the proceeds arising from any sale of such property, from attachment, levy or sale under execution, or providing for any stay of execution, exemption from civil process or extension of time for payment, as well as the right of inquisition on any real estate that may be levied upon under a judgment obtained by virtue hereof, and Borrower hereby voluntarily condemns the same and authorizes the entry of such voluntary condemnation on any writ of execution issued thereon, and agrees that such real estate may be sold upon any such writ in whole or in part and in any order desired by Lender.

Except as otherwise provided herein, Borrower and all endorsers, sureties, and guarantors hereof jointly and severally and intending to be legally bound, waive presentment for payment, demand, notice of non-payment, notice of protest, and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, and they agree that the liability of each of them shall be unconditional without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver, or modification granted or consented to by Lender; and Borrower, all endorsers, sureties, and guarantors hereof consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions of this Note, and to the releases of the security for this Note, or any part thereof, with or without substitution, and agree that additional Borrowers, endorsers, guarantors, or sureties may become parties hereto without notice to them or affecting their liability hereunder.

Lender shall have the right to transfer, assign or pledge this Note and the benefits hereunder shall inure to the Lender, Lender's officers, directors, members, personal representatives, successors, and assigns. Borrower may not assign, transfer or pledge this Note without the express prior written consent of Lender. Furthermore, the Borrower's obligations hereunder shall inure to Borrower's heirs, successors and assigns.

The Borrower represents and warrants that the Borrower (a) will not breach or be in default on any agreement, mortgage, loan or credit arrangement by their execution of this Note; and (b) will be bound and obligated under this Note and that this Note constitutes a valid, legal and binding obligation of the Borrower, enforceable by the Lender or its successors and assigns.

All notices hereunder shall be deemed given if hand-delivered or sent by certified mail, return receipt requested or recognized overnight carrier to the parties at the addresses specified above, or at such other addresses as the parties may specify from time to time in writing. Notice shall be deemed received upon delivery if hand-delivered or three (3) days after mailing, if mailed or one (1) day after being placed with an overnight carrier. All rights and obligations under this Note shall extend to and be binding upon the respective heirs, successors and assigns of the Borrower and Lender.

This Note will be governed by and construed in accordance with the laws of the State of Nevada, except to the extent that the UCC provides for the application for the law of the Borrower's state of residence. Should any one or more provisions of this Note be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

EXECUTED by each Borrower the day and year first above written.

____

By: __________________________

____________, _________________
(Print Name, Title)

____

____
(Print Name)

EXHIBIT E

SECURITY AGREEMENT

SECURITY AGREEMENT

THIS AGREEMENT, made as of _______________________, 20_ by and between ___________________, a _____________________________ having a principal address of _ _______________________________ and _____________________, an individual having a principal address of _________________________________ (________________________ and _______________collectively referred to as the “Debtor”), and Grand Welcome Franchising, LLC, a Wyoming limited liability company, with an address of 923 Incline Way #38, Incline Village, Nevada 89451 (the “Secured Party”)

WHEREAS, Debtor has executed and delivered to Secured Party a promissory note, bearing even date herewith (“Note”'), and

WHEREAS, Secured Party desires to secure the Debtor's payment of all amounts due under the Note and the Debtor's performance of all of their obligations under the Note by taking a security interest in certain of Debtor's property.

NOW, THEREFORE, intending to be legally bound by this Agreement, Debtor and Secured Party mutually covenant and agree as follows:

1. *Security Interest.* Debtor hereby grants and conveys to Secured Party a continuing security interest in and lien upon all Collateral (as hereinafter defined), now owned or hereafter acquired or arising in connection with the Debtor's Franchised Business, as that term is defined in that certain franchise agreement executed by and between Debtor and Secured Party on or about ____________, 20__ (hereafter the “Franchise Agreement”) or otherwise, all in accordance with the provisions of the Uniform Commercial Code as enacted in the state in which the assets secured herein will be located (the “UCC”). Such security interest is granted as security for the payment of all amounts due by the Debtor to Secured Party under the Note and Debtor's performance of all of its obligations under the Note.

2. *Collateral.* For purposes of this Agreement, “Collateral”' is defined to include Debtor’s current vacation rental property, and all stocks and assets of each of Debtor, now owned or possessed or hereafter acquired, wherever located, whether new or used, including but not limited to, all accounts; accounts receivable; contract rights; leases; furniture; furnishings; equipment; fixtures; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions, as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto).

3. *Debtor's Warranties, Representations and Agreements.* The Debtor represents and warrants to Secured Party and agrees that:

(a) Except for the security interest herein granted, Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance;

(b) Debtor agrees to keep complete and accurate Books and Records (as used herein, the term “Books and Records” is defined to include all books of original and final entry, records, ledgers, receipts and documentation, and make all necessary entries therein to reflect the quantities, costs, value and location of the Collateral. Debtor agrees to mark their Books and Records in such fashion as to indicate the security interest granted to Secured Party herein. Debtor will permit Secured Party, its officers, employees and agents, to have access to all of Debtor's Books and Records and any other records pertaining to the Collateral which Secured Party may request, and will cause all persons and services including online accounts, bookkeeping services, accountants and the like, to make all such Books and Records available to Secured Party, its officers, employees and agents and, if deemed necessary by Secured Party in Secured Party's sole discretion, permit Secured Party, its officers, employees and agents to duplicate, at Debtor's expense, the Books and Records at Debtor's place of business or any other place where they may be found. Secured Party's right to inspect and duplicate Debtor's Books and Records will be enforceable at law by action of replevin or by any other appropriate remedy at law or in equity;

(c) The Collateral and Books and Records are, have been and will be kept at the Debtor's address as set forth above;

(d) Debtor shall immediately notify Secured Party in writing of any event causing deterioration, loss or depreciation in value of any of the Collateral and the amount of such loss or depreciation. Debtor shall permit Secured Party, its officers, employees and agents, access to the Collateral at any time and from time to time, as and when requested by Secured Party, for the purposes of examination, inspection and appraisal thereof and verification of Debtor's Books and Records pertaining thereto, and Debtor will pay the expenses of these inspections and audits on Secured Party's request. Debtor will promptly notify Secured Party in writing if there is any change in the status or physical condition of any Collateral. Debtor agrees not to return any Collateral to the supplier thereof without obtaining Secured Party's prior written consent;

(e) Debtor will not sell, exchange, lease, rent or otherwise dispose of any of the Collateral or of any Debtor's rights therein, other than in the ordinary course of Debtor's Franchised Business, without the prior written consent of Secured Party;

(f) Debtor will care for and preserve the Collateral in good condition and repair at all times and will pay the cost of repairs to and maintenance and preservation of the Collateral and will not permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Agreement;

(g) No Event of Default has occurred and no event has occurred which, with the passage of time or the giving of notice or both, could be an Event of Default hereunder;

(h) Debtor will not use the Collateral in violation of any federal, state or local statute or ordinance;

(i) Debtor will comply with each covenant set forth in the Note and the Franchise Agreement and Addendum thereto;

(j) Debtor will not hereafter grant a security interest in the Collateral to any person, firm or corporation;

(k) Debtor will keep the Collateral insured against all hazards in such amounts and by such insurers as are satisfactory to Secured Party, with insurance policies which provide for at least ten (10) days prior written notice to Secured Party of any cancellation or reduction in coverage. Debtor will cause Secured Party's security interest to be endorsed on all policies of insurance in such manner that all payments for losses will be paid to Secured Party as loss-payee and will furnish Secured Party with evidence of such insurance and endorsements. Debtor will keep such insurance in full force and in effect at all times. In the event that Debtor fails to pay any such insurance premiums when due, Secured Party may but is not required to pay such premiums and add the costs thereof to the amounts due Secured Party by Debtor under the Note. Debtor hereby agrees to pay such premiums to Secured Party with interest at the highest rate of interest being charged to Debtor by Secured Party under the Note at the time of payment of such premiums by Secured Party. Debtor hereby assigns to Secured Party any returned or unearned premiums which may be due upon cancellation of any such policies for any reason whatsoever and directs the insurers to pay Secured Party any amount so due.

4. *Use of Collateral; Casualty.* Until the occurrence of an Event of Default, Debtor may use the Collateral in the ordinary course of its business, consistent with past practices. Immediately upon the loss, damage or destruction of any Collateral, Debtor will deliver to Secured Party an amount equal to the greater of Debtor's (a) actual cost or (b) replacement cost of the Collateral so lost, damaged or destroyed, less the amount of any insurance proceeds thereon anticipated to be collected and retained by Secured Party.

5. *Event of Default.* The occurrence of any one or more of the following will be an "Event of Default" hereunder:

(a) The failure of Debtor at any time to observe or perform any of their warranties, representations or agreements contained in this Agreement or any other agreement between Debtor and Secured Party;

(b) Debtor's default under the terms of the Note;

(c) The subjection of the Collateral or any rights therein to or the threat of any judicial process, condemnation or forfeiture proceedings;

(d) The insolvency of Debtor, the commencement of a voluntary or involuntary case in bankruptcy against Debtor, the consenting of Debtor to the appointment of a receiver or trustee of any of its property or any part thereof, or the entry of any order of relief against Debtor in any case.

6. *Secured Party's Rights and Remedies.* Upon or after the occurrence of any Event of Default, Secured Party may do any or all of the following, all of which rights and remedies shall be cumulative and any and all of which may be exercised from time to time and as often as Secured Party shall deem necessary or desirable:

(a) Exercise any and all rights, privileges and remedies available to Secured Party under this Agreement, the Note and the Franchise Agreement and Addendum thereto, and under the UCC, or any other applicable law, including without limitation the right to require the Debtor to assemble the Collateral and make it available to Secured Party at a designated place reasonably convenient for disposition;

(b) Notify Debtor's lessees, renters and account debtors to make all payments directly to Secured Party and to surrender, at the termination of any lease of any Collateral, the item or items of Collateral so leased or to pay the sale option price, if any, directly to Secured Party;

(c) Cure any default in any reasonable manner and add the cost of any such cure to the amount due under the Note and accrue interest thereon at the rate then being charged by Secured Party under the Note;

(d) Retain all of Debtor's Books and Records;

(e) Upon five (5) days prior written notice to Debtor, which notice Debtor acknowledges is sufficient, proper and commercially reasonable, Secured Party may sell, lease or otherwise dispose of the Collateral, at any time and from time to time, in whole or in part, at public or private sale, without advertisement or notice of sale, all of which are hereby waived, and apply the proceeds of any such sale:

(i) first, to the expenses of Secured Party in preparing the Collateral for sale, selling and the like, including without limitation reasonable attorneys' fees and expenses incurred by Secured Party (including fees and expenses of any litigation incident to any of the foregoing);

(ii) second, to the payment in full of all sums owing to Secured Party under the Note and the satisfaction of all of the Debtor's obligations under the Note and the Franchise Agreement; and

(iii) any excess shall be paid to Debtor.

The waiver of any Event of Default, or Secured Party's failure to exercise any right or remedy hereunder, shall not be deemed a waiver of any subsequent Event of Default or of the right to exercise that or any other right or remedy available to Secured Party.

7. *Miscellaneous.* The rights and privileges of Secured Party under this Agreement will inure to the benefit of its endorsers, successors and assigns forever and this Agreement shall bind all persons who become bound as a debtor to this Agreement. All representations, warranties and agreements of Debtor contained in this Agreement will survive this Agreement. This Agreement will be governed by and construed in accordance with the laws of the State of Nevada, except to the extent that the UCC provides for the application for the law of the Debtor's state of residence. If any provision of this Agreement will for any reason be held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision hereof, but this Agreement will be construed as if such invalid or unenforceable provision had never been contained herein.

-Remainder of Page Intentionally Blank-

Debtor and Secured Party have caused this Security Agreement to be duly executed and sealed as of the day and year first above written.

DEBTOR

____

By: _____________________________

______________, ________________
(Print Name, Title)

____

____
(Print Name)

SECURED PARTY

GRAND WELCOME FRANCHISING, LLC

By: _____________________________

Brandon Ezra, CEO
(Print Name)

EXHIBIT F

FRANCHISEE ACKNOWLEDGMENT STATEMENT

GRAND WELCOME FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

No statement, questionnaire, or acknowledgment 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.

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

______ Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

______ Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

______ Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

______ Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

______
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

______
Initial

7. Franchisee acknowledges that it has received the Grand Welcome Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

______
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

______
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

______
Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

______
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that

Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____ Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE GRAND WELCOME FRANCHISING, LLC, GRAND WELCOME, LLC, AND ANY OF EITHER'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

_____ Initial

FRANCHISEE:

____

By:___________________________

_______________,______________
(Print Name, Title)

Date:_________________________

PRINCIPAL:

____

____
(Print Name)

Date: _________________________

PRINCIPAL:

____

____
(Print Name)

Date: _________________________

EXHIBIT G

FINANCIAL STATEMENTS

Grand Welcome Franchising, LLC

GRAND WELCOME FRANCHISING, LLC

Financial Statements
and
Independent Auditor's Report
For the years ended December 31, 2022 and 2021

Contents

Independent Auditor's Report

Member and Management
Grand Welcome Franchising, LLC
Tampa, Florida

Opinion

We have audited the accompanying financial statements of Grand Welcome Franchising, LLC (a Delaware Limited Liability Company), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income and changes in member's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Welcome Franchising, LLC as of December 31, 2022 and 2021, 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. 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 Grand Welcome Franchising, LLC, 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 Grand Welcome Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Grand Welcome Franchising, LLC'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 Grand Welcome Franchising, LLC'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.

Hancock Askew & Co., LLP

Tampa, Florida
March 13, 2023

Grand Welcome Franchising, LLC

Balance Sheets

December 31,		**2022**		2021
ASSETS				
Current assets				
Cash	**$**	**3,643,961**	$	4,184,024
Deposits		**102,428**		102,428
Notes receivable, current portion		**88,746**		97,235
Contract asset, current portion		**52,634**		18,203
Due from franchisee, current portion		**171,329**		-
Prepaid expenses		**10,000**		10,000
Total current assets		**4,069,098**		4,411,890
Other assets				
Due from affiliates		**5,289,686**		1,550,008
Notes receivable, net of current portion		**19,792**		76,161
Due from franchisee, net of current portion		**58,877**		-
Contract asset, net of current portion		**943,025**		161,983
Total assets	**$**	**10,380,478**	$	6,200,042
LIABILITIES AND MEMBER'S EQUITY				
Current liabilities				
Due to franchisees	**$**	**1,126,543**	$	298,953
Guest deposits		**6,480,263**		4,594,373
Contract liabilities, current portion		**547,990**		551,684
Total current liabilities		**8,154,796**		5,445,010
Long-term liabilities				
Contract liabilities, net of current portion		**731,074**		174,476
Total liabilities		**8,885,870**		5,619,486
Member's equity		**1,494,608**		580,556
Total liabilities and member's equity	**$**	**10,380,478**	$	6,200,042

See accompanying notes to financial statements.

Grand Welcome Franchising, LLC

Statements of Income and Changes in Member's Equity

For the years ended December 31,		**2022**		2021
Revenues				
Franchise fees	**$**	**1,885,880**	$	196,324
Royalty fees		**1,053,243**		1,363,510
Commissions		**709,823**		116,978
Local advertising fees		**658,728**		327,000
Technology fees		**237,550**		147,450
Guest service fee		**233,806**		-
Merchant fees		**230,138**		45,348
Brand fund fees		**152,785**		237,740
Miscellaneous income		**30,248**		-
Total revenues		**5,192,201**		2,434,350
Operating expenses				
Service fee		**3,405,841**		2,171,356
Commissions and merchant fee expenses		**711,613**		4,839
Royalties		**82,303**		48,590
Other operating expenses		**24,194**		335
Total operating expenses		**4,223,951**		2,225,120
Income from operations		**968,250**		209,230
Other income (expense)				
Loss on forgiveness of note receivable		**(55,539)**		-
Interest income		**1,341**		1,004
Total other income (expense), net		**(54,198)**		1,004
Net income		**914,052**		210,234
Member's equity, beginning		**580,556**		370,322
Member's equity, ending	**$**	**1,494,608**	$	580,556

See accompanying notes to financial statements.

Grand Welcome Franchising, LLC

Statements of Cash Flows

For the years ended December 31,		**2022**		2021
Operating activities				
Net income	**$**	**914,052**	$	210,234
Adjustments to reconcile net income to net cash provided by operating activities				
Franchise fees financed with promissory notes		**(354,250)**		(133,000)
Loss on forgiveness of note receivable		**55,539**		-
(Increase) decrease in assets				
Contract assets		**(815,473)**		(180,186)
Due from franchisee		**(230,206)**		7,099
Prepaid expenses		**-**		(10,000)
Increase in liabilities				
Guest deposits		**1,885,890**		2,674,223
Due to franchisees		**827,590**		204,633
Contract liabilities		**552,904**		602,426
Net cash provided by operating activities		**2,836,046**		3,375,429
Investing activities				
Payments received on notes receivable		**363,569**		9,604
Net payments from (advances to) affiliates		**(3,739,678)**		396,507
Net cash provided by (used in) investing activities		**(3,376,109)**		406,111
Net increase (decrease) in cash		**(540,063)**		3,781,540
Cash and cash equivalents, beginning of year		**4,184,024**		402,484
Cash and cash equivalents, end of year	**$**	**3,643,961**	$	4,184,024
Non-cash investing activities				
Loss on forgiveness of note receivable	**$**	**55,539**	$	-
Issuance of note receivable for initial franchise fee	**$**	**354,250**	$	133,000

See accompanying notes to financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Description of Business

Grand Welcome Franchising, LLC (the Company) was formed on October 8, 2019, for the purpose of selling franchises under the brand name Grand Welcome. The Company grants franchises for vacation home rental and management services businesses providing fully stocked vacation rental properties.

The Company commenced operations in November of 2019. As of December 31, 2022, there were thirty (30) open and operating franchisees, five (5) of which are affiliate owned, and sixteen (16) additional franchisees with signed agreements in various stages of development. As of December 31, 2021, there were six (6) open and operating franchisees, and eight (8) additional franchisees with signed agreements in various stages of development.

Basis of Presentation

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

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 certain reported amounts or 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. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

The Company maintains all its cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2022 and 2021, the Company's uninsured cash balance was $2,559,900 and $3,370,500, respectively.

Revenue Recognition

The Company generates revenue from the sale of franchise licenses under various agreements. This initial franchise fee is due at signing and is earned based on the recognition of specific performance obligations. The Company also generates revenue from royalty, technology, brand fund, advertising, commission, and merchant fees. From time to time, the Company can charge various other fees as outlined in the Franchise Disclosure Document. See Note 2, Revenue from Contracts with Customers for further information regarding implementation and disclosures.

Deposits

Deposits represent amounts held by the credit card processor. As of December 31, 2022 and 2021, the amount was $102,428 and $102,428, and is included in the balance sheets.

Income Taxes

The Company is a wholly owned single member limited liability company and is a disregarded entity for U.S. federal and state income tax purposes, and all of its income and expenses are reported on the Member's tax return. Management does not believe there are any uncertain tax positions as of December 31, 2022.

1. Nature of Operations and Summary of Significant Accounting Policies (cont.)

Limited Liability Company

Since the Company is a limited liability company, no Member, manager, agent, or employee of the Company shall be personally liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other Member, director, manager, agent, or employee of the Company, unless the individual has signed a specific personal guarantee.

As a limited liability Company, the member's liability is limited to amounts reflected in their respective member equity accounts.

Due from Franchisees

Due from franchisees consists of amounts owed to the Company from certain franchisees for overpayments made during the year and for fees in excess of franchise earnings.

Due to Franchisees

Due to franchisees consists of amounts owed to franchisees for completed stays. Payments to franchisees are made monthly and are paid net of fees owed from the franchisee to the Company.

Brand Development Fund

The Company will administer a brand development fund to be used for the common benefit of the franchisees. The funds will be collected from franchisees based on a percentage of monthly gross sales. The Company will manage the franchise brand development program.

Guest Deposits

Guest deposits represents funds collected and held by the Company for guest reservations that have not yet been earned as revenue by the respective franchisees. Guest deposits are transferred to the franchisee once the performance obligation of the franchisee related to the guest reservation has been completed.

Advertising Costs

Advertising costs are charged to operations in the year incurred. There were no advertising costs for the year ended December 31, 2022, and 2021, respectively.

Change in Accounting Estimate

Effective January 1, 2021, the Company elected to change its method of estimating the portion of franchise fees to be recognized at the point in time the Company has satisfied its pre-opening services performance obligation. The change in accounting estimate has been applied prospectively. Had the revenue been recognized under the prior estimation methodology, franchise fees would have been approximately $93,600 lower for the year ended December 31, 2021.

Reclassifications

Certain reclassifications have been made to the 2021 financial statements in order to conform them to the 2022 presentation. These reclassifications have no impact to net income or member's equity

2. Revenue from Contracts with Customers

In January 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2021-02, Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) (ASU 2021- 02). This ASU provides a practical expedient to ASU 2014-09 Revenue from Contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services. This standard is effective for annual reporting periods beginning after December 15, 2020, with early adoption permitted. The Company adopted the standard effective October 8, 2019 (inception) using the full retrospective approach.

The Company follows Accounting Standards Codification (ASC) Topic 606 Revenue from Contracts with Customers and Subtopic 952-606 Franchisors-Revenue from Contracts with Customers.

Practical Expedients and Exemptions

Upon the adoption of ASC Subtopic 952-606, the Company utilizes certain practical expedients and exemptions as follows:

> The Company follows ASC Subtopic 952-606 which allows the Company to recognize pre-opening services as a single performance obligation.

Contract Assets and Liabilities

Contract assets consist of costs paid to facilitate the franchise sale and will be amortized over the life of the franchise agreements.

Contract liabilities consist of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Contract liabilities are a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number and allocated price of franchise agreements signed.

The beginning and ending contract balances were as follows:

		2022		2021		2020
Contract assets	**$**	**995,659**	$	180,186	$	-
Contract liabilities	$	**1,279,064**	$	726,160	$	123,734

Franchise Fees

The Company recognizes initial franchise fees as two (2) performance obligations. Pre-opening services include, but are not limited to, training, access to the operations manual, assisting in selecting the site, and assistance with bookkeeping and IT. The other performance obligation is access to the license. The pre-opening service performance obligation is recognized at a point in time, when the franchisee is open for business, as that is the time those services are completed. The amount allocated to the franchise license is earned over time based on the franchise agreement as performance obligations are satisfied due to the continuous transfer of control to the franchisee.

2. Revenue from Contracts with Customers (cont.)

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty, technology, brand fund, commissions, merchant fees, and local advertising fees. These fees are based on franchisee monthly revenue subject to minimum fees and are recorded as revenue and recognized as these services are delivered over the rental term because the variable payment relates specifically to the performance obligation of using the license.

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2022:

	Performance obligations satisfied at a point in time	Performance obligations satisfied over time	Total
Franchise fees	**$ 1,853,741**	**$ 32,139**	**$ 1,885,880**
Royalty fees	**-**	**1,053,243**	**1,053,243**
Technology fees	**-**	**237,550**	**237,550**
Brand fund contributions	**-**	**152,785**	**152,785**
Guest services fee	**-**	**233,806**	**233,806**
Local advertising fees	**-**	**658,728**	**658,728**
Commissions	**287,250**	**422,573**	**709,823**
Merchant fees	**-**	**230,138**	**230,138**
Miscellaneous income	**-**	**30,248**	**30,248**
Total	**$ 2,140,991**	**$ 3,051,210**	**$ 5,192,201**

2. Revenue from Contracts with Customers (cont.)

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2021:

	Performance obligations satisfied at a point in time	Performance obligations satisfied over time	Total
Franchise fees	$ 190,291	$ 6,033	$ 196,324
Royalty fees	-	1,363,510	1,363,510
Technology fees	-	147,450	147,450
Brand fund contributions	-	237,740	237,740
Local advertising fees	-	327,000	327,000
Commissions	27,000	89,978	116,978
Merchant fees	-	45,348	45,348
Total	$ 217,291	$ 2,217,059	$ 2,434,350

3. Related Party Transactions

The Company has affiliates that own corporate franchises, own the intellectual property used by Grand Welcome Franchising, LLC franchisees, and provide services to the Company. The amount due from these affiliates was $5,289,686 and $1,550,008 as of December 31, 2022 and 2021, respectively. There are no specific terms for repayment of the balance.

The Company incurred service fees payable to an affiliate. These fees were $3,405,841 and $2,171,356 for the year ended December 31, 2022 and 2021, respectively, and are included on the statements of income and changes in member's equity. Service fees for the year ended December 31, 2022 and 2021 are made up of the following costs:

December 31,	**2022**	2021
Staff	**$ 2,130,515**	$ 1,112,705
Consulting	**221,440**	345,395
Technology	**225,527**	140,971
Rent	**77,317**	84,799
Insurance	**150,531**	117,251
Marketing	**343,978**	224,285
Other	**256,533**	145,950
	$ 3,405,841	$ 2,171,356

The Company paid royalty fees to an affiliate for use of the intellectual property. These fees included on the statements of income and changes in member's equity were $82,303 and $48,590 for the year ended December 31, 2022 and 2021, respectively.

3. Related Party Transactions (cont.)

The Company has an affiliate that owns Grand Welcome franchises. The following table represents revenue earned from the affiliate for the year ended December 31, 2022 and 2021:

		2022		2021
Royalty fees	**$**	**767,042**	$	1,265,426
Technology fees		**144,300**		130,800
Brand fund contributions		**109,577**		210,904
Local advertising fees		**150,000**		165,000
Guest service fees		**120,390**		-
	$	**1,291,309**	$	1,772,130

4. Due from Franchisees

Due from franchisees consists of amounts owed to the Company from franchisees for overpayments made during the year and for fees in excess of franchise earnings. The Company has a payment plan with certain franchisees which extend beyond twelve months. To reflect the time value of money, the receivable recorded in the financial statements reflects future receipts discounted at an imputed interest rate of 4.4%, which was the 2-year risk free rate. The future amounts receivable are as follows:

Year ending December 31,		
2023	$	171,329
2024		22,511
2025		36,367
	$	230,207

5. Note Receivable

From time to time, the Company lends funds to franchisees. These notes include interest up to 9%. The balance of the notes receivable at December 31, 2022 was $108,538. There was no outstanding balance for notes receivable at December 31, 2022. The future amounts receivable are as follows:

Year ending December 31,		
2023	$	88,746
2024		10,198
2025		9,594
	$	108,538

6. Subsequent Events

The Company has evaluated events or transactions that have occurred after December 31, 2022 (the financial statement date) through March 13, 2023, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in the financial statements. The Company has sold an additional four (4) franchise licenses from January 1, 2023 through the date the financial statements were available to be issued.

GRAND WELCOME FRANCHISING, LLC

Financial Statements
and
Independent Auditor's Report

For the years ended December 31, 2021 and 2020

Grand Welcome Franchising, LLC

Contents

Independent Auditor's Report

Member and Management
Grand Welcome Franchising, LLC
Tampa, Florida

Opinion

We have audited the accompanying financial statements of Grand Welcome Franchising, LLC (a Delaware Limited Liability Company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income and changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Welcome Franchising, LLC as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Grand Welcome Franchising, LLC, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Grand Welcome Franchising, LLC as of December 31, 2020, were audited by other auditors whose report dated April 7, 2021 expressed an unmodified opinion on those statements.

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 Grand Welcome Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Grand Welcome Franchising, LLC'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 Grand Welcome Franchising, LLC'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.

Hancock Askew & Co., LLP

Tampa, Florida
April 07, 2022

Grand Welcome Franchising, LLC

Balance Sheets

December 31,		**2021**		2020
ASSETS				
Current assets				
Cash	**$**	**4,184,024**	$	402,484
Deposits		**102,428**		102,428
Due from affiliates, related party		**1,550,008**		1,946,515
Notes receivable, current portion		**87,437**		-
Note receivable, related party, current portion		**9,798**		9,608
Contract asset, current portion		**18,203**		-
Prepaid expenses		**10,000**		-
Due from franchisee		**-**		7,099
Total current assets		**5,961,898**		2,468,134
Other assets				
Notes receivable, net of current portion		**45,563**		-
Note receivable, related party, net of current portion		**30,598**		40,392
Contract asset, net of current portion		**161,983**		-
Total other assets		**238,144**		40,392
Total assets	**$**	**6,200,042**	$	2,508,526
LIABILITIES AND MEMBER'S EQUITY				
Current liabilities				
Due to franchisees	**$**	**298,953**	$	94,320
Guest deposits		**4,594,373**		1,920,150
Contract liabilities, current portion		**551,684**		12,583
Total current liabilities		**5,445,010**		2,027,053
Long-term liabilities				
Contract liabilities, net of current portion		**174,476**		111,151
Total liabilities		**5,619,486**		2,138,204
Member's equity		**580,556**		370,322
Total liabilities and member's equity	**$**	**6,200,042**	$	2,508,526

See accompanying notes to financial statements.

Grand Welcome Franchising, LLC

Statements of Income and Changes in Member's Equity

For the years ended December 31,		**2021**		2020
Revenues				
Royalty fees	**$**	**1,363,510**	$	933,842
Local advertising fees		**327,000**		338,000
Brand fund fees		**237,740**		156,046
Franchise fees		**196,324**		181,266
Technology fees		**147,450**		126,275
Commissions		**116,978**		-
Merchant fees		**45,348**		-
Miscellaneous income		**-**		8,962
Total revenues		**2,434,350**		1,744,391
Operating expenses				
Service fees		**2,171,356**		1,439,445
Royalties		**48,590**		36,805
Commissions expenses		**4,839**		-
Other operating expenses		**335**		694
Total operating expenses		**2,225,120**		1,476,944
Income from operations		**209,230**		267,447
Other income				
Interest income		**1,004**		-
Total other income		**1,004**		-
Net income		**210,234**		267,447
Member's equity, beginning		**370,322**		102,875
Member's equity, ending	**$**	**580,556**	$	370,322

See accompanying notes to financial statements.

Grand Welcome Franchising, LLC

Statements of Cash Flows

For the years ended December 31,		2021		2020
Operating activities				
Net income	**$**	**210,234**	$	267,447
Adjustments to reconcile net income to net cash provided by operating activities				
Franchise fees financed with promissory notes		**(133,000)**		(50,000)
(Increase) decrease in assets				
Contract assets		**(180,186)**		(102,428)
Due from franchisee		**7,099**		(7,099)
Prepaid expenses		**(10,000)**		-
Increase in liabilities				
Guest deposits		**2,674,223**		1,920,150
Due to franchisees		**204,633**		94,320
Contract liabilities		**602,426**		123,734
Net cash provided by operating activities		**3,375,429**		2,246,124
Investing activities				
Payments received on notes receivable, related parties		**9,604**		-
Net payments from (advances to) affiliates		**396,507**		(1,946,515)
Net cash provided by (used in) investing activities		**406,111**		(1,946,515)
Net increase in cash		**3,781,540**		299,609
Cash and cash equivalents, beginning of year		**402,484**		102,875
Cash and cash equivalents, end of year	**$**	**4,184,024**	$	402,484
Non-cash investing activities				
Issuance of note receivable, related party for initial franchise fee	**$**	**-**	$	50,000
Issuance of note receivable for initial franchise fee	**$**	**133,000**	$	-

See accompanying notes to financial statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Description of Business

Grand Welcome Franchising, LLC (the Company) was formed on October 8, 2019, for the purpose of selling franchises under the brand name Grand Welcome. The Company grants franchises for vacation home rental and management services businesses providing fully stocked vacation rental properties.

The Company commenced operations in November of 2019. As of December 31, 2021, there were six (6) open and operating franchisees and eight (8) additional franchisees with signed agreements in various stages of development. As of December 31, 2020, there were four (4) open and operating franchisees. As of December 31, 2020, there were eight (8) affiliate owned franchises. During 2021, the Company consolidated a number of existing locations and now effectively has five (5) affiliate owned franchises as of December 31, 2021.

Basis of Presentation

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

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 certain reported amounts or 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. Accordingly, actual results could differ from those estimates.

Concentrations of Credit Risk

The Company maintains all its cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At December 31, 2021 and 2020, the Company's uninsured cash balance were $3,370,500 and $81,761, respectively.

Revenue Recognition

The Company generates revenue from the sale of franchise licenses under various agreements. This initial franchise fee is due at signing and is earned based on the recognition of specific performance obligations. The Company also generates revenue from royalty, technology, brand fund, advertising, commission, and merchant fees. From time to time, the Company can charge various other fees as outlined in the Franchise Disclosure Document. See Note 2, Revenue from Contracts with Customers for further information regarding implementation and disclosures.

Deposits

Deposits represent amounts held by the credit card processor. As of December 31, 2021 and 2020, the amount was $102,428 and is included in the balance sheet.

1. Nature of Operations and Summary of Significant Accounting Policies (cont.)

Income Taxes

The Company is a wholly owned single member limited liability company and is a disregarded entity for U.S. federal and state income tax purposes, and all of its income and expenses are reported on the Member's tax return. Management does not believe there are any uncertain tax positions as of December 31, 2021.

Limited Liability Company

Since the Company is a limited liability company, no Member, manager, agent, or employee of the Company shall be personally liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other Member, director, manager, agent, or employee of the Company, unless the individual has signed a specific personal guarantee.

As a limited liability Company, the member's liability is limited to amounts reflected in their respective member equity accounts.

Due to Franchisees

Due to franchisees consists of amounts owed to franchisees for completed stays. Payments to franchisees are made monthly and are paid net of fees owed from the franchisee to the Company.

Brand Development Fund

The Company will administer a brand development fund to be administered for the common benefit of the franchisees. The funds will be collected from franchisees based on a percentage of monthly gross sales. The Company will manage the franchise brand development program.

Guest Deposits

Guest deposits represents funds collected and held by the Company for guest reservations that have not yet been earned as revenue by the respective franchisees. Guest deposits are transferred to the franchisee once the performance obligation of the franchisee related to the guest reservation has been completed.

Advertising Costs

Advertising costs are charged to operations in the year incurred. There were no advertising costs for the year ended December 31, 2021, and 2020, respectively.

Change in Accounting Estimate

Effective January 1, 2021, the Company elected to change its method of estimating the portion of franchise fees to be recognized at the point in time the Company has satisfied its pre-opening services performance obligation. The change in accounting estimate has been applied prospectively. Had the revenue been recognized under the prior estimation methodology, franchise fees would have been approximately $93,600 lower for the year ended December 31, 2021.

Reclassifications

Certain reclassifications have been made to the 2020 financial statements in order to conform them to the 2021 presentation. These reclassifications have no impact to net income or member's equity.

2. Revenue from Contracts with Customers

In January 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2021-02, Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) (ASU 2021- 02). This ASU provides a practical expedient to ASU 2014-09 Revenue from Contracts with Customers (Topic 606). The new guidance allows franchisors to simplify the application of the guidance about identifying performance obligations for franchisors that perform pre-opening services by allowing a franchisor to account for pre-opening services as distinct if they are consistent with those included in a predefined list of pre-opening services. This standard is effective for annual reporting periods beginning after December 15, 2020, with early adoption permitted. The Company adopted the standard effective October 8, 2019 (inception) using the full retrospective approach.

The Company follows Accounting Standards Codification (ASC) Topic 606 Revenue from Contracts with Customers and Subtopic 952-606 Franchisors-Revenue from Contracts with Customers.

Practical Expedients and Exemptions

Upon the adoption of ASC Subtopic 952-606, the Company utilizes certain practical expedients and exemptions as follows:

> The Company follows ASC Subtopic 952-606 which allows the Company to recognize pre-opening services as a single performance obligation.

Contract Assets and Liabilities

Contract assets consist of costs paid to facilitate the franchise sale and will be amortized over the life of the franchise agreements.

Contract liabilities consist of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Contract liabilities are a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number and allocated price of franchise agreements signed.

Franchise Fees

The Company recognizes initial franchise fees as two (2) performance obligations. Pre-opening services include, but are not limited to, training, access to the operations manual, assisting in selecting the site, and assistance with bookkeeping and IT. The other performance obligation is access to the license. The pre-opening service performance obligation is recognized at a point in time, when the franchisee is open for business, as that is the time those services are completed. The amount allocated to the franchise license is earned over time based on the franchise agreement as performance obligations are satisfied due to the continuous transfer of control to the franchisee.

Variable Considerations

Franchise agreements contain variable considerations in the form of royalty, technology, brand fund, commissions, merchant fees, and local advertising fees. These fees are based on franchisee monthly revenue subject to minimum fees and are recorded as revenue and recognized as these services are delivered over the rental term because the variable payment relates specifically to the performance obligation of using the license.

2. Revenue from Contracts with Customers (cont.)

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2021:

		Performance obligations satisfied at a point in time		Performance obligations satisfied over time		Total
Franchise fees	**$**	**190,291**	**$**	**6,033**	**$**	**196,324**
Royalty fees		**-**		**1,363,510**		**1,363,510**
Technology fees		**-**		**147,450**		**147,450**
Brand fund contributions		**-**		**237,740**		**237,740**
Local advertising fees		**-**		**327,000**		**327,000**
Commissions		**27,000**		**89,978**		**116,978**
Merchant fees		**-**		**45,348**		**45,348**
Total	**$**	**217,291**	**$**	**2,217,059**	**$**	**2,434,350**

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2020:

		Performance obligations satisfied at a point in time		Performance obligations satisfied over time		Total
Franchise fees	$	-	$	181,266	$	181,266
Royalty fees		-		933,842		933,842
Technology fees		-		126,275		126,275
Brand fund contributions		-		156,046		156,046
Local advertising fees		-		338,000		338,000
Commissions		-		-		-
Miscellaneous income		8,962		-		8,962
Total	$	8,962	$	1,735,429	$	1,744,391

3. Related Party Transactions

The Company has affiliates that own corporate franchises, own the intellectual property used by Grand Welcome Franchising, LLC franchisees, and provide services to the Company. The amount due from these affiliates was $1,550,008 and $1,946,515 as of December 31, 2021 and 2020, respectively. There are no specific terms for repayment of the balance.

The Company incurred service fees payable to an affiliate. These fees were $2,171,356 and $1,439,445 for the year ended December 31, 2021 and 2020, respectively, and are included on the statements of income and changes in member's equity. Service fees for the year ended December 31, 2021 and 2020 are made up of the following costs:

December 31,		**2021**		2020
Staff	**$**	**1,112,705**	$	839,292
Consulting		**345,395**		172,759
Technology		**140,971**		128,915
Rent		**84,799**		92,579
Insurance		**117,251**		80,374
Marketing		**224,285**		27,741
Other		**145,950**		97,785
	$	**2,171,356**	$	1,439,445

The Company paid royalty fees to an affiliate for use of the intellectual property. These fees included on the statements of income and changes in member's equity were $48,590 and $36,805 for the year ended December 31, 2021 and 2020, respectively.

The Company has an affiliate that owns Grand Welcome franchises. The following table represents revenue earned from the affiliate for the year ended December 31, 2021 and 2020:

		2021		2020
Royalty fees	**$**	**1,265,426**	$	932,627
Technology fees		**130,800**		126,000
Brand fund contributions		**210,904**		155,438
Local advertising fees		**165,000**		330,000
	$	**1,772,130**	$	1,544,065

3. Related Party Transactions (cont.)

Note receivable, related party

The Company entered into a promissory note on December 15, 2020 for a portion of the franchise fee with First On The Tee LLC in the amount of $50,000. First On The Tee, LLC is partially owned by an employee of an affiliate of the Company. The interest rate on the note is 2% and the first of five (5) annual payments was due on December 31, 2021. The future amounts receivable are as follows:

Year ending December 31,		
2022	$	**9,798**
2023		**9,996**
2024		**10,198**
2025		**10,404**
	$	**40,396**

4. Note Receivable

From time to time, the Company lends funds to franchisees. These notes include interest up to 9%. The balance of the notes receivable at December 31, 2021 was $133,000. There was no outstanding balance for notes receivable at December 31, 2020. The future amounts receivable are as follows:

Year ending December 31,		
2022	$	**87,437**
2023		**14,141**
2024		**15,163**
2025		**16,259**
	$	**133,000**

5. Contingencies

The extent of the impact of the coronavirus (COVID-19) outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period of time, the Company’s results of operations may be materially adversely affected.

6. Subsequent Events

The Company has evaluated events or transactions that have occurred after December 31, 2021 (the financial statement date) through April 7, 2022, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in the financial statements. The Company has sold an additional three (3) franchise licenses from January 1, 2022 through the date the financial statements were available to be issued.

EXHIBIT H

GRAND WELCOME OPERATIONS MANUAL

TABLE OF CONTENTS

Franchisee Training Manual

GRAND WELCOME

Date Generated: 2021-10-1

Table of Contents

EXHIBIT I

FRANCHISED OUTLETS

As of December 31, 2022

Franchisees:

Franchisee	Location	Contact Information
Ric & Kim Ramsey	Scottsdale, AZ	Ric.ramsey@grandwelcome.com
Denise Turner & Joseph Cox	Fresno, CA	Denise.turner@grandwelcome.com
Barry Seidel, Michael Abbott-Whitley, & Benjamin Sackett	23 Corporate Plaza Drive Suite 150 Newport Beach, CA 92660	Barry.seidel@grandwelcome.com
Brandon Ezra	Palm Springs/Desert, CA	Brandon@grandwelcome.com
Adrian Phillips-Samuels	Boulder, CO	Adrian.phillips@grandwelcome.com
Matthew Witmer & Stacey English	Breckenridge, CO	Matt.Witmer@grandwelcome.com
Todd & Michelle Sneidman	Rehoboth Beach, DE	Todd.sneidman@grandwelcome.com

Franchisee	Location	Contact Information
Alan Green	30A/Santa Rosa Beach/Rosemary Beach, FL	Alan.green@grandwelcome.com
Alan Green	Destin, FL	Alan.green@grandwelcome.com
Parker Smith	Fort Lauderdale, FL	Parker.smith@grandwelcome.com
Rodney Poole & Brian Rodgers	855 San Carlos Drive Fort Myers Beach, FL 33931	Rodney.poole@grandwelcome.com
Barry Seidel, Michael Abbott-Whitley, & Benjamin Sackett	Miami, FL	Barry.seidel@grandwelcome.com
Alan Green	Miramar, FL	Alan.green@grandwelcome.com
Jay & Christina Breitlow	Orlando, FL	Jay.breitlow@grandwelcome.com
Parker Smith	W. Palm Beach FL	Parker.smith@grandwelcome.com
Steven Lovelace	Panama City Beach, FL	Steve.lovelace@grandwelcome.com

Franchisee	Location	Contact Information
Lucie Tighe	Tampa, FL	Lucie.tighe@grandwelcome.com
Mark Aronson & Joe Long	Atlanta, GA	Mark.aronson@grandwelcome.com
Matt Pesler	Covington, KY	Matt.pesler@grandwelcome.com
David Hughes, Chris Hollyman, & Steve Harbour	Branson, MO	David.hughes@grandwelcome.com
Steven Brown	Gatlinburg & Pigeon Forge, Sevierville & Dandridge Crosby & Townsend TN	Steven.brown@grandwelcome.com
Steven Brown	Nashville, TN	Steven.brown@grandwelcome.com
Steven Brown	Austin, TX	Steven.brown@grandwelcome.com
Scott Bell & Todd Hamblin	St. George, UT	Scott.bell@grandwelcome.com
Paul Holtzhausen & Helen Greene	Park City, UT	Paul.holtzhausen@grandwelcome.com

Franchise Agreements Signed But Outlets Not Yet Open:

Franchisee	Location	Contact Information
Jennifer Sireika	Big Bear, CA	Jennifer.sireika@grandwelcome.com
Michael Cole	Long Beach, CA	Michael.cole@grandwelcome.com
Michael Cole	Mission Beach, CA	Michael.cole@grandwelcome.com
Thaier, Fay & Emile Kinaya	Oceanside/Carlsbad, CA	Thaier.kinaya@grandwelcome.com
Erika Williams	Pagosa Springs, CO	Erika.williams@grandwelcome.com
Bill Ritter	Winter Park, CO	Bill.ritter@grandwelcome.com
François & Laetitia Mouche	Bonita Beach, FL	Francois.mouche@grandwelcome.com

Franchisee	Location	Contact Information
Simon Kouhana	Dania Beach, FL	Simon.kouhana@grandwelcome.com
Simon Kouhana	Hollywood, FL	Simon.kouhana@grandwelcome.com
Albert Quadreny	Key Largo, FL	Albert.quadreny@grandwelcome.com
Metro & Valerie Denmark	St. Augustine, FL	Metro.denmark@grandwelcome.com
Sean & Nikki Martin	Space Coast, FL	Sean.martin@grandwelcome.com
Simon Kouhana	Sunny Isles Beach, FL	Simon.kouhana@grandwelcome.com
Mark Aaronson & Joe Long	Alpharetta-Roswell, GA	Mark.aronson@grandwelcome.com
Terrance & Tressa Lackey	Blue Ridge, GA	Terrance.lackey@grandwelcome.com
Grant Childress	Charlotte, NC	Grant.childress@grandwelcome.com

Franchisee	Location	Contact Information
Aaron & Joanne Carpenter	Bend, OR	Joanne.carpenter@grandwelcome.com
Kristian Lewis	New Braunfels, TX	Kristian.lewis@grandwelcome.com
Joel Harris	North Padre Island, TX	Joel.harris@grandwelcome.com
Joel Harris	Port Aransas, TX	Joel.harris@grandwelcome.com
Erika Williams	Waco, TX	Erika.williams@grandwelcome.com

Franchisees Who Have Left the System:

Franchisee	Location	Contact Information
None.		

EXHIBIT J

STATE ADDENDA

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF CALIFORNIA

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document contains provisions that are inconsistent with the following, such provisions are hereby amended.

1. 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.

2. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

3. Item 3 is amended to add:

   Neither Franchisor nor any person described 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. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 10 is amended to state:

   The maximum interest rate in California is 10%.

5. Item 17 is amended to state:

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

   (b) 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.

   (c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

   (d) The Franchise Agreement requires application of the laws of Nevada. This provision may not be enforceable under California law.

6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

7. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

8. California Business and Professions Code 20000 through 20043 provides 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.

9. The terms of Item 5 and Item 11 of this Disclosure Document have been negotiated with other franchisees. A copy of all Negotiated Sales Notices filed in California in the last twelve months is attached on the following page(s).

FRANCHISE INVESTMENT LAW NOTICE OF NEGOTIATED SALE OF FRANCHISE UNDER SECTION 310.100.2, TITLE 10, CALIFORNIA CODE OF REGULATIONS

DFPI-310.100.2 (Rev. 11-20)

Department of Financial Protection and Innovation
File No. 357953
(Insert file-number of currently effective franchise registration)

STATE OF CALIFORNIA
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

1. (a) Name of FILER: Grand Welcome Franchising, LLC
   (b) The above-named filer is filing as a (check one):
   ☑ FRANCHISOR ☐ SUBFRANCHISOR
   (c) If FILER is a SUBFRANCHISOR, the name of FRANCHISOR:

2. (a) Name of FRANCHISE: Grand Welcome
   (b) Contact Person: Brandon Ezra
   (c) Address: 923 Incline WAy #38, Incline Village, Nevada, 89451
   (d) Telephone: (818) 237-4848

3. A. (a) Offering Circular Item Number: 5
   (b) Description of Provisions in Currently Registered Offering Circular:
   Initial franchise fee is $75,000
   (c) Description of Change: Sale to officer of the company where no fee was charged.

   B. (a) Offering Circular Item Number:
   (b) Description of Provisions in Currently Registered Offering Circular:
   (c) Description of Change:

   C. (a) Offering Circular Item Number:
   (b) Description of Provisions in Currently Registered Offering Circular:
   (c) Description of Change:

(If additional space is needed, attach separate sheet (s) with respect to each additional item being changed using the above format)

4. Date of Sale of Negotiated Franchise: April 19, 2022

5. Name, title, business address and telephone number of individual to be contacted by the Department regarding this notice:

   Name: Brandon Ezra

   Title: CEO

   Business Address: 923 Incline Way #38, Incline Village, Nevada 89451

   Telephone: (818) 237-4848

6. Date of this notice : April 21, 2022 | 12:00 PM PDT

DocuSigned by:
Brandon Ezra
729924DBAAFF416...

Authorized Signature

Brandon Ezra

Printed Name of Signatory

STATE OF CALIFORNIA – DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

FRANCHISE INVESTMENT LAW NOTICE OF NEGOTIATED SALE OF FRANCHISE UNDER SECTION 310.100.2, TITLE 10, CALIFORNIA CODE OF REGULATIONS

DFPI-310.100.2 (Rev. 11-20)

Department of Financial Protection and Innovation
File No. 357953
(Insert file-number of currently effective franchise registration)

STATE OF CALIFORNIA
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

1. (a) Name of FILER: Grand Welcome Franchising, LLC
   (b) The above-named filer is filing as a (check one):
   ☒ FRANCHISOR ☐ SUBFRANCHISOR
   (c) If FILER is a SUBFRANCHISOR, the name of FRANCHISOR:

2. (a) Name of FRANCHISE: Grand Welcome
   (b) Contact Person: Brandon Ezra
   (c) Address: 923 Incline Way #38, Incline Village, Nevada, 89451
   (d) Telephone: (818) 237-4848

3. A. (a) Offering Circular Item Number: 5
   (b) Description of Provisions in Currently Registered Offering Circular:
   Initial franchise fee due in lump sum upon signing and is non-refundable
   (c) Description of Change: Initial franchise fee is payable in two installments. Franchisor will make partial refund of initial franchise fee if the franchise agreement is terminated before opening based on the performance of franchisee's first outlet.

   B. (a) Offering Circular Item Number: 11
   (b) Description of Provisions in Currently Registered Offering Circular:
   Franchisee shall open within 90 days of signing the Franchise Agreement
   (c) Description of Change: Franchisee shall open within 6 months of opening Franchisee's first outlet and collection of the local marketing fee is delayed until 1 month prior to opening.

   C. (a) Offering Circular Item Number:
   (b) Description of Provisions in Currently Registered Offering Circular:
   (c) Description of Change:

(If additional space is needed, attach separate sheet (s) with respect to each additional item being changed using the above format)

4. Date of Sale of Negotiated Franchise: December 7, 2022

5. Name, title, business address and telephone number of individual to be contacted by the Department regarding this notice:

   Name: Brandon Ezra

   Title: CEO

   Business Address: 923 Incline Way #38, Incline Village, Nevada, 89451

   Telephone: (818) 237-4848

6. Date of this notice : December 9, 2022 | 9:08 AM PST

DocuSigned by:
Brandon Ezra
729924DBAAFF416...

Authorized Signature

Brandon Ezra

Printed Name of Signatory

ADDENDUM TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA

The Franchise Agreement is supplemented as follows:

> No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE ILLINOIS FRANCHISE DISCLOSURE ACT

The Illinois Attorney General requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"). To the extent that (i) the jurisdictional requirements of the Act are met and (ii) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control.

(b) No franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois.

(c) Any condition, stipulation, or provision purporting to bind a franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent a franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

(d) We will defer collection of the Initial Franchise Fee until we have satisfied our pre-opening obligations to you, and you have commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS §§ 705/1 et seq. (1987) (the "Act"), which govern the attached Grand Welcome Franchise Agreement (the "Franchise Agreement"), the parties thereto agree as follows:

1. To the extent of any inconsistences, the Franchise Agreement is hereby amended to further state:

"Section 4 of the Act provides that no franchisee shall be required to litigate any cause of action, with the exception of arbitration proceedings, arising under the Franchise Agreement or the Act outside of the State of Illinois, nor shall the Franchise Agreement provide for a choice of law provision for any state other than Illinois."

2. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"Section 41 of the Act provides that any condition, stipulation, or provision purporting to bind Franchisee to waive compliance with any provision of the Act, or any other Illinois law is void. The foregoing requirement, however, shall not prevent Franchisee from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act, and shall not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

3. To the extent of any inconsistencies, the Franchise Agreement is hereby amended to further state:

"To the extent any provision regarding termination or renewal of the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act §§ 815 ILCS §§ 705/19 and 705/20, the provisions of these sections of the Act will control."

4. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

5. Section 6.1.1 of the Franchise Agreement is hereby amended to state that Franchisor shall defer collection of the Initial Franchise Fee until Franchisor has satisfied its pre-opening obligations to Franchisee, and Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

The parties hereto have duly executed this Illinois Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:____

_________________________, __________________
(Print Name, Title)

FRANCHISEE:

____

By:____

_________________________, __________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE INDIANA FRANCHISE DISCLOSURE LAW AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT

The Indiana Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with Indiana law, including the Indiana Franchises Act, Ind. Code Ann. §§ 1 - 51 (1994) and the Indiana Deceptive Franchise Practices Act, Ind. Code Ann. § 23-2-2.7 (1985) (collectively referred to as the "Acts"). To the extent that (a) the jurisdictional requirements of the Acts are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

(a) To the extent the Franchise Agreement contains provisions allowing the establishment of franchisor-owned outlets that are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(2), the requirements of this section of the Indiana Act will control.

(b) The franchisor may not make any substantial modification of the Franchise Agreement without the franchisee's written consent.

(c) To the extent any provision regarding renewal or termination of the Franchise Agreement is inconsistent with the Indiana Deceptive Franchise Practices Act §§ 23-2-2.7(7) and (8), the provisions of these sections of the Indiana Act will control.

(d) Any requirement in the Franchise Agreement that requires the franchisee to prospectively assent to a release, assignment, novation, wavier or estoppel shall not relieve any person from liability arising under the Acts.

(e) To the extent the covenants not to compete upon expiration or termination of the Franchise Agreement are inconsistent with the Indiana Deceptive Franchise Practices Act § 23-2-2.7(9), the provisions of this section of the Indiana Act will control.

(f) To the extent that any provision of the Franchise Agreement would be deemed unenforceable pursuant to the Indiana Deceptive Franchise Practices Act § 23-2-2.7(10), as this section of the Indiana Act is interpreted and applied, such provision of the Franchise Agreement shall be so deleted therefrom.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

The Office of Attorney General for the State of Maryland requires that certain provisions contained in franchise documents be amended to be consistent with Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Maryland Franchise Law"). To the extent that this Disclosure Document or Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No requirement that you agree to any release, assignment, novation, estoppel or waiver of liability as a condition to your purchasing a Grand Welcome franchise shall act as a release, estoppel or waiver of any liability under the Maryland Franchise Law.'

2. Item 5 is hereby amended to state:

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 and the franchisee has opened their franchise outlet.

3. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

(d) Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

THE REGISTRATION OF THIS FRANCHISE DISCLOSURE DOCUMENT WITH MARYLAND SECURITIES DIVISION OF THE OFFICE OF ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE SECURITIES COMMISSIONER.

AMENDMENT TO THE FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Grand Welcome Franchise Agreement (the "Franchise Agreement") agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee's assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 5 or Section 16.3 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 6.1.1 of the Franchise Agreement is hereby amended to further state:

> "Based upon Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, Franchisor will defer collection of the Initial Franchise Fee and other initial fees payable to Franchisor until Franchisor has fulfilled its initial pre-opening obligations pursuant to this Agreement and the Franchisee has opened their franchise outlet."

3. To the extent of any inconsistencies, Section 17.1 of the Franchise Agreement is hereby amended to further state:

> "Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq*.)."

4. To the extent of any inconsistencies, Section 20.3 of the Franchise Agreement is hereby amended to further state:

> "Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland."

5. To the extent of any inconsistencies, Section 20.8 of the Franchise Agreement is hereby amended to further state:

> "Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise."

6. To the extent of any inconsistencies, the Franchise Agreement and the Franchisee Acknowledgement Statement, are hereby amended to further state:

> All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

The parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:____

________________________, __________________
(Print Name, Title)

FRANCHISEE:

____

By:____

________________________, __________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE STATE OF MINNESOTA

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. Item 6, Non-Sufficient Funds Fee, is amended to state:

   Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is $30.00 per occurrence.

2. Item 17 is amended to state:

(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Franchised Business.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may <u>seek</u> injunctive relief. See Minnesota Rules 2860.4400(J),

AMENDMENT TO THE
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MINNESOTA

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached Grand Welcome Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 5.2.5 or 16.3.6 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Article 5 of the Franchise Agreement is hereby amended to state:

> "Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days notice for non-renewal of the Franchise Agreement."

3. To the extent of any inconsistencies, Section 6.6 of the Franchise Agreement is hereby amended to state that the non-sufficient funds fee is Thirty Dollars ($30.00) per occurrence.

4. To the extent of any inconsistencies, Sections 17.1 through 17.3 of the Franchise Agreement are hereby amended to state:

> "Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".

5. To the extent of any inconsistencies, Article 20, Dispute Resolution, of the Franchise Agreement is hereby amended to state:

> "Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee's rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may <u>seek</u> injunctive relief."

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:____

________________________, __________________
(Print Name, Title)

FRANCHISEE:

____

By:____

________________________, __________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

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 RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOSES, 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.

2. 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.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (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 that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer"**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your 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 Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee"**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "**Assignment of contract by franchisor"**:

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.

8. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum"**, and Item 17(w), titled "**Choice of law"**:

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.

NEW YORK RIDER TO GRAND WELCOME FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS RIDER TO THE FRANCHISE AGREEMENT FOR NEW YORK ("Rider") is entered into by and between Grand Welcome Franchising, LLC, a Wyoming limited liability company, with its principal office at 923 Incline Way #38, Incline Village, Nevada 89451 ("we," "us" or "our") and ____ __________________ ("you" or "your"), whose principal business address is __________ ____.

WHEREAS, we and you have entered into a certain Franchise Agreement dated ________________________, 20___ which grants you the right to operate a Grand Welcome franchise (the "Franchise Agreement");

WHEREAS, you are domiciled in New York and the Grand Welcome franchise will be located in New York, and/or any of the offering or sales activity relating to the Franchise Agreement occurred in the State of New York; and

WHEREAS, in recognition of the requirements of the General Business Law of the State of New York, Article 33, Sections 680-695, we and you desire to amend certain terms of the Franchise Agreement in accordance with the terms and conditions contained in this Rider.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Franchise Agreement and this Rider and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Sections 5.2.5 and 16.3.7 of the Franchise Agreement are amended by adding the following language to each Section:

> However, to the extent required by applicable law, notwithstanding the signing of a General Release, all rights you enjoy and any causes of action arising in your 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.

2. Section 16.1.1 of the Franchise Agreement is amended by adding the following language to this Section:

> However, to the extent required by applicable law, Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment.

3. Section 20.3 of the Franchise Agreement is amended by adding the following language:

> New York Law governs any cause of action which arises under the New York General Business Law, Article 33, Sections 680-695.

> The provisions of this Franchise Agreement shall not be deemed a waiver of any rights conferred upon Franchisee by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

4. In the event of any conflict between a provision of the Franchise Agreement and this Rider, the provision of this Rider shall control. All terms which are capitalized in this Rider and not otherwise defined, will have the meanings given to them in the Franchise Agreement. Except as amended by this Rider, the Franchise Agreement is unmodified and in full force and effect in accordance with its terms.

5. Each provision of this Rider will be effective only to the extent that the jurisdictional requirements of the New York General Business Law, Article 33, Sections 680-695 are met independent of this Rider.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this New York Rider to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:____

____________________,__________________________
(Print Name, Title)

FRANCHISEE:

____

By:____

__________________________,____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NORTH DAKOTA

The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, NDCC § 51-19 *et seq.* (“NDFIL”). To the extent that (a) the jurisdictional requirements of the NDFIL are met and (b) this Franchise Disclosure Document and Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended:

1. Covenants not to compete upon termination or expiration of the franchise agreement are subject to NDCC § 9-08-06.

2. To the extent required by the NDFIL, arbitration proceedings shall take place at a location mutually agreed upon by you and us.

3. Any requirement that you consent to liquidated damages or termination penalties shall not apply to the extent prohibited by the NDFIL;

4. Any requirement that you consent to (i) the jurisdiction of courts outside of North Dakota, (ii) the application of laws of a state other than North Dakota, (iii) waiver of jury trial or (iv) waiver of exemplary and punitive damages shall not apply to the extent prohibited by the NDFIL;

5. Any release required as a condition to a renewal of the franchise agreement shall not apply to the extend prohibited by the NDFIL;

6. Any requirement that you consent to a limitation of claims shall not apply to the extent prohibited by the NDFIL. As applicable, the statute of limitations under North Dakota law shall control.

7. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including attorney's fees.

8. Item 5 of the Franchise Disclosure Document and Section 6.1.1 of the Franchise Agreement are hereby supplemented to state:

    Payment of Initial Franchise Fees will be deferred until the Franchisor has met its initial obligations to franchisee, and the franchisee has commenced doing business.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

The parties hereto have duly executed this North Dakota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:____

__________________________, ____________________
(Print Name, Title)

FRANCHISEE:

____

By:____

__________________________, ____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF RHODE ISLAND

In recognition of the requirements of the Rhode Island Franchise Investment Act, the Franchise Disclosure Document of Grand Welcome Franchising, LLC ("we," "us," or "our") for use in the State of Rhode Island shall be amended to include the following:

1. Items 17v. and 17w., under the provisions entitled "Choice of law" and "Choice of forum," shall be supplemented with the following language:

   However, you may sue us in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. Item 17 shall be supplemented by the addition of the following language at the end of Item 17:

   Section 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."

3. Each provision of this Addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum to the Disclosure Document.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Grand Welcome Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Under 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 does 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.

ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 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.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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.

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.

The Special Risks Page is hereby amended to include the following:

<u>Company Owned Outlets Are Not Required to Contribute to the Marketing Fund</u>. Outlets operated by the franchisor and/or affiliates are not required to make marketing fund contributions. This means the marketing fund contributions of franchisees could be partially or completely used for the benefit of franchisor and affiliate owned outlets.

<u>Use of Franchise Brokers</u>. The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

Item 5 is amended to state:

> "Franchisor will defer collection of the Initial Franchise Fee until Franchisor has fulfilled its initial pre-opening obligations to the Franchisee and the Franchisee is open for business."

Exhibit F ("Acknowledgements") is hereby amended to state that the Acknowledgements does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

AMENDMENT TO THE GRAND WELCOME FRANCHISE AGREEMENT REQUIRED BY THE STATE OF WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 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.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the 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, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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.

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.

Section 6.1.1 of the Franchise Agreement is hereby amended to further state:

"Franchisor will defer collection of the Initial Franchise Fee until Franchisor has fulfilled its initial pre-opening obligations to the Franchisee and the Franchisee is open for business."

Attachment 4 to the Franchise Agreement ("General Release") is hereby amended to state that the General Release does not apple with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

The parties hereto have duly executed this Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

GRAND WELCOME FRANCHISING, LLC

By:____

____________________, ________________________
(Print Name, Title)

FRANCHISEE:

____

By:____

__________________________, ____________________
(Print Name, Title)

PRINCIPAL:

____

____
(Print Name)

PRINCIPAL:

____

____
(Print Name)

STATE EFFECTIVE DATES – 2023

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

STATE	EFFECTIVE DATE
California	PENDING
Hawaii	PENDING
Illinois	PENDING
Indiana	PENDING
Maryland	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 K

RECEIPTS

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF GRAND WELCOME FRANCHISING, LLC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Grand Welcome Franchising, LLC 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 you to receive this Franchise 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.

If Grand Welcome Franchising, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Brandon Ezra 923 Incline Way #38 Incline Village, Nevada 89451 (888) 870-0102		

Issuance Date: April 14, 2023

I received a Disclosure Document dated _________, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with Attachments 1, 2, 3, 4, 5, 6, 7, and 8
EXHIBIT C: Unit Listing Agreement
EXHIBIT D: Promissory Note
EXHIBIT E: Security Agreement
EXHIBIT F: Franchisee Acknowledgement Statement
EXHIBIT G: Financial Statements of Grand Welcome Franchising, LLC
EXHIBIT H: Operations Manual Table of Contents
EXHIBIT I: Outlets as of the date of this Disclosure Document
EXHIBIT J: State Addenda
EXHIBIT K: Receipt

Date Received: _______________________
(If other than date signed)

DATE:_______________________________________

Print Name:______________________________

Print Address: ____________________________

City, State: _______________________________

____
(Signature of recipient)

Please return signed receipt to Grand Welcome Franchising, LLC,
Brandon Ezra
923 Incline Way #38
Incline Village, Nevada 89451

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT OF GRAND WELCOME FRANCHISING, LLC

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Grand Welcome Franchising, LLC 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 you to receive this Franchise 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.

If Grand Welcome Franchising, LLC 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Brandon Ezra 923 Incline Way #38 Incline Village, Nevada 89451 (888) 870-0102		

Issuance Date: April 14, 2023

I received a Disclosure Document dated _________, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process
EXHIBIT B: Franchise Agreement with Attachments 1, 2, 3, 4, 5, 6, 7, and 8
EXHIBIT C: Unit Listing Agreement
EXHIBIT D: Promissory Note
EXHIBIT E: Security Agreement
EXHIBIT F: Franchisee Acknowledgement Statement
EXHIBIT G: Financial Statements of Grand Welcome Franchising, LLC
EXHIBIT H: Operations Manual Table of Contents
EXHIBIT I: Outlets as of the date of this Disclosure Document
EXHIBIT J: State Addenda
EXHIBIT K: Receipt

Date Received: _______________________
(If other than date signed)

DATE:_______________________________________

Print Name:_______________________________

Print Address: _____________________________

City, State: ______________________________

____
(Signature of recipient)

KEEP FOR YOUR RECORDS