



FRANCHISE DISCLOSURE DOCUMENT

ROSEUS FRANCHISE DEVELOPMENT, LLC

ISSUANCE DATE: MARCH 10, 2023

FRANCHISE DISCLOSURE DOCUMENT



ROSEUS FRANCHISE DEVELOPMENT, LLC

A Florida limited liability company
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Roseus Franchise Development, LLC, d/b/a Roseus Hospitality (“we,” “us,” or “Franchisor”), offers franchises for the operation of a business providing comprehensive property management services, including the provision of maintenance and repair services, tenant relations, and payment collection specializing in short-term and vacation properties (a “Business” or “Franchised Business”).

The total investment to begin operation of a Roseus Hospitality franchise ranges from \$71,800 to \$163,100. This includes \$55,000 to \$117,500 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 this disclosure document at least fourteen 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 governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact: Phil Bernardo by mail at 6900 Tavistock Lakes Blvd, Suite 400 Orlando, FL 32827; by phone at 888-223-8824, or by email at franchise@roseushg.com.

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 an 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: March 10, 2023

State Cover Sheet

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 Exhibit C.
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?	Exhibit A includes financial statements. Please 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 Roseus Hospitality 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 a Roseus Hospitality franchisee?	Exhibit C 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 May 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 a 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 B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement or area development 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:

Out of State Dispute Resolution. The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own state.

Personal Guaranty. Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. This Guaranty will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

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

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

To simplify the language in this Disclosure Document, “we,” “our,” or “us” refers to Roseus Franchise Development, LLC. “You” or “Your” means the individual, corporation, limited liability company or partnership who buys the franchise.

Franchisor

We are a Florida limited liability company that was formed on December 1, 2022, with a principal business address at 6900 Tavistock Lakes Blvd, Suite 400 Orlando, FL 32827. We do business under our legal name and the trade name “Roseus Hospitality.” We have not previously offered franchises but will begin doing so upon issuance of this Disclosure Document. We conduct no other business. We have not conducted business in or offered franchises in any other line of business.

Parents, Predecessors, and Affiliates

We do not have any parents or predecessors.

Our affiliate is Roseus Hospitality Group, LLC (“RHG”), a Florida limited liability company that was formed on July 02, 2021, with a principal business address at 6900 Tavistock Lakes Blvd, Suite 400 Orlando, FL 32827. Our affiliate has not previously sold franchises and does not conduct business in any other line of business. Our affiliate will serve as the model for training franchisees and developing the franchise system. We refer to our affiliate as the “Company-Owned Outlet.”

Our affiliate does not offer franchises in any line of business and will not provide products or services to franchisees, other than as disclosed above.

Agents for Service of Process

Our agents for service of process in the states whose franchise laws require us to name a state agency as our agent for service of process are shown on Exhibit B.

Prior Business Experience

Our owner also operates our affiliate’s Company-Owned Outlet. The Company-Owned Outlet has been operating in the Orlando, Florida area since July 2021.

The Business and Franchises Offered

We are offering, under the terms of this Disclosure Document, the opportunity to become a franchisee to develop and operate a Franchised Business. Franchised Businesses offer comprehensive property management services, including marketing of the property, management of maintenance and repair services, construction project management, and tenant relationship management.

Franchised Businesses operate under the Roseus Hospitality mark and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos (collectively, the “Marks”). We may designate other trade names, service marks, and trademarks as Marks and may change the Marks at any time.

Franchised Businesses operate under a prescribed system of specifications and operating procedures that we have developed and will continue to develop (the “System”). The distinguishing characteristics of the System include, but are not limited to, our designs, layouts, and identification schemes (collectively, the “Trade Dress”), our specifications for equipment, inventory, and accessories; our website or series of websites for the Franchised Businesses (the “System Website”); our relationships with vendors; our

software and computer programs; the accumulated experience reflected in our training program, operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (“System Standards”) set out in our operations manuals (“Manuals”) and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.

You may purchase a Roseus Hospitality franchise (“Franchise”) to develop and operate one Franchised Business at a mutually agreed upon site (the “Site”) within an area (“Territory”) that we will specify in the Franchise Agreement that we and you will execute (the “Franchise Agreement”). Our current form of Franchise Agreement is included as Exhibit E to this Disclosure Document. You will have no obligation, nor any right, to open any additional Franchised Businesses. Under the Franchise Agreement, you have no right to use the Marks or the System at any location other than the Site or to use the Marks or the System in any wholesale, e-commerce, or other channel of distribution other than the operation of the Franchised Business at the Site. We and our affiliates have the right to use, or license the use of, the Mark, or any other trademark or service mark, in the designated area of responsibility.

You must designate an Owner with at least a 10% ownership interest in your Entity as your “Operating Principal.” The Operating Principal must have authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us.

Competition

The general market for the products and services offered by the Franchised Businesses is highly competitive. Franchised Businesses will compete with local, regional, and national service providers offering similar services to those your Franchised Business will offer.

The market for our services is year-round, but it will fluctuate to some degree depending on the time of year and location of your Franchised Business. The success of your Franchised Business will depend in large measure on the demographics of the residents of your Territory, the competition surrounding your Franchised Business, local labor conditions and wage rates, the local costs of advertising, the availability of suitable facilities in convenient locations and at affordable rents, and your management, marketing, and selling skills and work ethic.

Industry-Specific Regulations

You will have to comply with laws and regulations that are applicable to business generally (such as workers’ compensation, OSHA, and Americans with Disabilities Act requirements). You will also have to comply with the Fair Housing Act and may have to comply with equivalent and applicable state and local statutes. Most states and local jurisdictions have enacted laws, rules, regulations, and ordinances which may apply to the operation of your franchise, including those that require a permit, certificate, or other license, including but not limited to real estate brokerage licensing. Your state and local jurisdiction may also have enacted laws regulating the landlord-tenant relationship. You will need to investigate the scope of those laws in your state to determine whether you will need to obtain some form of license or certification other than other compliance measures. Other laws regulating businesses in general may also apply to your Franchised Business. You are solely responsible for investigating all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant, or financial advisor regarding such regulations prior to purchasing a franchise from us.

Federal, state, and local governmental laws, ordinances and regulations periodically change. It will be your responsibility to ascertain and comply with all federal, state, and local governmental requirements in your jurisdiction. We do not assume any responsibility for advising you on these regulatory matters. You should consult with your attorney about laws and regulations that may affect your Franchised Business.

**ITEM 2.
BUSINESS EXPERIENCE**

Philip Bernardo – Founder and Chief Executive Officer

Mr. Bernardo has served as our CEO since our formation in November 2022. Mr. Bernardo also serves as the Owner and CEO of our Company-Owned Outlet, RHG, since July 2021. Since January 2022 Mr. Bernardo has served as a Consultant on Portfolio Initiatives for Xenia Hotels and Resorts. From March 2022 to January 2022, Mr. Bernardo served as an Analyst in the Hotel Revenue Department at Walt Disney World Resort in Orlando, Florida. From August 2015 to March 2020, Mr. Bernardo served as an Analyst in the Hotel Revenue Analytics department at Universal Orlando Resort in Orlando, Florida. Mr. Bernardo serves in all his current capacities from our headquarters in Orlando, Florida.

Bill Anthony – Chief Revenue Officer

Mr. Anthony has served as our Chief Revenue Officer since our formation in November 2022. Mr. Anthony also serves as a Strategic Account Manager in Retail for Tableau in the Seattle, Washington area since May 2018. Since February 2021, Mr. Anthony has served as President of PBA Martial Arts Inc. Mr. Anthony serves in all his capacities from his offices in Fort Myers, Florida.

Greg Gasparini – Chief Development Officer

Mr. Gasparini has served as our Chief Development Officer since our formation in November 2022. In addition to his role with us, since May 2012 Mr. Gasparini has been a Senior Consultant with The Franchise Consulting Company in the Charlottesville, Virginia area. Mr. Gasparini serves in his roles from his offices in Charlottesville, Virginia.

**ITEM 3.
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4.
BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

**ITEM 5.
INITIAL FEES**

Initial Franchise Fee

We will charge you an initial franchise fee (“Initial Franchise Fee”) when you sign the Franchise Agreement. The Initial Franchise Fee depends on the potential territory revenue (“PTR”) expected in your Territory, as specified below:

Territory Size	Total Annual PTR	Initial Franchise Fee
Small	< \$60,000,000	\$50,000
Medium	\$60,000,001 - \$200,000,000	\$75,000
Large	\$200,000,001 +	\$110,000

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.

Grand Opening Marketing Services

Upon signing the Franchise Agreement, you will pay to us a \$5,000 fee to assist you with the development of a grand opening marketing plan and the creation of print and digital marketing materials to advertise the opening of your business. The grand opening marketing plan is described further in Item 11.

Linens and Amenities

You must purchase your inventory of linens and amenities, such as shampoos, conditioners, and lotions from us or our affiliates. The initial purchase will range from \$0 to \$2,500, which you must pay to us upon invoice at least 30 days before you open for business. The high end is for the purchase of a sample set of the bedding sets, pillows, bathmats, robes, all varieties of towels, washcloths, blankets, shampoo, conditioner, body wash, cleaning supplies, and linen spray we offer.

ITEM 6. OTHER FEES

Type of Fee ¹	Amount	Due Date	Remarks
Royalty Fee	8% of monthly Net Revenue ²	10 th day of each month	We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you.
Brand Fund Contribution	Currently not collected; we reserve the right to increase up to 3% of Gross Revenue upon 30 days' notice to you.	10 th day of each month	If we establish a fund for promotion of the Roseus Hospitality brand, you will be required to contribute this amount to the fund each month. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you. We may assess a Brand Fund Contribution of up to 3% of Gross Revenue.
Local Marketing Package	Small: \$1,000 Medium: \$1,500 Large: \$2,500	10 th day of each month	We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you.
Online Travel Agency (“OTA”) Fees	Actual charge by third party	10 th day of each month	These are pass-through fees which we deduct from your revenue and pay to third party OTAs on your behalf.

Type of Fee ¹	Amount	Due Date	Remarks
Credit Card/Merchant Payment Processing Fee	Actual charge by third party	10 th day of each 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	10 th day of each month	This charge is for the cost of our Support Center to handle guest-related requests and services.
Revenue Management Fee	1% of Gross Revenue, subject to increase by no more than 25% in any 12-month period.	10 th day of each month	This charge is for the cost of providing you with revenue management services for stays in your Territory. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you.
Technology Fee ³	Currently \$35 per unit listing per month.	Currently due annually within five business days after the end of each calendar year	There is no cap on the amount the Technology Fee may be increased. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to distributing the balance to you.
National and Regional Account Fee	Varies between 1% - 10% of Gross Revenue for the account.	As invoiced.	Applies when we handle billing or invoicing on national account clients, we charge this fee to cover our costs for administering the work and billing and invoicing the client. We determine the fee for each job based on the size of the load and our arrangement with the national account.
Renewal Fee	10% of the then-current Medium initial Franchise Fee	On execution of successor franchise agreement	In addition to payment of the Renewal Fee, you must meet certain conditions in order to renew your Franchise Agreement. See Item 17 for more information on renewal of your franchise agreement.
Transfer Fee	75% of the then-current Medium initial Franchise Fee.	Closing	If you transfer this Agreement before it expires or is terminated, you must pay us the Transfer Fee. No Transfer Fee is due for transfers upon death or incapacity, or for transfers to an entity for the convenience of ownership.
Late Fee and Interest ⁴	\$50 per week or part week plus 18% per annum.	When amount is past due	Required whenever a payment to us is made after its due date.

Type of Fee ¹	Amount	Due Date	Remarks
Initial Training Fee for Additional or Replacement Trainees ⁵	Currently, \$1,000 per trainee (subject to change without limitation by written notice to you).	Before training starts	We reserve the right to charge a reasonable fee for training (i) persons who are repeating the course or replacing a person who did not pass, and (ii) subsequent Operating Principals, Key Managers, or employees who attend the course.
Additional Training Programs	Varies based on program.	Before training starts	We may charge you a reasonable fee for optional or required training programs that we may provide.
In-Person Consulting Services	Currently, \$500 per employee or agent for each full or partial day, plus their travel and living expenses.	As invoiced	Payable if we provide requested consulting services in person at a place other than our offices. We may change this fee without limitation from time to time upon written notice to you.
Temporary Management	7% of the Franchised Business's Gross Revenue during the period of management, plus our costs and expenses.	10 th day of each month	Payable if we exercise our right to manage your Franchised Business after a default.
Mandatory Seminars, Conventions or Programs	Registration fee for you and any employees who attend, up to \$500 per person <i>plus</i> cost of travel and lodging.	As invoiced	Payable for you and your employees who attend any conventions, meetings, demonstrations, and teleconferences that we host. The registration fee may vary from event to event based on the costs and expenses we expect to incur, the vendor contributions we expect to collect, and the number of franchisees we expect to attend. You are responsible for the travel and living expenses of you and your employees. We do not at this time have mandatory meetings, but we will have an annual convention and may in the future conduct periodic meetings that you must attend.
Product, Service, Supplier, and Service Provider Review	Our cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs.	As arranged	Payable if you wish to offer products or use any supplies, equipment, or services that we have not approved or wish to purchase from a supplier or service provider that we have not approved, whether or not we approve the item, service, supplier, or service provider.

Type of Fee ¹	Amount	Due Date	Remarks
Insurance	Cost of the premium plus a fee for our services in procuring the insurance.	As arranged	Payable only if you fail to maintain the minimum insurance we require and we choose to procure the required insurance for you.
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.
Grand Opening Advertising	\$5,000	As arranged	In connection with the opening of the Franchised Business, you must submit a grand opening marketing plan to us for our approval. We have the right to modify your grand opening plan, in our sole discretion, and may require you to use a public relations firm to assist with your grand opening.
Limited Damage Waiver (“LDW”) Program Fees	Our then-current fee (the “LDW Fee”) per rental transaction where renter elects to participate in the LDW Program (each, an “Applicable Transaction”), which may vary based on the Client Property and other factors. Currently, the LDW Fee is \$59.00 per rental transaction based on our System experience with our current LDW Program.	As incurred	Unless prohibited by state law where you or your Client Property at issue is located, you must offer prospective renters of your Client Properties the right to participate in a limited damage waiver program before completing a rental transaction using our Proprietary Software and Web Hosting Program. A portion of the LDW payment made by the renter includes fees payable to us. Upon receipt of each LDW payment, you will be invoiced for our portion, directly.
Audit	Our costs and expenses, including costs for an independent accountant and attorneys’ fees and related travel and living expenses, plus the amount of any underpayment.	As invoiced	Payable if an audit or review shows an understatement of 2% or more of Gross Revenue for the audited or reviewed period.
Inspection	Our expenses incurred in inspecting your business, including travel and living expenses, wages, and other expenses for our employees.	As invoiced	Payable if inspection is necessitated by your repeated or continuing failure to comply with any provision of the Franchise Agreement.
Remedial Expenses	Our expenses incurred in correcting your operational	As invoiced	Payable if we correct deficiencies that we have identified during a Site

Type of Fee ¹	Amount	Due Date	Remarks
	deficiencies.		inspection and that you failed to correct within a reasonable time after notice from us.
Indemnification	Amount of our liabilities, fines, losses, damages, costs, and expenses (including attorneys' fees and costs of defense).	As incurred	Payable if we incur losses due to your breach of the Franchise Agreement or any other action or inaction by you or any other person relating to your Franchised Business
Noncompliance Fee	\$500 per violation	Within 10 days of invoice date	If you advertise to, solicit, or perform services related to the Business outside the Territory without our prior written consent, we may charge this fee for each occurrence.
Enforcement Expenses	Our cost of de-identifying your Franchised Business.	As invoiced	Payable if your Franchise Agreement expires or is terminated, you fail to de-identify your Franchised Business and we take steps to do so.

Notes:

1. All of the fees in the table above are imposed by us, payable to us, non-refundable, and are uniformly imposed. You must use the payment methods we designate. You must furnish us and your bank with any necessary authorizations to make payment by the methods we require.

2. "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, and (iv) 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.

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, assigned phone numbers and email addresses, rate management technology and digital lock subscriptions, as needed.

4. Interest will be calculated from the date the payment was due. If the maximum rate of interest permitted by applicable law is less than eighteen percent, then interest will be calculated at the maximum rate permitted by such law.

5. This fee does not apply to initial training for your Operating Principal or initial managers (“Required Trainees”). If we are required or you request us to train additional persons to supervise the operation your Business, you must pay us this fee in addition to any associated costs of travel.

**ITEM 7.
ESTIMATED INITIAL INVESTMENT**

A. Your Estimated Initial Investment

Type of Expenditure ¹	Amount		Method of Payment	When Due	To Whom Payment Is Made
	Low Estimate	High Estimate			
Initial Franchise Fee ²	\$50,000	\$110,000	Lump sum	At signing of Franchise Agreement	Franchisor
Training Expenses ³	\$500	\$3,000	As arranged	As incurred	Airlines, Hotels, Restaurants
Linens and Amenities ⁴	\$0	\$2,500	As arranged	As incurred	Franchisor or its affiliate
Grand Opening Advertising ⁵	\$5,000	\$5,000	As arranged	As incurred	Franchisor or its affiliate
Rent (3 months) ⁶	\$0	\$2,500	As arranged	As arranged	Landlord
Furniture and Fixtures ⁷	\$0	\$5,000	As arranged	As arranged	Suppliers
Equipment ⁸	\$0	\$1,000	As arranged	As arranged	Suppliers
Computer System ⁹	\$0	\$2,000	As arranged	As arranged	Suppliers
Office Supplies ¹⁰	\$0	\$100	As arranged	As incurred	Suppliers
Vehicle ¹¹	\$0	\$2,250	As arranged	As incurred	Suppliers
Vehicle Graphics ¹²	\$200	\$300	As arranged	As incurred	Suppliers
Insurance ¹³	\$750	\$1,200	Lump sum	As arranged	Providers
Permits & Licenses ¹⁴	\$100	\$250	As incurred	As incurred	Government Authorities
Professional Fees ¹⁵	\$250	\$3,000	As arranged	As arranged	Providers
Additional Funds, 3 months ¹⁶	\$15,000	\$25,000	As arranged	As incurred	Suppliers
TOTAL¹⁷	\$71,800	\$163,100			

Notes:

1. Type of Expenditure. The amounts provided in this Item 7 include costs you will incur to start your business. These estimates are based upon industry data and our experience in operating the Company-Owned Outlets. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The estimates provided in this Item 7 assume that you will rent the premises in which your Franchised Business will be located from a third-party landlord. It does not include costs associated with the acquisition of real estate if you decide to operate from a building you purchase.

2. Initial Franchise Fee. As detailed in Item 5, your initial franchise fee is based on the PRT of the Territory we grant you.

3. Training Expenses. There is no fee for Initial Training for up to two people. Your Operating Principal and an initial trainee (if they are different people) must complete initial training to our sole, subjective satisfaction before you may open the Franchised Business. This amount estimates the costs and expenses of your travel to trainings offered on site at our Company-Owned Outlet.
4. Linens and Amenities. You must purchase your supply of linens and amenities from us or our affiliates. This low estimate assumes you will not initially purchase a supply of linens and amenities while you acquire accounts. The high-end estimates the cost for a sample set of linens and amenities; bedding sets, pillows, bathmats, robes, all varieties of towels, washcloths, blankets, shampoo, conditioner, body wash, cleaning supplies, and linen spray to begin operating your Business.
5. Grand Opening Advertising. You must pay us this amount to assist you with your initial marketing plan and provide you with print and digital marketing materials.
6. Rent. We do not require you to obtain a leased office space. The low end estimate assumes you will be operating the Business from your home. The high-end estimate assumes you lease a small office space for around \$800 per month. Rent costs may vary significantly depending on the characteristics of the space leased, current local marketing conditions, and your ability to negotiate the terms of any lease agreement with the landlord.
7. Leasehold Improvements. The low end of the estimate assumes you are working from a home office and do not need to perform any construction. The high end assumes you have rented an office space and need to perform minimal improvements to operate the Business. Your actual costs will depend on, among other factors, the Franchised Business location, the size of the Franchised Business, the condition of the premises being remodeled, national and local economic factors, the local costs of materials and labor, and the amount of tenant improvement allowances that you are able to obtain, if any. In certain major metropolitan markets such as Boston, Chicago, New York, Los Angeles, San Francisco, Seattle, and Washington, D.C., costs could be significantly higher than the estimates provided here due to local market rates for materials and labor. As a result, we cannot accurately project your costs.
8. Furniture and Fixtures. The low-end estimate assumes you are working from home and do not need to purchase any furniture or fixtures. The high-end estimate assumes you will need to buy a desk and shelves for storage. The cost of furniture and fixtures for your Site may vary greatly depending on the size of your Site and your choice of furnishings. We have the right to require you to purchase furnishings and fixtures from designated suppliers or to purchase items that meet our specifications or standards.
9. Equipment. The low-end estimate assumes you choose not to buy any additional equipment. The high-end estimate assumes you choose to purchase equipment like a grill or carpet cleaner for use in units. We will provide you with a list of additional equipment you may choose to purchase.
10. Computer System. You must purchase computing and telecommunications equipment in accordance with specifications and standards set forth in our confidential Operations Manual. We may require you to maintain and upgrade such equipment as necessary to perform required services, including to conform to our then-current specifications for such equipment.
11. Office Supplies. The low-end estimate assumes you already own an adequate amount of office supplies and choose not to buy any additional amounts. The high-end assumes you will need to buy items including paper, pens, folders, and additional printer ink.
12. Vehicle. You must lease or purchase a vehicle that meets our specifications. The low end of the estimate contemplates the first three months' payments if you already own a vehicle that meets our specifications. The high end contemplates you purchase a new vehicle in full; our estimate assumes 3 monthly payments if you purchase and finance a new pickup truck at \$45,000 for 60 months with \$0 down payment and 0% interest. We cannot accurately calculate interest rates because each buyer has personal factors that determine their available interest rate.

13. Vehicle Graphics. You will be required to have our approved graphics placed on your vehicle. Currently we only require the use of magnets. If you choose to have your vehicle wrapped, it may be higher than the estimates we have provided.
14. Insurance. You must purchase insurance consistent with our specifications as discussed in greater detail in Item 8.
15. Permits and Licenses. You must secure all permits and licenses required to operate the Franchised Business in your Territory.
16. Additional Funds. This amount estimates the expenses you will incur during the first 3 months of operations, including taxes, payroll, equipment and vehicle expenses, and office, paper and cleaning supplies. In addition, these expenses assume you pay the minimum monthly advertising contribution and continuing Royalty Fees, and do not suggest or imply that you will generate any specific level of sales. This estimate does not include owner distributions or draws. This estimate is based upon available industry data, our owners' and principal officers' prior business experience, and our experience in operating the Company-Owned Outlet.
17. Total. Your costs may vary based on a number of factors including, but not limited to, the geographic area in which you open, local market conditions, the size of your Franchised Business, and your skills at operating a business. We strongly recommend that you use these categories and estimates as a guide to develop your own business plan and budget and investigate specific costs in your area. Your actual costs in each category and your actual total costs may be higher or lower than the costs estimated in this chart. You should independently investigate the costs of opening a comprehensive property management Franchised Business in the geographic area in which you intend to open a Franchised Business. You should also review the figures carefully with a business advisor before making any decision to purchase the Franchise. This estimate is based upon available industry data, our owners' and principal officers' prior business experience, and our experience in operating the Company-Owned Outlet.

We do not provide financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon such factors as the availability of financing, your credit worthiness, collateral which you may make available, or policies of local lending institutions with respect to the nature of the business.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Authorized Products and Services

We have the right to require that furniture, fixtures, signs, and equipment (the "Operating Assets") and property management products, supplies, and services that you purchase for resale or purchase or lease for use in your Franchised Business: (i) meet specifications that we establish from time to time; (ii) be a specific brand, kind, or model; (iii) be purchased or leased only from suppliers or service providers that we have expressly approved; or (iv) be purchased or leased only from a single source that we designate (which may include us or our affiliates or a buying cooperative organized by us or our affiliates).

You must offer to customers the specific products and services that we require in the Manuals or otherwise in writing and may only offer the products and services we authorize in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand if we have not prescribed specific standards).

Other than where we or our affiliate are the supplier, 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.

Items That Must Be Obtained or Purchased From Us Or Our Affiliates

Grand Opening Marketing Services. You must purchase the print and digital marketing materials for your grand opening marketing plan from us. We will provide you with the materials for use in your market.

Linens and Amenities. You must purchase all linens and amenities from us or our affiliates. Generally, this will include bedding sets, pillows, bathmats, robes, all varieties of towels, washcloths, blankets, shampoo, conditioner, body wash, cleaning supplies, and linen spray. We will provide you with specifications for type and quantity in the Manuals.

Ongoing Marketing Services. You will pay us a monthly fee for marketing support services in your local market. We will provide you with a list of the marketing services we provide in the Manuals.

Credit Card Payment Processing Services. We require you to purchase merchant processing services from us or our affiliates. When you begin collecting revenue in your Business, the payment processor may process all credit card payments related to your Business, and remit payment to you of all monies owed, after withholding any fees payable to us, including but not limited to Royalty Fees, Technology Fees, or Brand Fund Contributions (if we begin collecting) and any payment processing fees payable to such processor.

Damage Waiver Program. We provide a central account for the Damage Waiver Program required for rental units. We will provide you specifications and enrollment assistance in the Manuals.

Revenue Management Services. We will provide you Revenue Management Services from our headquarters. We will provide you specifications and enrollment assistance in the Manuals.

Items That Must Be Purchased From An Approved Supplier

Currently, we have not designated or approved any third-party supplier for required purchases or services. We reserve the right to designate a specific supplier or approved third party at any time.

Items That Must Meet Our Specifications

Insurance

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 \$1,000,000 per occurrence and \$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 \$1,000,000, or greater if required by state law;
- at all times you have employees, employment practices/abuse and employee dishonesty insurance, including third-party coverage of a recommended minimum of \$1,000,000 or greater if required by state law for worker's compensation coverage; and
- employer liability coverage of a recommended minimum of \$1,000,000.

All of your insurance carriers must be rated A-VIII or higher by A.M. Best and Company, Inc. (or such similar criteria as we periodically specify). These insurance policies must be in effect on or before the deadlines we specify. All coverage must be on an “occurrence” basis, except for the employment practices liability insurance coverage, which is on a “claims made” basis. All policies shall apply on a primary and non-contributory basis to any other insurance or self-insurance that we or our affiliates maintain. We must be named as an additional insured under each policy that we require. You must provide us with certificates of insurance or other evidence of coverage satisfactory to us. We may require additional types of coverage or increase the required minimum amount of coverage on 60 days’ notice to you.

Computer System

You are required to purchase the components of the Computer System that meets our specifications. We will provide you with the minimum requirements in the Manuals. Currently, the Computer System consists of a smartphone, a computer, and a printer.

Vehicle

You are required to use a vehicle that meets our specifications. If you do not already own a vehicle that meets our specifications, you will be required to lease or purchase the vehicle. We will provide you with the minimum requirements in the Manuals.

Approval Process

If you would like to offer products or use any supplies, Operating Assets, or services that we have not approved or to purchase or lease from a supplier or service provider that we have not approved, you must submit a written request for approval and provide us with any information that we request. We have the right to inspect the proposed supplier’s facilities and test samples of the proposed products and to evaluate the proposed service provider and the proposed service offerings. Proposed suppliers may be required to come to our offices in Orlando, Florida for us to evaluate. You agree to pay us an amount not to exceed the reasonable cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs, whether or not the item, service, supplier, or service provider is approved. We have the right to grant, deny, or revoke approval of products, services, suppliers, or service providers based solely on our judgment. We will notify you in writing of our decision as soon as practicable following our evaluation. If you do not receive our approval within 90 days after submitting all of the information that we request, our failure to respond will be deemed a disapproval of the request. You acknowledge that the products and services that we approve for you to offer in your Franchised Business may differ from those that we permit or require to be offered in other Franchised Businesses.

We reserve the right to re-inspect the facilities and products of any approved supplier and to reevaluate the services provided by any service provider at and to revoke approval of the item, service, supplier, or service provider if any fail to meet any of our then-current criteria. If we revoke approval of a previously approved product that you have been selling to customers or service that you have been offering to customers, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly approved inventory as we direct.

Issuance of Specifications and Standards

To the extent that we establish specifications, require approval of suppliers or service providers, or designate specific suppliers or service providers for particular items or services, we will publish our requirements in the Manuals. We may, at any time, in our discretion, change, delete, or add to any of our specifications or quality standards. Such modifications, however, will generally be uniform for all

franchisees. We will notify you of any changes to our Manuals, specifications, or standards in writing, which we may transmit to you electronically.

Proportion of Purchases Subject to Specifications

We estimate that the cost to purchase and lease all equipment, inventory and other items and services that we require you to obtain from us or our affiliates, from designated suppliers, or in accordance with our specifications ranges from 70% to 95% of the total cost to purchase and lease equipment, inventory, and other items necessary to establish a Franchised Business and 70% to 95% of the total cost to purchase and lease equipment, inventory, and other items to operate a Franchised Business.

Revenue from Purchases

We or our affiliates may receive revenues or profits or other material consideration from the purchases you make from us, our affiliates, or from other approved suppliers. We or our affiliates intend to earn revenue from your purchase of apparel and merchandise, project management services, furniture, fixtures, equipment, technology, signage and graphics, audio-visual equipment, services we or they may offer, and other items that we may specify from time to time. We or our affiliates may retain any rebates or other payments we receive from suppliers.

While we have not currently, we may establish arrangements with suppliers which entitle us to receive rebate payments from the supplier equal to a percentage of your total purchases for certain goods or services.

Cooperatives and Purchase Arrangements

We are not involved in any purchasing or distribution cooperatives. We may, but are not obligated to, negotiate purchase arrangements with suppliers for the benefit of franchisees. As of the issuance date of this Disclosure Document, we have not negotiated any such arrangements.

Material Benefits

We do not provide any material benefits to franchisees (for example, renewal or granting additional franchises) based upon their purchase of particular products or services or use of particular suppliers.

ITEM 9. FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA). It will help you find more detailed information about your obligations in the Franchise Agreement and in other items of this Disclosure Document.

Obligation	Section (§) in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	FA §§2.1, 5.1,5.2	Item 11
b. Pre-opening purchases/leases	FA §5.1	Item 8
c. Site development and other pre-opening requirements	FA §§5.1, 6.1, 6.2.	Items 6, 7, and 11
d. Initial and ongoing training	FA §§6.2, 6.3	Items 6 and 11
e. Opening	FA §5.1	Item 11
f. Fees	FA Article VIII	Items 5 and 6
g. Compliance with standards and policies/ Manual	FA Article V	Items 8 and 11

Obligation	Section (§) in Agreement	Disclosure Document Item
h. Trademarks and proprietary information	FA Article III	Items 13 and 14
i. Restrictions on products/ services offered	FA §§5.3, 5.4	Items 8 and 16
j. Warranty and customer service requirements	FA §5.15	Item 11
k. Territorial development and sales quotas	FA Article II	Item 12
l. Ongoing product/service purchases	FA §§5.3, 5.4	Item 8
m. Maintenance, appearance, and remodeling requirements	FA §5.12	Item 11
n. Insurance	FA §9.3	Items 6 and 8
o. Advertising	FA §2.2, Article VII	Items 6, 8, and 11
p. Indemnification	FA §9.2	Item 6
q. Owner's participation/ management/staffing	FA Article VI	Items 11 and 15
r. Records/reports	FA §8.11	Item 16
s. Inspections/audits	FA §8.12	Items 6 and 11
t. Transfer	FA Article X	Item 17
u. Renewal	FA §4.2	Item 17
v. Post-termination obligations	FA Article XIII	Item 17
w. Non-competition covenants	FA §9.4	Item 17
x. Dispute resolution	FA Article XI	Item 17
y. Other: Guaranty of franchisee obligations	FA Attachment B	Item 15

**ITEM 10.
FINANCING**

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

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

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

If we have appointed, or appoint in the future, an Area Representative to operate an Area Business in the area in which your Franchised Business is located, such Area Representative may provide the training, support, marketing, and other services described in this Item 11 to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement.

Our Pre-Opening Obligations

For all Franchise Agreements, whether executed pursuant to a Development Agreement or otherwise, before you begin operating your Franchised Business:

1. Designate Territory. We will designate your Territory on Attachment A to your Franchise Agreement. (Franchise Agreement Article II).

2. Site Selection. We will review and approve any proposed site for the Franchised Business. You will provide written notice of the proposed Site to us and, within thirty days thereafter, we will provide written notice to you if the proposed storage site is acceptable to us. We will not unreasonably withhold our approval of your proposed Site but if you do not submit a site that meets our reasonable requirements we may terminate the Franchise Agreement. We shall have the right but not the obligation to inspect in person the proposed Site. The foregoing process shall be repeated each time you desire to change the Site.

While we will provide assistance and guidance, it is solely your responsibility to select a suitable Site for the Franchised Business. Our acceptance of a proposed Site is not a warranty or representation of any kind as to the potential success or profitability of your Franchised Business.

You must secure a Site that we have accepted by signing a Site lease or purchase agreement within ninety days after the effective date of your Franchise Agreement (the “Site Acquisition Deadline”). We may extend this Site Acquisition Deadline by up to ninety days in our sole discretion, and we may require you to execute a general release as a condition of us agreeing to grant such extension. If we have accepted a site for your Franchised Business and you are unable or unwilling to acquire such site or an alternative site that we accept by the Site Acquisition Deadline or you are unable to identify a site for your Franchised Business that we accept by the Site Acquisition Deadline, we may terminate the Franchise Agreement. (Franchise Agreement Article II).

3. Approval of Site Lease. Before you make a binding commitment to purchase, lease, or sublease a Site, we must approve in writing the proposed lease or purchase agreement or any letter of intent between you and the third-party seller or lessor. If you lease the Site, unless we waive the requirement in writing, you must arrange for the execution of the Lease Rider in the form that is attached as Attachment E to the Franchise Agreement in Exhibit E to this Disclosure Document. We may require you to engage an attorney to review your lease or purchase agreement for the Site that we have accepted and to supply us with reasonable documentation in connection with such review, including a lease abstract and confirmation that the terms in the agreement reflect the terms in any letter of intent between you and the third-party seller or lessor. We will not provide you with any legal advice with respect to your lease or purchase of the Site. Our review of the lease is for our benefit and is not intended to supplement or replace any review by a real estate attorney engaged on your behalf. You are strongly encouraged to engage competent legal counsel to assist in the review and negotiation of your Site lease. (Franchise Agreement Article II).

4. Initial Training. We will provide Initial Training in the System and our policies and procedures to your Required Trainees. See “Training”, below in this Item. (Franchise Agreement Article VI)

5. Manuals. We will provide you with electronic access to our Manuals, on loan for as long as this Agreement or a successor franchise agreement remains in effect. As of the date of this Disclosure Document, the Manuals are still under development but currently have a total of 103 pages. (Franchise Agreement §5.7)

6. Advice. We will advise you as to the progress of local marketing and networking efforts. We will provide you with templates for customer agreements and related waivers for use in your Franchised Business, which you must adapt to comply with applicable laws and regulations. We must approve any modified forms of such agreements or waivers. (Franchise Agreement Article VII)

7. Opening Approval. We will approve your Franchised Business opening, provided that you have met all of our requirements for opening, including, but not limited to, providing us with a certificate of occupancy and building the Franchised Business in compliance with our requirements. (Franchise Agreement Article II).

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 between 90-120 days. Before you may open, you must (i) complete our initial 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 120 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 §8.2).

Ongoing Assistance

During the operation of your Franchise:

1. Review Advertising. We will review any advertising or promotional programs or materials that you develop. (Franchise Agreement §2.2)
2. Brand Fund Management. We will manage any Brand Fund we establish as described below in this Item. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within sixty days after the close of our fiscal year to franchisees who request a copy in writing. (Franchise Agreement §7.1)
2. Relocation Review. We will evaluate sites to which you propose to relocate your Franchised Business in accordance with our then-current real estate project management requirements. (Franchise Agreement §5.2)
3. Pricing. If we determine that we may lawfully require you to charge certain prices for goods or services, certain minimum prices for goods or services, or certain maximum prices for goods or services, you must adhere to our pricing policies as set forth in the Manuals or otherwise in writing from time to time. We currently require you to charge rates equal to or in excess of a minimum pricing schedule, which we will provide and may revise from time to time. Otherwise, you are solely responsible for determining the prices that you charge customers and must provide us with your current price list upon our request. (Franchise Agreement §5.13).

Advertising

Our Marketing

We may from time to time formulate, develop, produce, and conduct, at our sole discretion, advertising or promotional programs in such form and media as we determine to be most effective. We may make available for you to purchase approved advertising and promotional materials, including signs, posters, collaterals, etc. that we have prepared.

We have not conducted media advertising for the Roseus Hospitality concept. If we conduct media advertising, we may use direct mail, print, radio, Internet, or television, which may be local, regional, or national in scope. We may produce the marketing materials in-house or employ a local, regional, or national advertising agency. We are not obligated to conduct any advertising or marketing programs within your market.

Local Marketing

You must pay us an amount equal to the applicable amount for your territory size (the “Local Marketing Package”). We will conduct marketing efforts in your market on your behalf. We have the right to designate in the Manuals the types of expenditures that will or will not count toward the Local Marketing Package.

LOCAL UNIT OWNER MARKETING EXPENDITURE	
Small	\$1,000
Medium	\$1,500
Large	\$2,500

You must participate in such advertising, promotional, and community outreach programs that we may specify from time to time, at your own expense. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we and franchisees in neighboring territories agree otherwise. You must ensure that all of your advertising, marketing, promotional, customer relationship management, public relations and other brand related programs and materials that you or your agents or representatives develop or implement relating to the Franchised Business is completely clear, factual and not misleading, complies with all applicable laws and regulations, and conforms to the highest ethical standards and the advertising and marketing policies that we periodically specify. Moreover, you must conduct all advertising in a dignified manner and in conformance with the standards and requirements we specify in the Manuals.

You must submit to us in writing for our prior approval all sales promotion materials and advertising that have not been prepared by or previously approved by us. If our written approval is not received within 14 days from the date we received the material, the material is deemed disapproved. We will have the final decision on all creative development of advertising and promotional messages. We reserve the right to require you to discontinue the use of any advertising or marketing materials.

Grand Opening Advertising

In connection with the opening of the Franchised Business, you must pay us \$5,000 for grand opening advertising and promotion in the ninety days after opening the Franchised Business in accordance with a plan we will prepare for you.

Brand Fund

We may, but are not obligated to, establish the Roseus Hospitality Brand Fund, a segregated or independent fund into which all Brand Fund Contributions will be paid (the “Brand Fund”). While currently we do not collect the Brand Fund Contribution, we may collect a Brand Fund Contribution of up to 3% of your Gross Revenue from you for contribution to the Brand Fund. We may use monies in the Brand Fund and any earnings on the Brand Fund account for any costs associated with advertising (media and production), branding, marketing, public relations or promotional programs and materials, and any other activities we believe would benefit the Roseus Hospitality brand or the Franchised Businesses generally, including advertising campaigns in various media; creation, maintenance, and optimization of the System Website or other websites; keyword or adword purchasing programs; conducting and managing social media activities; direct mail advertising; market research, including, without limitation, secret shoppers and customer satisfaction surveys; branding studies; employing advertising or public relations agencies; purchasing promotional items; conducting and administering promotions, contests, giveaways, public relations events, and community involvement activities; and providing promotional and other marketing materials and services to our franchisees. We have the right to direct all marketing programs, with the final decision over creative concepts, materials, and media used in the programs and their placement. We do not guarantee that you will benefit from the Brand Fund in proportion to your contributions.

We will make any sales and other materials produced with Brand Fund monies available to you without charge or at a reasonable cost, and we will deposit the proceeds of such sales into the Brand Fund.

We will not use the Brand Fund for anything whose sole purpose is the marketing of franchises; however, the Roseus Hospitality website, public relations activities, community involvement activities, and other activities supported by the Brand Fund may contain information about franchising opportunities.

We will not use any contributions to the Brand Fund to defray our general operating expenses, except for reasonable administrative costs and overhead we incur in activities reasonably related to the administration of the Brand Fund or the management of Brand Fund-supported programs (including the pro-rata amount of salaries of our personnel who devote time to Brand Fund activities and retainers and fees for outside agencies). We may use monies in the Brand Fund to pay for an independent audit of the Brand Fund, if we elect to have it audited.

In no event will we be deemed a fiduciary with respect to any Brand Fund Contributions we receive or administer. We are not required to have an independent audit of the Brand Fund completed. We will prepare an unaudited statement of contributions and expenditures for the Brand Fund and make it available within sixty days after the close of our fiscal year to franchisees who make a written request for a copy.

As of the date of this Disclosure Document, we have not created a Brand Fund and, accordingly, there were no Brand Fund expenditures. Any sums in the Brand Fund at the end of any year shall be applied toward the following years' expenditures.

Digital Marketing

We may, in our sole discretion, establish and operate websites, social media accounts (such as Facebook, Twitter, Instagram, Pinterest, etc.), applications, keyword or adword purchasing programs, accounts with websites featuring gift certificates or discounted coupons (such as Groupon, Living Social, etc.), mobile applications, or other means of digital advertising on the Internet or any electronic communications network (collectively, "Digital Marketing") that are intended to promote the Marks, your Franchised Business, and the entire network of Franchised Businesses. We will have the sole right to control all aspects of any Digital Marketing, including those related to your Franchised Business.

Unless we consent otherwise in writing, you and your employees may not, directly or indirectly, conduct or be involved in any Digital Marketing that use the Marks or that relate to the Franchised Business or the network. If we do permit you or your employees to conduct any Digital Marketing, you or your employees must comply with any policies, standards, guidelines, or content requirements that we establish periodically and must immediately modify or delete any Digital Marketing that we determine, in our sole discretion, is not compliant with such policies, standards, guidelines, or requirements. If we permit your or your employees to conduct Digital Marketing, we will have the right to retain full control over all websites, social media accounts, mobile applications, or other means of digital advertising that we have permitted you to use. We may withdraw our approval for any Digital Marketing or suspend or terminate your use of any Digital Marketing platforms at any time.

You are not authorized to have a website for your Franchised Business or to have a webpage related to your Franchised Business in any third-party website, including, without limitation, social networking sites without our prior written approval. As part of our Digital Marketing, we or one of our designees will operate and maintain the Roseus Hospitality website, which will include basic information related to the Franchised Business, the ability for customers to purchase products or services at your Franchised Business, and access to the Franchised Business's reservation system.

Promotional Programs

You must participate in all in-Franchised Business promotional programs that we offer to franchisees. You will follow our guidelines concerning the acceptance and reimbursement of gift certificates, gift cards,

coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing. You will not allow use of gift certificates, gift cards, or coupons (including Groupons and similar discounts) unless approved or offered by us.

Advertising Cooperatives

We currently do not have any advertising cooperatives and have no plans to form such cooperatives in the immediate future. However, you must join and actively participate in any organizations or associations of franchisees or advertising cooperatives that we establish or that are established at our direction for the purpose of promoting, coordinating, and purchasing advertising in local, regional, or national areas where there are multiple Franchised Businesses, and you must abide by the bylaws, rules, and regulations duly required by such advertising cooperative, which we have the right to mandate or approve if and when we form such cooperative. If we form an advertising cooperative, we will have the right to determine how membership will be defined, whether Company-Owned Outlets will participate in the cooperative, and whether we, an affiliate, a franchisee, or a third party will administer the cooperative. If you join an advertising cooperative, we or the advertising cooperative may require you to spend additional funds on marketing programs conducted by the advertising cooperative, which may be in addition to any Brand Fund Contribution or the Local Marketing Budget. There is no cap on this potential spending obligation. If we form an advertising cooperative, we will make any governing documents available to you for your review.

Advertising Councils

We currently do not have an advertising council composed of franchisees to advise us on our advertising policies. We may decide to implement an advertising council in the future, at which point we will set policies related to such council. If we form an advertising council, we may appoint members, allow franchisees to elect members, or have a mix of appointed and elected positions. The advertising council may consist of both franchisees and our representatives. Any advertising council will be advisory and will not have any decision-making authority. We will have the right to modify or dissolve any advertising council that we create.

Computer System

You must obtain, maintain, and use the Computer System that we specify periodically in the Manuals to (i) enter and track purchase orders and receipts, and customer information, (ii) update inventory, (iii) enter and manage your customer's contact information, (iv) generate sales reports and analysis relating to the Franchised Business, and (iv) provide other services relating to the operation of the Franchised Business.

The Computer System typically includes at least one laptop computer, printer, and smartphone device. Components of the Computer System must be connected to the Internet via a high-speed Internet connection. The Computer System will use third-party software from our approved vendors. For any proprietary software or third-party software that we require you to use, you must execute and be responsible for the fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

We estimate that the Computer System will cost up to \$2,000, which includes the cost of the hardware, software licenses, related equipment, and network connections, including related installation costs. We, or our approved suppliers, will act as vendors or suppliers of some or all of the components of the Computer System.

You must maintain the Computer System at your expense and must purchase any hardware or software maintenance or technical support programs that we require. You must replace, upgrade, or update the Computer System as we may require from time to time. We will establish reasonable deadlines for implementation of any changes to our Computer System requirements, but there are no contractual limitations on our right to require changes to the Computer System.

We currently do not require you to enter into, or expect that you will need to enter into, any maintenance, updating, upgrading, or support contracts related to the Computer System. We, our affiliates, and third-party vendors are not obligated to provide you with any ongoing maintenance, repairs, upgrades, or updates. Vendors may be able to offer optional maintenance, updating, upgrading, or support contracts to you.

You, at all times, must give us unrestricted and independent electronic access (including users IDs and passwords, if necessary) to the Computer System for the purposes of obtaining the information relating to the Franchised Business. You must permit us to download and transfer data via a high-speed Internet connection or such other connection that we specify on a real-time basis. There are no contractual limitations on our right to access data stored in the Computer System.

You must dedicate your hardware and software for use as the Computer System only and use the Computer System in accordance with our policies and operational procedures. Your employees must complete any and all training programs we reasonably require for the proper operation and use of the Computer System. You may not use any other cash registers or computer systems in your Franchised Business.

Manuals

As of the date of this Disclosure Document, the Manuals are still under development and have not been completed. The current Table of Contents of the Manuals is attached as Exhibit D to this Disclosure Document. The Manuals currently consist of 103 pages. We may amend, modify, or supplement the Manuals at any time, so long as such amendments, modifications, or supplements will, in our good faith opinion, benefit us and our existing and future franchisees or will otherwise improve the System. You must comply with revised standards and procedures within thirty days after we transmit the updates.

Training

Initial Training

Your Operating Principal and Key Manager must personally attend and satisfactorily complete our Initial Training before you open your Franchised Business. Initial Training currently consists of a combination of virtual/classroom training which may be completed remotely and on-site training at one of the Company-Owned Outlets per the table below. We reserve the right to modify the length, location, and timing of Initial Training. We may waive a portion of Initial Training or alter the training schedule if we determine that your Required Trainees have sufficient prior experience or training. We may provide the entire Initial Training program virtually via video conference in our discretion. The materials used in our training program will include the Operating Manual, power point presentations, online videos and documents, and in-person or virtual live training presentations. Initial Training will be provided as soon as practicable after you sign your Franchise Agreement. We anticipate conducting training on a monthly basis but may conduct more frequent training sessions at our discretion based upon the number of incoming franchises into our System.

We will provide instructors, facilities, and materials for Initial Training for up to two of your representatives (including your Required Trainees) at no additional cost to you, provided that all of your trainees are trained during the same training session. If space is available, you may bring more than two representatives to Initial Training. We reserve the right to charge a training fee of \$1,000, which we may increase upon 60 days' written notice to you, for (i) each person who is repeating the course or replacing a person who did not pass, and (ii) each subsequent Operating Principal, Key Manager, or employee who attends the course. You are responsible for any travel and living expenses, wages, and other expenses incurred by your trainees during Initial Training or any other training programs.

If we have appointed an Area Representative for the area in which your Franchised Business is located, they may provide the on-the-job portions of the first week of Initial Training at their Franchised Business and may perform the second week of Initial Training at your Franchised Business.

Our Initial Training currently consists of the following:

TRAINING PROGRAM

Subject	Hours of Virtual/Classroom Training	Hours of On-The-Job Training	Location
Administrative & Human Resources	2	2	FLAMNGO U, online, or your location
Hospitality	8	2	FLAMNGO U, online, or your location
Technology	8	2	FLAMNGO U, online, or your location
Marketing	2	2	FLAMNGO U, online, or your location
Property Onboarding	2	4	FLAMNGO U, online, or your location
Owner Growth	4	8	FLAMNGO U, online, or your location
Housekeeping	2	6	FLAMNGO U, online, or your location
Maintenance	2	5	FLAMNGO U, online, or your location
Vendor Management	1	2	FLAMNGO U, online, or your location
In-Market Guest Relations	1	2	FLAMNGO U, online, or your location
Revenue Management	4	1	FLAMNGO U, online, or your location
Accounting	4	4	FLAMNGO U, online, or your location
TOTAL HOURS:	40	40	

We use manuals, online presentations, and slide presentations as instructional materials in our training programs. The instructors for our initial training program all have experience working with us or similar facilities as Franchised Businesses offered under this Disclosure Document. Training programs will be led by Phil Bernard, who is our founder and has over 8 years' experience, or by members of our staff who have at least 6 months of experience in the hospitality industry, or whichever subject they are teaching. We may also have trainers from our suppliers assist in training.

Your Required Trainees must successfully complete Initial Training at least 10 days before the Opening Deadline. We will determine, in our discretion, what constitutes successful completion of the program. If your Required Trainees are unable to successfully complete, in our sole discretion, Initial Training for any reason, your Required Trainees must repeat Initial Training, or you must send replacement Required Trainees to complete Initial Training. If your Required Trainees have not, in our sole discretion, successfully completed Initial Training ten days before the Opening Deadline, we may terminate the Franchise Agreement, in which case we will not refund any initial fees paid by you.

Additional Training

We may periodically conduct mandatory or optional training programs for your Required Trainees and/or your employees at our office or another location that we designate. There will be no charge for training programs that we require you or your employees to attend, but we may charge you a reasonable fee for optional training programs. We may provide additional training in person or via recorded media,

teleconference, videoconference, the Internet, webinar, or any other means, as we determine. We may require your Required Trainees or employees to satisfactorily complete any additional training programs that we specify. We may require your Required Trainees to participate in refresher or advanced training each year.

If, in our sole judgment, you fail to maintain the quality and service standards set forth in the Manuals, we may, in addition to all of our other rights and remedies, assign trainers to the Franchised Business to retrain Franchised Business employees and restore service levels and/or require you or your employees to repeat Initial Training or attend additional training programs at a location that we designate. We may charge a reasonable fee for each trainer assigned to your Franchised Business and any remedial training.

If your Key Manager ceases to be employed by you at the Franchised Business and you are unable to immediately appoint and train a new manager, we may, in our sole discretion and for a reasonable fee, provide a Key Manager to work at your Franchised Business temporarily until a new Key Manager is appointed and trained.

Training by You

You and your Key Manager are responsible for training all of your other employees (and subsequent Key Managers) in accordance with our standards and training programs. If, in our sole judgment, you fail to properly train your employees in accordance with our standards, we may prohibit you from training additional employees and either require them to attend training at our headquarters or pay for our costs and expenses to send one of our representatives to train them at your Franchised Business.

Delegation

We may delegate the performance of any or all of our obligations under the Franchise Agreement to an Area Representative, affiliate, agent, independent contractor, or other third party. As described in Item 1, if we appoint an Area Representative in the area that includes your Franchised Business, the Area Representative will provide training, support, marketing, and other services to you on our behalf and will have the authority to exercise many of our rights and perform many of our obligations under the Franchise Agreement.

ITEM 12. TERRITORY

Franchise Program

Site

You must locate your franchise at a specific site that we approve, which may be a home office (the “Site”). Unless we agree otherwise in writing, you must select a Site that we have accepted within the Territory that we specify. The Site will be added to the Franchise Agreement once we accept it and you secure it.

Relocation of the Franchised Business

If you would like to relocate your Franchised Business, you must receive our written consent. Our approval will not be unreasonably withheld, provided (i) the new location for the Franchised Business is satisfactory to us and within your Territory, (ii) your lease, if any, for the new location complies with our then-current requirements, (iii) you comply with our then-current requirements for constructing and furnishing the new location, (iv) the new location will not, as determined in our sole discretion, have a material adverse effect on the Gross Revenue of any other Franchised Business, (v) you have fully performed and complied with each provision of the Franchise Agreement within the last three years prior to, and as of, the date we consent to such relocation (the “Relocation Request Date”), (vi) you are not in default, and no event exists which with the giving of notice and/or passage of time would constitute a default, exists as of the Relocation

Request Date, and (vii) you have met all of our then-current training requirements. If you lose your lease, you must secure our approval of another site and enter into a lease for the new approved site within 90 days after you lose your site lease. You must pay us a relocation fee.

Territory

Upon signing your Franchise Agreement, we will provide you an area in which you will have protected rights (the “Territory” or “Protected Territory”). The size of your Protected Territory may vary from other System franchisees based on the location and demographics surrounding your Premises. The Territory is determined on an individual basis taking into account the total potential revenue that could be achieved within the territory. 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. Depending on the Territory size you choose, your Territory PTR will range as follows:

Territory Size	Total Annual PTR
Small	< \$60,000,000
Medium	\$60,000,001 - \$200,000,000
Large	\$200,000,001 +

The boundaries of your Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. The sources we use to determine the population within your Territory will be publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

Because we retain certain “reserved rights” (described below) within your Protected Territory, the Protected Territory is not an exclusive territory. “Protected” means that we will neither operate, nor award to another person a franchise to operate, another Franchised Business in your Protected Territory, nor will we service, or authorize others to service, customers in your Protected Territory, except in limited circumstances described below in this Item 12, and provided you are not in default under the Franchise Agreement.

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.

Minimum Performance Standards

You are required to meet annual minimum performance standards. 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 2	Tier 3	Tier 4
Year 1	\$500,000	\$750,000	\$1,000,000
Year 2	\$1,250,000	\$1,875,000	\$2,500,000
Year 3	\$2,000,000	\$3,000,000	\$4,000,000
Year 4	\$2,250,000	\$3,375,000	\$4,500,000
Year 5+	\$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.

Reserved Rights

Among other things, we and our affiliates have the right to (a) establish or license franchises or company-owned property management Franchised Businesses, or other businesses offering similar or identical products or services, and using the System or elements of the System (i) under the Marks anywhere outside of the Territory or (ii) under names, symbols, or marks other than the Marks anywhere, including inside and outside of the Territory; (b) sell or offer, or license others to sell or offer, any products or services using the Marks or other marks through any alternative distribution channels, including, without limitation, through e-commerce, in retail stores, via recorded media, via online videos, or via broadcast media, anywhere, including inside and outside of the Territory; (c) advertise, or authorize others to advertise, using the Marks anywhere, including inside and outside of the Territory; and (d) acquire, be acquired by, or merge with other companies with existing property management businesses anywhere (including inside or outside of the Territory) and, even if such businesses are located in the Territory, (i) convert the other businesses to the Roseus Hospitality name, (ii) permit the other businesses to continue to operate under another name, or (iii) permit the businesses to operate under another name and convert existing Franchised Businesses to such other name.

We will not compensate you for any of our activities in your Territory, even if they have an impact on your Franchised Business.

Restriction on Rights

You do not have the right to open additional Franchised Businesses, nor do you have any rights of first refusal on any other location. You do not have the right to use the Marks or the System at any location other than the Site or in any wholesale, e-commerce, or other channel of distribution besides the retail operation of the Franchised Business at the Site. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we agree otherwise. There are no territorial restrictions from accepting business from customers that reside or work or are otherwise based outside of your Territory if these customers contact you, but we reserve the right to implement additional rules and restrictions regarding soliciting such customers in the future in our Manuals.

We reserve the right to establish guidelines concerning the acceptance and reimbursement of gift certificates, gift cards, coupons, corporate discounts, and other promotional programs as we set forth from time to time in the Manuals or otherwise in writing, including policies related to the allocation of monies when a gift certificate is purchased at one Franchised Business and redeemed at another Franchised Business. We do not have these policies or procedures in place, however, as of the date of this Disclosure Document.

Open Territory Operations

You may service customers outside your Protected Territory, with our prior written approval, if customers are located in areas geographically contiguous to your Protected Territory, and no other franchisee of ours has been awarded that territory, nor is the territory protected as an affiliate-owned business (an “Open Territory”).

You may only operate your Franchised Business and service customers within your Protected Territory, unless we have approved you to service customers in Open Territories. As long as you are in compliance with the Franchise Agreement, we will not, during the term of your Franchise Agreement, operate or grant others the right to operate any other Franchised Business within the Protected Territory.

You may not intentionally direct your advertising or marketing at customers in other franchisees’ territories. You must obtain our prior written approval before selling products or services in unassigned Open Territories outside your assigned Protected Territory. Generally, we will grant permission for you to operate

in Open Territories.

If we give you permission to operate in an Open Territory, we have the right to sell or assign it or any part of it at any time, without notice to you. We may revoke your rights to operate in any Open Territory at any time, even if we permitted you to service customers in that Open Territory in the past. You will not have a right of first refusal or option to buy a territory that was formerly designated as an Open Territory. Once an Open Territory is assigned to another System franchisee or affiliate-owned business, you will have no further rights to service customers in that area.

National, Regional, and Key Accounts

We may from time to time enter into agreements to provide services to customers as part of a national, regional, or key account program at locations within the Territory. You must accept and perform the terms of such agreements (including, without limitation, special pricing, payment terms, timing of services, and central invoicing) with respect of locations within the Territory. If you refuse to perform the required services or we determine that your Business is not qualified, interested, able or available to perform the services, you are required to allow either our employee(s) or another franchisee to enter the Territory to perform the required services. In the case of an agreement under which the customer will pay a fixed amount for services at all locations listed in the agreement, we may allocate the fixed amount among the businesses performing the services.

Additional Disclosures

We have not established other franchises or Company-Owned Outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that offer property management services, Franchised Businesses or similar products or services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

ITEM 13. TRADEMARKS

We grant you the right to operate a business specializing in the operation of comprehensive property management services under the Roseus Hospitality mark, and other trademarks, service marks, associated designs, artwork, and logos that we specify from time to time. We may require you to use the Marks in conjunction with other words or symbols or in an abbreviated form.

We have applied for registration of the following Marks with the Principal Register of the United States Patent and Trademark Office (“USPTO”) and we will file required affidavits with respect to each of the Marks:

Mark	U.S. Serial App. No.	Application Date
ROSEUS	97458907	June 15, 2022
THE MARK OF MODERN HOSPITALITY	97459535	June 15, 2022

At this time, we do not have a registration for the Marks. Therefore, the Marks do not have many of the legal benefits and rights as a federally registered trademark. If your right to use the Marks is challenged, you may have to change to an alternative trademark which will increase your expenses.

We claim common law rights to the Marks and other terms and phrases used regularly in connection with the Business. We also claim common law rights to our designs, logos, and trade dress items, including color schemes and appearance, as well as copyright where applicable, but there have not been judicial determinations of the existence, validity, or extent of our rights. We claim and intend to rely on common

law and/or statutory trade secret and unfair competition protection for the proprietary materials and information you are awarded a license to use under the Franchise Agreement.

There are no currently effective determinations of the USPTO, Trademark Trial and Appeal Board, the Trademark Administrator of any state, or any court; nor is there any pending infringement, opposition or cancellation proceedings, or material litigation, involving any of the Marks. We do not know of any superior prior rights or infringing uses that could materially affect your use of any of the Marks. There are no currently effective agreements that significantly limit our rights to use or license the use of the Marks listed above in a manner material to the franchise.

You may also use certain other Marks owned by or licensed to us in the operation of your Franchised Business. You must use the Marks only in strict accordance with the Franchise Agreement and Operations Manual. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we have licensed to you), (iii) in selling any unauthorized services or products, (iv) as part of any domain name, electronic address, metatag, social media account, or otherwise in connection with any website or other electronic medium without our consent, or (v) in any other manner we have not expressly authorized in writing. You must display the Marks in a manner that we specify on signage at the Franchised Business and on all written materials, forms, advertising, promotional materials, supplies, employee uniforms, business cards, receipts, letterhead, contracts, stationary, and other materials we designate. Upon receipt of notice from us, you must discontinue, alter or substitute any of the Marks as we direct.

You must display in a conspicuous location in or upon the Franchised Business, or in a manner that we specify, a sign containing the following notice (or an alternative notice that we specify): “This business is owned and operated independently by [name of franchisee] who is an authorized licensed user of the trademark “Roseus Hospitality,” which is a trademark owned by Roseus Franchise Development, LLC.” You must include this notice or other similar language that we specify on all forms, advertising, promotional materials, business cards, receipts, letterhead, contracts, stationary, and other written materials we designate.

You must promptly notify us if any other person or entity attempts to use any of the Marks or any colorable imitation of any of the Marks. You must immediately notify us of any infringement of or challenge to your use of any of the Marks. We will have the right to take any action that we deem appropriate, but the Franchise Agreement does not require us to take any action to protect your right to use any of the Marks or to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving any of the Marks. We will have the right to control any administrative proceeding or litigation related to the Marks. We will be entitled to retain any and all proceeds, damages, and other sums, including attorneys’ fees, recovered or owed to us or our affiliates in connection with any such action. You agree to execute all documents and, render any other assistance we may deem necessary to any such proceeding or any effort to maintain the continued validity and enforceability of the Marks.

If we decide that you should modify or discontinue using any of the Marks or use one or more additional or substitute service marks or trademarks, you must comply with our directions in the time that we reasonably specify, and neither we nor any of its affiliates will have any obligation to reimburse you for the cost of complying with our directions.

[Remainder of page intentionally left blank. Item 14 begins next page.]

ITEM 14.
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

We own no rights in, or licenses to, any patents or patent applications.

Copyrights

Except as provided below, we own no rights in, or licenses to, any copyrights. We have not registered any copyrights with the United States Copyright Office. However, we claim copyrights with respect to our advertising materials and Operations Manual, as well as other materials we may periodically develop. There are no determinations of the Copyright Office or any court regarding any of our copyrights. There are no agreements limiting the use of any copyrights by us.

Any copyrights used by you in the Franchised Business belong solely to us or our affiliates. You agree to notify us in writing of any suspected infringement of our or our affiliates' copyrights. We and our affiliates have exclusive rights to bring an action for infringement and retain any amounts recovered with respect to such action, and to control any infringement proceeding whether brought by or against us or you. We have no obligation to defend or otherwise protect you against any claims involving any copyright, including without limitation any copyright infringement claim, or to indemnify you for any losses you may incur as a result of our copyrights infringing the rights of any other copyright owner. If so requested by us, you will discontinue the use of the subject matter covered by any copyright used in connection with the Franchised Business.

Proprietary Information

During the term of your Franchise Agreement, we or our affiliates may disclose in confidence to you, either orally or in writing, certain trade secrets, know-how, and other confidential information relating to the System, our business, our vendor relationships, our products and services, or the construction, management, operation, or promotion of the Franchised Business (collectively, "Proprietary Information"). You may not, nor may you permit any person or Entity to, use or disclose any Proprietary Information (including any portion of the Operations Manual) to any other person, except to the extent necessary for your employees to perform their functions in the operation of your Franchised Business. You must take reasonable precautions necessary to protect Proprietary Information from unauthorized use or disclosure, including conducting orientation and training programs for your employees to inform them of your obligation to protect Proprietary Information and their related responsibilities and obligations. If we or our affiliates so request, you must obtain from your officers, directors, Owners, Key Managers, and employees confidentiality agreements in a form satisfactory to us or our affiliates. You will be responsible for any unauthorized disclosure of Proprietary Information by any person to whom you have disclosed Proprietary Information.

ITEM 15.
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION
OF THE FRANCHISE BUSINESS**

At all times that your Franchised Business is open for business, it must be under the personal, on-premises supervision of you, your Operating Principal (if you are a corporation, limited partnership, limited liability company, or other non-natural person), your Key Manager, or a trained attendant. Your Key Manager or another trained manager must be available at all times the Franchised Business is open for business. You or your Operating Principal and your Key Manager must successfully complete our training program and any other training programs that we may require. You may not permit your Franchised Business to be operated, managed, directed, or controlled by any other person without our prior written consent.

Your Operating Principal must have at least a 10% ownership interest in your Entity and must have
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authority over all business decisions related to your Franchised Business and must have the power to bind you in all dealings with us. In addition, you must appoint a Key Manager to manage the day-to-day business of your Franchised Business, who may also be the Operating Principal. The Key Manager is not required to have an ownership interest in your Entity. You must provide us with written notice of your Operating Principal and Key Manager at least sixty days prior to opening and may not change your Operating Principal and Key Manager without our prior approval.

We may also require you to obtain from your officers, directors, Key Managers, instructors, your Owner's spouses, and other individuals that we may designate executed agreements containing nondisclosure and noncompete covenants in a form acceptable to us, such as the form attached as Exhibit H, which specifically identify us as having the independent right to enforce them.

Each Owner, including the Operating Principal, must sign the Payment and Performance Guaranty (the "Guaranty") attached to the Franchise Agreement, assuming and agreeing to discharge all obligations of the franchisee under the Franchise Agreement and agreeing to comply with the confidentiality, indemnification, covenant not to compete, and assignment provisions of the Franchise Agreement. If you are a party to a Development Agreement, each individual with a direct or indirect ownership interest in your Entity must sign the Guaranty attached to the Development Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale in the Franchised Business only the products and services that we have approved in writing. In addition, you must offer the specific products and services that we require in the Manuals or otherwise in writing. We may designate specific products or services as optional or mandatory. You must offer all products or services that we designate as mandatory. You may sell products only in the varieties, forms, and packages that we have approved. You must maintain a sufficient supply of required products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

We may, without limitation, change the types, amounts, or specifications of the goods or services that you may offer. We may, without limitation and in our sole discretion, revoke approval of a previously-approved product or service that you have been selling, in which case, you must immediately discontinue offering the service and may continue to sell the product only from your existing inventory for up to 30 days following our disapproval. We have the right to shorten this period if, in our opinion, the continued sale of the product would prove detrimental to our reputation. After the 30-day period, or such shorter period that we may designate, you must dispose of your remaining formerly-approved inventory as we direct.

We impose no restriction on the retail customers that you may serve at your Franchised Business, but you may not make any sales of products or services outside of the Franchised Business or use vendor relationships that you establish through your association with us or the Roseus Hospitality brand for any other purpose besides the operation of the Franchised Business, unless we consent in writing. You agree to purchase products solely for resale to retail customers, and not for resale or redistribution to any other party, including other Roseus Hospitality franchisees. You may not offer products or services in connection with the Marks on any website on the Internet or any other electronic communication network unless we consent in writing. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory, unless we agree otherwise. While there are no territorial restrictions from accepting business from customers that reside or work or are otherwise based outside of your Territory if these customers contact you, we reserve the right to implement rules and restrictions regarding soliciting such customers in the future in our Manuals or otherwise in writing.

You must ensure that all customers purchase products and arrange for services through the Computer System and make payments through the Computer System.

You may not offer products or services in connection with the Marks on any website on the Internet or any

other electronic communication network unless we consent in writing. Any media advertising or direct mail marketing that you conduct must be predominantly focused within your Territory unless we agree otherwise.

**ITEM 17.
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

THE FRANCHISE RELATIONSHIP

The table below lists certain important provisions of the Franchise Agreement. You should read these provisions in the form of Franchise Agreement attached to this Disclosure Document.

Franchise Agreement

Provision	Section (§) in Franchise Agreement	Summary
a. Length of the franchise term	§4.1	The term is 10 years from the date we execute the Franchise Agreement.
b. Renewal or extension of the term	§4.2	If franchisee satisfies all renewal conditions, the term of the agreement may be renewed for one additional ten-year term.
c. Requirements for you to renew or extend	§4.2	You may renew your license for one renewal term of 10 years; provided that: (i) you have given us written notice of your request to renew at least 180 days but not more than 240 days prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to the grant of a renewal), the terms of which may be materially different from this Agreement, including higher fees; (iii) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and other material obligations on a timely basis during the term and are in good standing; (iv) you comply with our then-current training requirements; (v) you and your guarantors execute a general release of claims in a form we prescribe; and (vi) you pay a renewal fee of \$2,500.
d. Termination by you	§12.6	You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement; provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within thirty days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective sixty days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under this Agreement.
e. Termination by us without cause	N/A	N/A
f. Termination by us with cause	§§12.2; 12.3	You are in default if we determine that you or any guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes (i) making any false report to us; (ii) intentionally understating

Provision	Section (§) in Franchise Agreement	Summary
		<p>or underreporting or failing to pay when due any amounts required to be paid to us or any of our affiliates; (iii) conviction of you or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Marks or the Business or any felony; (iv) filing of tax or other liens that may affect this Agreement; or the filing of voluntary or involuntary bankruptcy by or against you or any guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.</p>
<p>g. “Cause” defined – curable defaults</p>	<p>§§12.2, 12.4</p>	<p>Except as otherwise provided in this Section: (i) you will have thirty days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have ten days to cure those defaults; (ii) your failure to cure a default within the applicable period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.</p> <p>If a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks, violates any health or safety law or regulation, violates any System standard as to cleanliness, health, or safety, or if the operation of your Business presents a health or safety hazard to the public or to customers or employees: (i) you will have no more than twenty-four hours after we provide written notice of the default to cure the default; and if the default is not timely cured, (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.</p>
<p>h. “Cause” defined – non-curable defaults</p>	<p>§12.3</p>	<p>If any of the following defaults occur, you will have no right to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: (i) any material misrepresentation or omission in your franchise application or other reports or information provided to us; (ii) your voluntary abandonment of this Agreement (which includes your failure to operate the Business for seven or more consecutive days); (iii) the closing of the Business by any state or local authorities for public safety reasons; (iv) your registration of any domain name containing our Marks; (v) any unauthorized use of the Confidential Information; (vi) insolvency of you or a</p>

Provision	Section (§) in Franchise Agreement	Summary
		<p>guarantor, you or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; (vii) conviction of you or any guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Business or any felony; (viii) intentionally understating or underreporting Gross Revenues, Royalty Fees or Brand Fund Contributions or any understatement or two percent variance on a subsequent audit within a two-year period; (ix) any actual or attempted unauthorized Transfer in violation of this Agreement; (x) a final judgment against you in our or our affiliates' favor is issued by a court or an arbitrator of competent jurisdiction; or (xi) any default by you that is the second default of any type within any period of twelve consecutive months even if the default(s) were cured.</p>
<p>i. Your obligations on termination/ non-renewal</p>	<p>§13.1</p>	<p>All of your rights to the use of the Marks and all other rights and licenses granted herein and the right and license to conduct business under the Marks will revert to us without further act or deed of any party. All of your right, title, and interest in, to, and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Business (although we will not assume any past due obligations). You also agree to abide by the terms of the Non-Competition Agreement, attached to the Franchise Disclosure Document as Exhibit H.</p> <p>(a) You must immediately comply with the post-term noncompetition obligations of this and any other agreement between you and us, cease all use and display of the Marks and of any proprietary material (including the Operations Manual), and of all or any portion of promotional materials furnished or approved by us, assign all right, title, and interest in the telephone numbers and social media or digital marketing accounts used at any time for the Business and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You are solely responsible for removing and ceasing use of the Marks on any social media or digital marketing accounts that you setup for the Business. You must immediately pay all sums due to us, our affiliates or designees, and to third parties, such debts being accelerated automatically without further notice to you. You must immediately deliver to us, at your expense, all copies of the Operations Manual, customer lists, and ongoing customer contracts then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of this or any other agreement between you and us. You must promptly, at your expense, remove or obliterate all Roseus Hospitality Business signage, displays,</p>

Provision	Section (§) in Franchise Agreement	Summary
		<p>or other materials in your possession that bear any of the Marks or names or material confusingly similar to the Marks, including all such signage and displays on any vehicles, and so alter the appearance of the Business premises as to differentiate the Business unmistakably from duly licensed Roseus Hospitality Businesses identified by the Marks. You must cease any and all advertising and use of any identifying materials generated during the term of the franchise, including, but not limited to, terminating all business listings in electronic and print format, cancellation of all websites, domain names, and telephone numbers (if not assigned to us) used at any time in connection with the Business. If you fail to immediately de-identify your Business, you must pay all expenses we incur to de- identify your Business.</p> <p>(b) On expiration or termination of this Agreement (or the expiration or termination of any Interim Period), any continued use of the Marks by you or the Business: (i) will constitute willful and knowing infringement, dilution of our trademark rights, and unfair competition; (ii) will constitute the false designation of origin, source, or sponsorship and false or misleading descriptions and representations in violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125(a), and (iii) may constitute trafficking in a counterfeit mark, among other causes of action.</p> <p>(c) If this Agreement expires or is terminated (or of any Interim Period), you will remain liable for your obligations pursuant to this Agreement and any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement, including your indemnification obligations.</p>
j. Assignment of contract by us	§10.9	We have the right to sell or assign, in whole or in part, our interest in this Agreement without prior notice to you and without your consent.
k. “Transfer” by you – defined	§10.1	<p>Any direct or indirect sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the Business to a person or entity who shares in the losses or profits of the Business (including merger, combination, or reorganization or as a result of death, disability, divorce, insolvency, or bankruptcy) in a manner other than as an employee will be considered a “Transfer” for purposes of this Agreement. A Transfer also includes the following which triggers the Transfer conditions set forth in this Article:</p> <p>for purposes of this subsection, a transfer, pledge, or seizure, or change in the control of any 20% ownership interest in you or in any Principal Owner; or any change in the general partner of a franchisee that is a</p>

Provision	Section (§) in Franchise Agreement	Summary
		<p>general, limited or other partnership entity; and placement of any communication media or any form of advertising, any information relating to the sale of the Business or the rights under this Agreement, without our prior written consent.</p>
<p>l. Our approval of transfer by you</p>	<p>§10.2</p>	<p>Transfers require (i) our prior written consent, which will not be unreasonably withheld; and (ii) the satisfaction of certain conditions.</p>
<p>m. Conditions for our approval of transfer</p>	<p>§10.4</p>	<p>The Assignee must meet all of our then-current requirements for the Roseus Hospitality franchise program we are offering at the time of the proposed Transfer and sign our then-current form of franchise agreement, and its owners must become guarantors of the Business.</p> <p>All amounts owed by you to us, or any of our affiliates or your suppliers, or upon which we or our affiliates have any contingent liability, must be paid in full.</p> <p>You must have provided all required reports to us. In the case of an installment sale for which we have consented to you or any owner retaining an interest or other financial interest in this Agreement or the Business, you or such owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.</p> <p>The Assignee must assume and agree to be bound by all of your customer obligations, including all warranty work and service plans and obligations.</p> <p>You and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Business, or the parties' business relationship, in the form we designate, releasing us and our affiliates.</p> <p>The assignee must, at your or assignee's expense, comply with our training requirements.</p> <p>We have the right to require you to prepare and furnish to assignee or us such financial reports and other data relating to the Business and its operations as we deem reasonably necessary or appropriate. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Business and proposed Transfer without being held liable to or by you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Business and proposed Transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.</p> <p>You must have complied with any other conditions that we reasonably require from time to time as part of our Transfer policies. You acknowledge and agree that following any Transfer hereunder, you and your owners will continue to</p>

Provision	Section (§) in Franchise Agreement	Summary
		be subject to the noncompetition covenant executed by you or set forth herein.
n. Our right of first refusal to acquire your business	§10.8	We can match any offer for your business.
o. Our option to purchase your business	§13.4	Upon expiration or termination of the Franchise Agreement, we may purchase your business.
p. Your death or disability	§10.5	Same requirements as for transfer in (m.) above.
q. Non-competition covenants during the term of the franchise	§3.1	You agree you (including your Owners) will not open or operate any property management, leasing, or construction management business (“Competing Business”) in the Territory during the Term of this Agreement.
r. Non-competition covenants after the franchise is terminated or expires	§9.4	<p>You agree that you will receive valuable training and confidential information that you otherwise would not have received or had access to but for the rights licensed to you under this Agreement. You therefore covenant, for the duration of the Term, any Interim Period, and any Renewal Term, not to open or operate any business providing goods or services competitive with the services provided by Roseus Hospitality businesses, including but not limited to, tenant management, leasing, property cleaning or repair, noncompetition covenants set forth in this Section and agree that the noncompetition covenants are reasonable and necessary to protect the System’s legitimate business interests, including its confidential information and customer goodwill.</p> <p>Unless otherwise specified, the term “you” as used in this Section includes, collectively and individually, all guarantors, shareholders, members, partners, as the case may be, and other holders of any ownership interest in you, if you are an entity, as well as any spouse, children, parents or siblings, if you are an individual. We may require you to obtain from your owners, if you are an entity (including shareholders (if you are a corporation), partners (if you are a partnership and members (if you are a limited liability company) and from your spouse, children, parents, or siblings, if you are an individual, a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of Exhibit H.</p> <p>In addition, you agree that during the term of this Agreement and for one year thereafter, you will not, without our prior written consent, directly or indirectly, for yourself or on behalf of any other person divert, or attempt to divert, any business or customer of the Business or any other Roseus Hospitality Business away from the System.</p>

Provision	Section (§) in Franchise Agreement	Summary
s. Modification of the agreement	§14.2	The Agreement may not be amended except by a writing signed by the Franchisor except to the extent the terms are modified by amendment to the Operations Manual.
t. Integration/merger clause	§14.2	All agreements between the parties are in the Franchise Agreement and its exhibits. Subject to applicable state law, only the terms of the Franchise Agreement are binding. Any representations or promises made outside this disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration	§11.4	Mandatory mediation and arbitration in Orange County, Florida. We may seek injunctive relief without submitting to mandatory mediation or arbitration. Subject to applicable state law.
v. Choice of forum	§14.8	Except for certain claims, all disputes must be arbitrated in Orange County, Florida. Subject to applicable state law.
w. Choice of law	§14.7	Florida law applies. Subject to applicable state law.

**ITEM 18.
PUBLIC FIGURES**

We do not use any public figure to promote our Franchises but may do so in the future.

[Remainder of page intentionally left blank. Item 19 begins next page.]

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 an 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 an Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The financial information was prepared on a basis consistent with generally accepted accounting principles during the respective measurement periods. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance. During the 2022 Measurement Period, a period from January 1, 2022 to December 31, 2022, we did not have any franchised outlets. The information reported in this Item 19 relates exclusively to our Company-Owned Outlet.

The Company-Owned Outlet operates in the Orlando, Florida area, a Large Territory similar to that of a Franchisee while also accepting some business in areas that would be considered open territory (outside of a protected Territory) for the franchise System. The Company-Owned Outlet operates in a substantially similar manner to how your Business will operate. The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following chart.

Table 1

Gross Revenue, Cost of Goods Sold, and Disclosed Expenses Company-Owned Outlet for the 2022 Measurement Period	
Income	Amount
Gross Revenue ¹	\$663,290
Cost of Goods Sold ²	\$547,923
Net Revenue ³	\$115,368
Disclosed Expenses⁴	
Advertising	\$26,731
Payroll	\$46,083
Software	\$8,898
Other Operating Expenses	\$15,827
Franchise Adjustments⁵	
Royalty Fee ⁶	\$9,229
Revenue Management Fee ⁷	\$6,633
EBITDA (if Franchised) ⁸	\$48,048

Notes:

1. “Gross Revenue” means the total revenue derived by each outlet less sales tax, discounts, allowances, and returns.

2. “Costs of Goods Sold” refer to the following amounts: (i) OTA commissions and other charges, (ii) merchant and/or credit card payment processing fees, and (iii) the unit owner’s share of Gross Revenue. Cost of Goods Sold does not include managerial expenses, administrative expenses, Disclosed Expenses, general expenses, or operating expenses.

3. “Net Revenue” means Gross Revenue less Cost of Goods Sold. Net Revenue is not net profit or

income and, except as to Cost of Goods Sold, does not include the deduction of all other expenses incurred by a Franchised Business including, but not limited to, Disclosed Expenses, operating expenses, interest, taxes, depreciation, and amortization.

4. “Disclosed Expenses” refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: marketing, payroll, and software, as well as other operating expenses.

5. “Franchise Adjustments” are adjustments for expenses that you will be required to pay to us as a franchisee but that were not incurred by our Company-Owned Outlet.

6. The recurring monthly Royalty Fee is equal to 8% of Net Revenue.

7. The recurring monthly Revenue Management fee is equal to 1% of Gross Revenue.

8. “EBITDA (if franchised)” means Gross Revenue less Cost of Goods Sold, Disclosed Expenses, and Franchise Fees. EBITDA is not equal to net profit or income and, except as to operating expenses, does not include the deduction of all other expenses incurred by a Business including, but not limited to, other operating expenses, interest, taxes, depreciation, and amortization.

Table 2

Company-Owned Outlet Averages	
Number of Units Managed ¹	36
Average Daily Rate ²	\$124.53
Average Length of Stay ³	7.74
Average Occupancy ⁴	53.8%
Number of Reservations (Consumed) ⁵	460
Number of Nights (Consumed) ⁶	3,561
Number of Nights (Available) ⁷	6,623
Revenue Per Available Night ⁸	\$66.96

Notes:

1. “Number of Units Managed” means the number of units our affiliate managed during the 2022 Measurement Period.

2. “Average Daily Rate” is calculated as the total revenue divided by the number of nights consumed.

3. “Average Length of Stay” means the average amount of days guests stay per booking.

4. “Average Occupancy” is calculated as the percentage of nights booked divided by the nights available.

5. “Number of Reservations (Consumed)” means the number of reservations actually completed during the Measurement Period.

6. “Number of Nights (Consumed)” reflects the total number of nights actually completed during the Measurement Period.

7. “Number of Nights (Available)” reflects the total number of nights available for rent during the Measurement Period.

8. “Revenue Per Available Night” is calculated as the amount of revenue generated per night available

to rent.

Notes Regarding the Company-Owned Outlets and Item 19 Generally:

1. The actual performance of any outlet will depend on a number of factors specific to the location, including:

- The impact of the COVID 19 pandemic and any related closures or stay at home orders;
- Any applicable law and/or regulatory compliance expenses;
- Rent, interest or other financing costs for land, buildings, equipment, and inventory;
- Initial franchise fee and organization costs;
- Economic and weather conditions of various geographic areas;
- Competition from a variety of other businesses;
- Different acquisition, development, construction, and property costs;
- Cost of equipment;
- Occupancy expenses such as rent, utilities and property taxes;
- Labor costs, payroll taxes and laws concerning employees and employee benefits;
- Different traffic counts, accessibility, visibility, and parking;
- Different results from advertising;
- Outlets have been in business for different periods of time in their respective markets;
- Cost of product and supply costs;
- Franchise payments including royalties; and
- Workers' compensation and insurance coverage.

2. The Property Management Services industry, and the market for property management services is mature and highly competitive. It is affected by, among other things, changes in geographic area, changes in preferences, local, regional, and national economic conditions, population trends, and traffic patterns. The performance of your Business will be affected by the region in which you operate, your competitors, and the success you have in marketing and managing your operations.

3. The Company-Owned Outlet operates in Orlando, Florida, where the Roseus Hospitality brand has likely obtained more of a reputation and positive goodwill among the relevant target market (as compared to another region of the United States where there are no other Roseus Hospitality locations in operation).

4. This Item 19 does not reflect certain pre-opening costs and expenses over the Measuring Periods that you are likely to incur in connection with development of a new Business. See Item 7 for details about pre-opening costs for your Business.

5. You should consult other sources for financial information including your financial, business, and legal advisors in connection with the information provided to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings, and profits.

6. Written substantiation to support the information appearing in this financial performance representation is available to you on reasonable request.

Some outlets have sold this much. Your individual results may differ. There is no assurance you'll sell as much.

Other than the preceding financial performance representations, we do not make any representations. 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 business, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management: Phil Bernardo, by mail at 6900 Tavistock Lakes Blvd, Suite 400 Orlando, Florida 32827, by phone at 888-223-8824, or by email at Roseus Franchise Development, LLC

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Our fiscal year ends on December 31 of each year.

Table No. 1
Systemwide Outlet Summary
For years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	0	0	0
	2021	0	1	+1
	2022	1	1	0
Total Outlets	2020	0	0	0
	2021	0	1	+1
	2022	1	1	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than to us)
For years 2020 to 2022

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For years 2020 to 2022

State	Year	Franchised Outlets at Start of Year	Franchised Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Franchised Outlets at End of Year
Total	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

[Remainder of page intentionally left blank. Item 20 continues next page.]

Table No. 4
Status of Company-Owned Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
FL	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
Totals	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2022
For Following 12-month Period

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
CA	0	5	0
FL	0	5	0
Total	0	10	0

Current and Former Franchisees

Exhibit C lists (i) the names of all current franchisees and the address and telephone number of each of their Franchised Businesses, and (ii) the names, city and state, and the current business telephone number, or, if unknown, the last known home telephone number of every franchisee who had a Franchised Business terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under any Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of this Disclosure Document’s issuance date.

If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Confidentiality Agreements

From time to time, we may enter into confidentiality agreements with current and former franchisees which may limit their ability to speak to you. As of the issuance date of this Disclosure Document, we have not entered into any confidentiality agreements with current or former franchisees. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Trademark-Specific Franchisee Organizations

As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with our franchise system.

**ITEM 21.
FINANCIAL STATEMENTS**

Attached as Exhibit A to this Disclosure Document is our audited financial statement as of December 31. These financial statements have been prepared in accordance with generally accepted United States accounting principles. As we were formed in December 2022 and began offering franchises with the issuance of this Disclosure Document, we have not been in business for three years or more and cannot include all of the financial statements required by the FTC Rule for our last three fiscal years. Our fiscal year ends on December 31.

**ITEM 22.
CONTRACTS**

The following agreements are attached as exhibits to this Disclosure Document:

Document/Contract	Location in FDD
Franchise Agreement with Attachments	Exhibit E
Forms of General Release	Exhibit G
Form of Confidentiality and Noncompete Agreement	Exhibit H
State-Required Franchise Riders	Exhibit I
Management Agreement	

**ITEM 23.
RECEIPT**

Attached as the last two pages of this Disclosure Document are copies of the Receipts which you will be required to sign. One signed copy of the Receipt must be returned to us, as provided on the Receipt, and the other signed copy of the Receipt should be kept for your records.

EXHIBIT A
FINANCIAL STATEMENTS



**ROSEUS FRANCHISE DEVELOPMENT LLC
FINANCIAL STATEMENT
DECEMBER 31, 2022**

**ROSEUS FRANCHISE DEVELOPMENT LLC
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MONIS J. SIDDIQUI, CPA P.C.
Certified Public Accountant
917.309.5670

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Roseus Franchise Development LLC**

Opinion

We have audited the financial statements of Roseus Franchise Development LLC which comprise the balance sheets as of December 31, 2022, and the related statement of operations and changes in members' equity, and cash flows for the period of December 5, 2022, through December 31, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Roseus Franchise Development LLC at December 31, 2022, and the results of its operations and its cash flows for the for the period of December 5, 2022 through December 31, 2022, 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 (GAAS). 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 Roseus Franchise Development 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 Roseus Franchise Development 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 Responsibilities 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 GAAS 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, 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 Roseus Franchise Development 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 Roseus Franchise Development 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.

A handwritten signature in blue ink that reads "Monis Siddiqui, CPA P.C." The signature is written in a cursive, flowing style.

Monis Siddiqui, CPA P.C.

Bellerose, NY

July 6, 2023

**ROSEUS FRANCHISE DEVELOPMENT LLC
BALANCE SHEET
FOR THE PERIOD ENDED DECEMBER 31, 2022**

ASSETS

Current Assets

Cash	\$ —
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LIABILITES AND MEMBERS' EQUITY

Current Liabilities

Due to related party	1,200
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Members' Equity	<u>(1,200)</u>
------------------------	-----------------------

Members' Equity	<u><u>\$ —</u></u>
------------------------	---------------------------

See notes to financial statements

ROSEUS FRANCHISE DEVELOPMENT LLC
STATEMENT OF OPERATIONS AND MEMBERS' EQUITY
FOR THE PERIOD OF DECEMBER 5, 2022 THROUGH DECEMBER 31, 2022

Revenues	
Franchise Fee	\$ —
Operating Expenses	3,760
Net Income (Loss)	<u>(3,760)</u>
Members' Equity (Deficit)- Beginning	—
Members' Contributions (Distribution)	2,560
Members' Equity (Deficit) - Ending	<u><u>\$ (1,200)</u></u>

See notes to financial statements

ROSEUS FRANCHISE DEVELOPMENT LLC
STATEMENT OF CASHFLOWS
FOR THE PERIOD DECEMBER 5, 2022 THROUGH DECEMBER 31, 2022

Cash Flows from Operating Activities:	
Net (Loss)	\$ (3,760)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Changes in operating assets and liabilities;	
Due to related party	<u>1,200</u>
	(2,560)
Cash Flows Provided By Financing Activities:	
Members' contributions	<u>2,560</u>
Net Increase in Cash	—
Cash - Beginning of Year	—
Cash - End of Year	<u><u>\$ —</u></u>

See notes to financial statements

ROSEUS FRANCHISE DEVELOPMENT LLC

NOTES TO FINANCIAL STATEMENTS

1. THE COMPANY

Roseus Franchise Development LLC is a Florida limited liability company formed in December 2022 to offer franchisees the opportunity to own and operate a vacation rental business offering a selection of vacation rentals utilizing the system created by Roseus Franchise Development LLC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-The accompanying financial statements have been prepared on an accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

Franchise Arrangements-The Company's franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales. Under this arrangement, franchisees are granted the right to operate a Roseus Hospitality franchise, for a specified number of years.

Concentration of Credit Risk-Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The balances in the Company's cash accounts did not exceed the Federal Deposit Insurance Company's (FDIC) insurance limit of \$ 250,000. The Company maintains its cash and cash equivalents with accredited financial institutions.

Use of Estimates-The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes on Income-The Company has elected to be taxed as a limited liability corporation for federal and state income tax purposes. Income and expenses for the Company pass through directly to the member and is reported on its income tax returns.

3. REVENUE RECOGNITION

The Company will record revenue in accordance Accounting Standards Board ("FASB") and Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606). The transaction price attributable to performance obligations will be recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation will be amortized over the life of the related franchise agreements. Commissions paid for franchises will be amortized over the life of the franchise agreement.

6. RELATED PARTIES

The Company engages in related party transactions from time to time. On December 31, 2022, the Company had related party payable of \$1,200.

ROSEUS FRANCHISE DEVELOPMENT LLC
NOTES TO FINANCIAL STATEMENTS

7. SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements. Subsequent events have been evaluated through July 6, 2023, the date the financial statements were available to be issued.

EXHIBIT B

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS



List of State Regulatory Administrators

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

LIST OF STATE ADMINISTRATORS	
<p><u>CALIFORNIA</u> Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677</p>	<p><u>CONNECTICUT</u> State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p><u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><u>MARYLAND</u> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p>	<p><u>MINNESOTA</u> Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p>
<p><u>NEW YORK</u> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712</p>
<p><u>OREGON</u> Department of Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter Street, NE Room 410 Salem, Oregon 97310 (503) 378-4387</p>	<p><u>RHODE ISLAND</u> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p><u>VIRGINIA</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p><u>WASHINGTON</u> Department of Financial Institutions Securities Division, P.O. Box 9033 Olympia, Washington 98507 (360) 902-8760</p>	<p><u>WISCONSIN</u> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>



List of Agents for Service of Process

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

LIST OF STATE AGENT FOR SERVICE OF PROCESS	
<p><u>CALIFORNIA</u> Commissioner Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free (866) 275-2677</p>	<p><u>CONNECTICUT</u> Banking Commissioner Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8230</p>
<p><u>HAWAII</u> Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>ILLINOIS</u> Illinois Attorney General Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>
<p><u>INDIANA</u> Indiana Secretary of State Franchise Section 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><u>MARYLAND</u> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360</p>
<p><u>MICHIGAN</u> Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48933 (517) 373-7117</p>	<p><u>MINNESOTA</u> Minnesota Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600</p>
<p><u>NEW YORK</u> New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 (518) 472-2492</p>	<p><u>NORTH DAKOTA</u> North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505 (701) 328-4712</p>
<p><u>OREGON</u> Secretary of State Corporation Division - Process Service 255 Capitol Street NE, Suite 151 Salem, OR 97310-1327 (503) 986-2200</p>	<p><u>RHODE ISLAND</u> Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p><u>SOUTH DAKOTA</u> Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563</p>	<p><u>VIRGINIA</u> Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733</p>
<p><u>WASHINGTON</u> Director, Department of Financial Institutions Securities Division, 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760</p>	<p><u>WISCONSIN</u> Administrator, Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139</p>



EXHIBIT C

LIST OF CURRENT FRANCHISEES

CURRENT FRANCHISEES

NONE.

FORMER FRANCHISEES

NONE.



EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

The Operations Manual is still under development; therefore, these numbers are estimates based on what has currently been developed and are subject to change.

Chapter	Pages
Introduction	11
Start-Up	11
Accounting & Administration	16
Human Resources	32
Marketing & Social Media	18
Daily Business Operations	6
Safety	9
Total	103

EXHIBIT E

FRANCHISE AGREEMENT
WITH ATTACHMENTS



FRANCHISE AGREEMENT

between

ROSEUS FRANCHISE DEVELOPMENT, LLC

and

FRANCHISEE

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- B. Personal Guaranty of Owner
- C. Form of General Release
- D. Electronic Funds Transfer Form
- E. Lease Rider

ROSEUS FRANCHISE DEVELOPMENT, LLC

FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made effective as of the date recorded on Attachment A to this Agreement (“Effective Date”) between Roseus Franchise Development, LLC, a Florida limited liability company, having its principal place of business at 6900 Tavistock Lakes Blvd, Suite 400 Orlando, FL 32827 (“we” or “us”), and the person or entity (the “Franchisee” or “you”) identified as Franchisee on Attachment A. If the Franchisee is a corporation, partnership, limited liability company or other legal entity, the provisions of this Agreement also apply to its owners.

RECITALS

A. We have developed a system for establishing and operating businesses identified by the Roseus Franchise Development mark and engaged in providing property management services, including but not limited to maintenance and repair management services, tenant placement, and rent collection, and performing related services and selling related products pursuant to certain standards and specifications (each, a “Franchised Business” or “Business”).

B. We own the rights to the “Roseus Hospitality” mark and other marks used in connection with the operation of a Franchised Business (“Marks”).

C. You desire to develop and operate a Roseus Hospitality Franchised Business, and we have agreed to grant you a franchise to operate a Franchised Business subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the promises and consideration below, you and we agree as follows:

Article I. Grant of License

§1.1 Rights Granted. Subject to the terms and conditions of this Agreement, we hereby grant you the non-exclusive right and license to engage in and conduct, in the Territory, during the term of this Agreement, a Franchised Business identified by the Marks.

§1.2 Acceptance. You hereby accept said license and undertake the obligation to operate your Business faithfully, honestly, and diligently, using the System and in compliance with this Agreement and our standards and requirements. You may not sub franchise, sublicense, assign or transfer your rights under this Agreement, except as specifically provided in this Agreement.

Article II. Territory

§2.1 Limited Protection. During the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, subject to our reservation of rights, establish or authorize another person or entity to establish a Roseus Hospitality business within the boundaries of your Territory.

§2.2 Restriction on Advertising. You may not advertise or solicit customers, perform services, or sell products related to the Business outside the Territory without our prior written consent, which consent we may give, condition or withdraw as we deem appropriate. If you receive a request for services or products from outside the Territory, you must refer that request to the franchisee, if any, that owns the applicable territory, or seek our written permission to process such a request. If you advertise to, or otherwise solicit customers, perform services or sell products related to the Business outside the Territory without our prior written consent, we may charge you a \$500 fine per violation.

If we give you written permission to advertise, solicit, service or sell in areas outside the Territory that are not serviced by another franchisee (each, a “Territory Available for Sale” or “TAFS”), you must comply with all of the conditions and other requirements that we may from time to time specify (in the Operations Manual or otherwise in writing) with respect to such activities, including any requirement to terminate or transfer any such activities to any new franchisee that may subsequently acquire rights to such TAFS, as from time to time specified by us (in the Operations Manual or otherwise in writing).

§2.3 Our Reservation of Rights. Except as expressly limited by this Agreement, we and our affiliates may engage in any activity whatsoever on any terms and conditions we deem advisable whenever and wherever we or they desire. We and our affiliates retain all rights whatsoever not expressly granted herein, including, but not limited to:

(a) the right to establish and operate, and to grant to others the right to establish and operate similar businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate or under the Marks, but if inside the Territory, then only pursuant to our rights under above or pursuant to programs set forth in the Operations Manual;

(b) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to or competitive with those provided at the Franchised Business hereunder, whether identified by the Marks or other trademarks or service marks, through dissimilar channels of distribution (including the internet or similar electronic media) both inside and outside the Territory and on any terms and conditions we deem appropriate;

(c) the right to establish and operate, and to grant to others the right to establish and operate businesses offering dissimilar products and services, both inside and outside the Territory under the Marks and on any terms and conditions we deem appropriate;

(d) the right to establish and operate, and to grant others the right to establish and operate a Franchised Business located anywhere inside the Territory as provided above, and outside the Territory, under any terms and conditions we deem appropriate and regardless of their proximity to the Franchised Business or their actual or threatened impact on sales at the Franchised Business;

(e) the right, directly or through an authorized third party (including, another franchisee), to advertise, solicit, enter into contracts with and service National Accounts in any area, including in the Territory, upon such terms as we negotiate from time to time; or further, if you refuse or, in our sole judgment, are not qualified, interested, or available to perform services or otherwise cannot or do not perform services for any customer located within the Territory, including a National Account, you request assistance in the performance of services to a customer, or a customer, orally or in writing, specifically requests services within the Territory from a different franchisee or another third party, we have the right to authorize another franchisee (or designate or authorize a corporate employee or any other third party) to perform services for or sell products to the applicable customers inside the Territory. We also reserve the right to establish policies and procedures regarding protected leads and customer accounts, pursuant to which we may allow other franchisees to identify and protect a certain number of leads they are actively working or clients with whom they are actively engaged in your Territory. We will notify you in writing if we establish such policies and procedures and if a customer lead or account is designated as a protected account of another franchisee in your Territory. You agree that you will not be entitled to any compensation for sales or services performed inside the Territory by someone other than you as contemplated under this paragraph;

(f) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at the Business, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(g) the right to be acquired (in whole or in part and regardless of the form of transaction), by a business providing products and services similar to those provided at the Business, or by another business, even if such business operates, franchises, or licenses a business that competes with you in the Territory.

Article III. TRADEMARK STANDARDS AND REQUIREMENTS

§3.1 Right to Use. We hereby grant you the right to use the Marks in connection with the operation of the Business hereunder, subject to the terms and conditions of this Agreement. You agree you (including your Owners) will not open or operate any property management, leasing, or the rental of vacation accommodation business (“Competing Business”) in the Territory during the Term of this Agreement.

§3.2 Mark Ownership. The Marks are our valuable property, and we are the sole and exclusive owner of all right, title, and interest in and to the Marks and all past, present, or future goodwill of the Franchised Business and of the business conducted that is associated with or attributable to the Marks. Your use of the Marks will inure to our benefit. You may not, during or after the term of this Agreement, engage, directly or indirectly, in any conduct that would infringe upon, harm, contest or otherwise interfere with our rights in any of the Marks or the goodwill associated with the Marks, including any use of the Marks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. You agree that you will not grant or attempt to grant a security interest in or otherwise encumber, the Marks or record any such security interest or encumbrance against any application or registration regarding the Marks in the United States Patent and Trademark Office or elsewhere.

§3.3 Use of Marks. You may not use, or permit the use of, any trademarks, trade names, logos, service marks or any other names or marks in connection with the Business except those we authorize or direct in writing. You may use the Marks only in the form and manner we prescribe in writing and only in connection with the products and services that we specify and that meet our standards and requirements with respect to quality, production, installation, and sale. You must comply with all trademark, trade name, and service mark notice marking requirements.

§3.4 Business Identification. You must use the name Roseus Hospitality as the trade name of the Business, and you must obtain and maintain corresponding fictitious or assumed name registration as required under applicable laws in the jurisdiction in which your Business is located and provide us with evidence of the same prior to opening for business. You may not use the words “Roseus Hospitality” or any other Mark as part of the name of your corporation, partnership, limited liability company or other business entity. You may not use any other mark or words to identify the Business without our prior written consent. You may not change your legal entity name, trade name, or fictitious or assumed name without our prior written consent. You may use the Marks on various materials associated with the Business, such as business cards, stationery and checks; provided that you (i) accurately depict the Marks on the materials as we direct, (ii) use the Marks in accordance with all of our trademark usage and branding standards, (iii) include a statement on the materials indicating that the Business is independently owned and operated by you, (iv) do not use the Marks in connection with any other trademarks, trade names, logos, service marks or any other names or marks unless we specifically approve in writing prior to such use, and (v) make available to us, upon our request, a copy of any materials depicting the Marks. You must include language in your contracts identifying you as a Roseus Hospitality franchisee in a format we deem acceptable, including an acknowledgment that you independently own and operate the Business.

§3.5 Litigation. If any person or entity improperly uses or infringes the Marks or challenges your use or our use or ownership of or the validity of the Marks, we will control all litigation and other proceedings and we have the right to determine whether suit or other proceeding will be instituted, prosecuted, or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you become aware or any challenge or claim arising out of your use of any Mark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses incurred in connection with any such action, unless the

challenge or claim results from your misuse of the Marks in violation of this Agreement, in which case you must pay us for our costs and expenses including our attorney's fees.

(a) Provided that you are using the Marks in compliance with the terms of this Agreement, we will defend, at our own expense, any action against you brought by a third party alleging that any of the Marks infringes any U.S. trademark of a third party, and we will pay those costs and damages finally awarded against you in any such action that are specifically attributable to such claim or those costs and damages agreed to in a monetary settlement of such action. The foregoing obligations are conditioned on you: (i) notifying us promptly in writing of such action; (ii) giving us sole control of the defense thereof and any related settlement negotiations; and (iii) cooperating and, at our request and expense, assisting in such defense.

§3.6 Changes. Unless we direct you so in writing, you may not make any changes or substitutions to the Marks. We reserve the right to change the Marks at any time and you must comply with any such changes within the time frames we specify.

§3.7 Creative Works. All ideas, business ventures, concepts, inventions, techniques, or materials concerning a Roseus Hospitality Business, whether or not protectable intellectual property and whether created by or for you or one of your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and "works made-for-hire," as the phrase is defined in the Copyright Act of 1976 (17 U.S.C. 101 et seq.), for us. To the extent any item does not qualify as a "work made-for-hire" for us, by operation of law or otherwise, you agree to assign and hereby irrevocably assign, for no additional consideration, ownership of that item, and all related rights to that item, to us and our successors and assigns, including without limitation, the right to sue, counterclaim, and recover for all past, present, and future infringement, misappropriation, or dilution thereof, and all rights corresponding thereto throughout the world and agree to take whatever action (including signing an assignment agreement or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item. Notwithstanding anything to the contrary, neither the expiration nor the termination of this Agreement shall affect our ownership of the items herein or alter any of our rights or privileges hereunder.

Article IV. TERM AND RENEWAL

§4.1 Term. The initial term of this Agreement commences on the Effective Date and expires on the 10-year anniversary of the Effective Date, unless terminated earlier as provided herein.

§4.2 Renewal Term and Conditions of Renewal. You may renew your license for one renewal term of 10 years; provided that: (i) you have given us written notice of your request to renew at least 180 days but not more than 240 days prior to the end of the expiring term; (ii) you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to the grant of a renewal), the terms of which may be materially different from this Agreement, including higher fees; (iii) you are not in default of this Agreement or any other agreement pertaining to the franchise granted, have satisfied all monetary and other material obligations on a timely basis during the term and are in good standing; (iv) you comply with our then-current training requirements; (v) you and your guarantors execute a general release of claims in a form we prescribe; and (vi) you pay a renewal fee equal to 10% of the then-current Medium initial Franchise Fee.

§4.3 Interim Period. If this Agreement expires without you properly exercising your renewal right and you continue to accept the benefits of this Agreement thereafter, then, at our option, we may treat this Agreement either as (i) expired as of the date of expiration, with you then illegally operating a franchise in violation of our rights; or (ii) continued on a month-to-month basis (the "Interim Period") until both parties agree to enter into our then-current form of franchise agreement for a renewal term or until one party provides the other with written notice of termination, in which case the Interim Period will terminate thirty days after receipt of the notice of termination. In the latter case, all of your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, except that the License Fee

during the Interim Period will be increased to ten percent (10%) of Gross Revenue (as defined in Article VIII below) for all types of products/services and without any reductions. All obligations and restrictions imposed on you upon expiration of this Agreement shall take effect upon termination of the Interim Period.

Article V. OPERATIONS STANDARDS AND REQUIREMENTS

§5.1 Franchise Location. You are responsible for finding and purchasing or leasing a site that meets our site selection guidelines and standards and is located in the Territory (“Site”). You must promptly, but in no event later than thirty days after the Effective Date, select a site for the Franchised Business and provide us written notice of such selection (together with evidence of compliance with our site selection guidelines). We will evaluate the site and notify you of our approval or disapproval of your proposed site within a reasonable time (usually thirty days) after we receive all requested information regarding your proposed site. We reserve the right to review the terms of any lease or purchase agreement before you make a binding commitment to acquire possession of any proposed Site. We make no guarantees concerning the success of the Franchise Location or Territory. In addition, your Franchise Location must meet the following conditions:

(a) You must have selected a Site meeting our approval no later than thirty days after the Effective Date.

(b) You must sign a lease for the Site and begin operating your Business within 180 days of the Effective Date, although you may not commence operations of your Business until you have satisfactorily completed our training program and complied with your other pre-opening obligations. We are not responsible or liable for any of your pre-opening obligations, losses, or expenses, including those you might incur for your failure to comply with these obligations or your failure to open by a particular date. After the lease or purchase agreement for the Franchise Location is executed, you shall provide us a copy of such lease or purchase agreement. We have no responsibility for any lease; it is your sole responsibility to evaluate, negotiate and enter into a lease or a purchase agreement for the Franchise Location premises.

(c) You must construct and equip your Franchise Location in accordance with our current approved specifications and standards as set forth in the Operations Manual. You must maintain and periodically refresh the building, equipment, fixtures, furnishings, signage, and trade dress (including the interior and exterior appearance) used in the operation of your Business in accordance with our requirements established periodically and any periodic evaluations of the premises by our representatives.

(d) From time to time as we require, you must undertake modernization or replacement of the premises, trade dress, equipment, and grounds as may be necessary for your Business to conform to the standards for similarly situated new Roseus Hospitality Businesses. Each Transfer of any interest in this Agreement or your Business and each renewal are expressly conditioned upon your compliance with our then-current modernization or replacement requirements.

§5.2 Relocation. If you need to relocate your Franchise Location for reasons other than your breach of your lease, we will evaluate your proposed new site and notify you of our approval or disapproval of such proposed site within a reasonable time (usually thirty days) after we receive all requested information regarding the proposed site; provided that you are not in default under this Agreement or any other agreement with us and you are current on all of your financial obligations to us, our affiliates and third parties. You still must continue to operate the Business at all times during any such relocation. You must pay us a relocation fee.

§5.3 Authorized Services and Products. You can only offer and sell authorized services and products from your Business and you must refrain from selling any other services or products. You must use in the operation of your Business and in the offer and sale of authorized services and products of your Business only those techniques, procedures, and supplies we specify in writing. You acknowledge and agree that we may change any of our requirements periodically and you agree to conform to any such changes. All customer service materials, techniques, and promotional items of all descriptions and types must meet our standards of uniformity and quality.

§5.4 Approved Supplies and Suppliers. We reserve the right to require that you only use approved products, services, inventory, equipment, signs, advertising materials, and other items (collectively “Approved Products and Supplies”) in the Franchised Business. We may introduce new products and supplies and change previously approved products and supplies from time to time and you agree to promptly comply with our new or changed requirements. Although we do not do so for every item, we have the right to approve the supplier of Approved Products and Supplies. You acknowledge and agree that certain Approved Products and Supplies may only be available from one approved supplier source, and we or our affiliates may be that source. You will pay the then-current price in effect for any Approved Products and Supplies you purchase from us or our affiliates. All products, materials, services, and other items and supplies used in the operation of the Business must conform to the specifications and standards we establish from time to time. We may furnish to you from time-to-time lists of Approved Products and Supplies and approved suppliers, which lists we may amend in our sole discretion. We or our affiliate may make available to you the opportunity to participate from time to time in certain discounts, rebates, or other benefits in connection with approved suppliers.

WE AND OUR AFFILIATES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS WE APPROVE AND WE EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT (INCLUDING WITHOUT LIMITATION AND ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, OR OTHER APPROVED ITEMS.

§5.5 Computer System. You must purchase a computer system (including all future updates, supplements, and modifications) that meets our standards and requirements (the “Computer System”). The Computer System will be used to develop a database of customers and prospective customers and other related customer information, schedule appointments, generate proposals, maintain communications over the Internet, and produce your accounting records.

(a) You may be required to license software from us, our affiliate, or a third party and you also may be required to sign software license agreements and pay an additional software licensing or user fee in connection with your use of the software. All right, title, and interest in and to the software will remain with the licensor of the software. You will be liable for all damages (under this Agreement, any other software license agreement you execute and under applicable law) and problems caused by your use of any software on the Computer System. You acknowledge and agree that we will have full and complete access to the information and data entered into and produced by the Computer System, including, without limitation, email communications and related data, and we can use the same in any way we deem appropriate, in compliance with applicable laws. You must have Internet access with a form of high-speed connection as we may require and you must maintain a dedicated email account for the Business, separate from any personal or other email account. You must purchase any upgrades, enhancements or replacements to the Computer System or related hardware and software as we may from time to time require. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the Computer System or other technology used in the operation of your Business, including all data protection and security laws as well as payment card industry (PCI) compliance.

(b) As to any malfunctioning of the Computer System or any website, neither we nor any affiliate will be liable to you for any consequential, incidental, indirect, economic, special, exemplary, or punitive damages, such as, but not limited to, loss of revenue or anticipated profits or lost business, even if you have advised us that such damages are possible as a result of any breach or malfunction.

§5.6 Customer Information. We own all customer information and may use the customer information as we deem appropriate (subject to applicable law), including sharing it with our affiliates for cross-marketing or other purposes. You may only use customer information to the extent necessary to perform your obligations under this Agreement during the term hereof and subject to such restrictions as we may from time to time impose and in compliance with all data privacy, security, and other applicable laws. Without limiting the foregoing, you agree to comply with applicable law in connection with your collection, storage, and your use and our use of such customer information, including, if required under applicable law, obtaining consents from customers to our and our affiliates' use of the customer information. You must comply with all laws and regulations relating to data protection, privacy, and security, including data breach response requirements ("Privacy Laws"), as well as data privacy and security policies, procedures, and other requirements we may periodically establish. You must notify us immediately of any suspected data breach at or in connection with the Franchised Business. You must fully cooperate with us in determining the most effective way to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law. You are responsible for any financial losses you incur or remedial actions that you must take as a result of breach of security or unauthorized access to customer information in your control or possession.

(a) If the California Consumer Privacy Act ("CCPA"), Cal. Civ. Code § 1798.100, *et seq.*, or any federal or state Privacy Law applies to the Franchised Business, whenever and to the extent you operate as a "Service Provider" under the CCPA, a data processor, or in a similar capacity under any federal or state Privacy Law, you represent, warrant, and covenant that:

(b) You will not sell, make available or otherwise disclose any customer information to any third party for valuable consideration;

(c) You will retain, use, or disclose customer information only for the specific purpose of operating the Franchised Business as specified in this Agreement, and not any commercial or noncommercial purpose other than operating the Franchised Business as specified in this Agreement;

(d) You will not retain, use, or disclose customer information outside of the direct business relationship between you and us;

(e) You will delete any customer information upon our request unless you can prove that such request is subject to an exception under applicable law; and

(f) If you receive a customer information data request (e.g. a request to delete customer information) directly from a consumer (e.g., a California resident under the CCPA, or a resident of another jurisdiction under other applicable Privacy Law), you shall inform us of that request within one business day and cooperate with us to ensure that the consumer receives an appropriate and timely acknowledgement and response.

(g) You certify that you understand the restrictions in this Article and will comply with them. You also acknowledge and agree that we may modify these restrictions from time to time by written notice to you, by issuing updates to our standards and policies pertaining to Privacy Laws, including by adding other similar restrictions that may be required under other state or federal Privacy Laws, and you agree to comply with the same.

§5.7 Operating Procedures; Operations Manual. We will loan you or grant you access electronically to a copy of our Operations Manual. We will make it available to you online or in such other manner and format as we approve. You acknowledge that the Operations Manual is at all times our sole property. You

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must, at all times, treat the Operations Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information secret and confidential. You must adopt and use as your continuing operational routine the required standards, service style, procedures, techniques, and management systems described in the Operations Manual or other written materials relating to the Business provided from time to time by us. We will revise the Operations Manual and these standards, procedures, techniques, and management systems periodically to meet changing conditions and in the best interest of the Roseus Hospitality Businesses and the System. We will notify you of any such updates or revisions and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Operations Manual is kept current and up to date, and in the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling.

(a) The Operations Manual may contain both mandatory standards and recommended standards. Any required standards exist to protect our interests in the System and the Marks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and the Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

§5.8 Confidential Information. You may not, during the term of this Agreement or thereafter, communicate, divulge or use any confidential information for the benefit of any other person or entity, except that you may communicate confidential information to such employees as must have access to it in order to operate the Franchised Business. Any and all confidential information, including, without limitation, methods, procedures, suggested pricing, specifications, processes, materials, techniques, and other data, may not be used for any purpose other than operating the Franchised Business. In the interest of protecting our brand, we may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from your owners (if franchisee is an entity), your spouse, your manager and other key employees. You must provide executed copies of these agreements to us upon our request.

§5.9 Evaluations. We or our authorized representative have the right to visit and inspect your Franchised Business at all reasonable times for the purpose of making periodic evaluations and to ascertain your compliance with the provisions of this Agreement, and to inspect and evaluate your services, supplies, or products and other aspects of your Franchised Business. Any failure of an inspection is a default under this Agreement. If we determine that any condition in the Business presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Business until the situation is remedied to our satisfaction. Any evaluation or inspection we conduct is not intended to exercise control over your day-to-day operation of your Business or to assume any responsibility for your obligations under this Agreement.

§5.10 Compliance with Laws; Licenses and Permits. You must, at your expense and at all times, maintain and conduct your Business operations in compliance with all applicable federal, state, and local laws, regulations, codes, and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Business, including but not limited to obtaining and maintaining required authorizations from federal and state transportation authorities and public utility commissions. Without limiting the foregoing, if you or any of your Principal Owners is not a U.S. national, you represent that you or such Principal Owner(s) have an immigration status that allows you or such Principal Owner(s) to live and work in the United States, and you hereby promise that you and such Principal Owner(s) will maintain such status during the term of this Agreement.

(a) Without limiting the foregoing, you acknowledge that applicable laws may require you to set up and maintain a trust account or to engage the services of a licensed real estate broker in the operation of your Business, and you agree to fully comply with such legal requirements.

(b) You acknowledge that you are an independent business and responsible for control and management of your Business, including, but not limited to, the hiring and discharging of your employees, tax withholdings, and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility, or liability in relation to the hiring or discharging of employees, tax withholdings, or setting or paying of wages or related matters.

(c) You must immediately notify us in writing of any investigation, claim, litigation, or proceeding that arises from or affects the operation or financial condition of your Business or names us as a party.

§5.11 Participation in Internet Websites or Other Online Communications. We may require you, at your expense, to participate in our Roseus website on the Internet, our intranet or extranet system, or other online communications as we may from time to time prescribe. We have the right to determine the content and use of our website and intranet or extranet system and establish the rules under which franchisees may or must participate. We will post your Business contact information on our website. You may not separately register any domain name containing any of the Marks or operate a website for your Business. We reserve the right to pre-approve, establish rules, procedures, and policies relating to any website you create for the operation of your Business. We may immediately terminate this Agreement if you register any domain name containing any of the Marks. We retain all rights relating to our website and intranet system and may alter or terminate our website, extranet system, or intranet system. Your general conduct on our website and intranet or extranet system or other online communications and specifically your use of the Marks or any advertising is subject to the provisions of this Agreement. You acknowledge that certain information related to your participation in our website, extranet system, or intranet system may be considered confidential information, including access codes and identification codes. Your right to participate in our website and intranet or extranet system, or otherwise use the Marks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates. You acknowledge and agree that you do not have any right to use the Marks on any website or any social media platform except as expressly approved by us in writing.

§5.12 System Modifications. You acknowledge and agree that we have the right to modify, add to, or rescind any requirement, standard, or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices, and technological innovations and other changes as we deem appropriate. You must comply with these changes at your expense.

§5.13 Suggested Pricing Policies. We may, from time to time, make suggestions to you with regard to your pricing policies. We also have the right to negotiate National Account arrangements, including pricing which will bind all Roseus Hospitality Businesses providing services to such National Accounts. Although you generally have the right to establish prices for the products and services you sell, we reserve the right to establish and enforce prices, both minimum and maximum, to the extent permitted by applicable law.

§5.14 National Accounts. We reserve the right to establish and administer a National Accounts program. If such a program is established, you may participate in it. If you elect to participate, you must comply with all National Accounts standards and procedures set forth in the Operations Manual or as we may otherwise communicate to you, as well as the specific terms of our arrangement with each applicable National Account, which terms may include, without limitation, the provision of certain insurance and other products and services, special pricing, payment terms, turnaround on services, etc.

§5.15 Customer Service; Service Warranties. You must honor our warranty policies for services you provide to customers, as described in the Operations Manual. You are solely responsible for the quality and results of the services and products you sell and provide to customers, maintaining a continuing responsibility with respect to such services and products beyond the termination or expiration of this Agreement. You must render and must cause each of your employees to render prompt, competent, and courteous service to customers and you shall offer and honor such service warranties as we direct.

(a) You must respond to any dissatisfied customers within twenty-four hours after a complaint is received or as otherwise set forth in the Operations Manual. If you are unable to equitably resolve the customer's complaint within three days after the initial contact, you must contact us to inform us of your actions taken and for possible assistance in handling the complaint. Our assistance will not be construed to make us liable to you or to a customer in connection with such complaint. You are solely responsible for satisfactorily and timely resolving all warranty claims, customer disputes, and online customer reviews. Should you fail to do so, you must reimburse the cost of any such services to us or any third party that we authorize to perform the services or you must reimburse us for any refund or other payment we may make to a customer (as applicable). We may at any time contact customers concerning the quality of services you provide, the level of customer satisfaction, or other aspects of the Business that we deem relevant.

(b) We may make available to you online customer exit surveys, which we have developed and administer. We may deliver an online exit survey to each customer who discontinues their service relationship with you, we will compile and analyze the survey data and share the survey results with you. The data resulting from the surveys is customer information owned by us and we may use such data subject to applicable law, including without limitation by sharing aggregate results of such surveys with the System.

§5.16 Customer Agreements; Consent to Assign Customer Agreements. To the extent allowed under applicable law, you must include an assignment provision in all agreements with customers pursuant to which each customer consents to allow you to assign, or cause the assignment of, the customer agreement to us or, at our election, another franchisee, or a third-party broker, in each case as designated by us. In addition, we reserve the right to require you to include certain other provisions in your agreements with customers.

Article VI. PERSONNEL AND SUPERVISION STANDARDS

§6.1 Supervision of the Business; Guarantors. You, or your Owner(s) (as defined on Attachment A) if you are a business entity, must devote full-time attention to your Business, which at all times must be under your, or your Operating Principal or Key Manager's direct and active supervision and management. If you are a business entity, (i) all your owners must sign a Confidentiality Agreement; (ii) you must designate an Operating Principal and (iii) all persons and entities that, as of the date of this Agreement hold, or during the term of this Agreement become holders of, five percent or more of your ownership interests must personally guarantee your performance hereunder to us by executing a personal guarantee in a form satisfactory to us. If two or more persons are the Franchisee or guarantors, their obligations and liability to us shall be joint and several. We reserve the right to establish qualifications your Key Manager must satisfy before engaging in the supervision or operation of the Business.

§6.2 Training. You must comply with all of the training requirements we prescribe for the Business. You, or your Operating Principal if you are a legal entity, and any Key Managers must attend our initial training program and complete it to our satisfaction. You must pay all costs and expenses, including hotel and transportation costs, you incur in attending our initial training program. If it becomes necessary to re-train a certain individual, we reserve the right to charge you a training fee. You also must pay all costs and expenses for any additional personnel who attend our initial training program. The training requirements may vary depending on your experience and other factors specific to the Business. If you are given notice of default that relates, in whole or in part, to your failure to meet any operational standards, we may require that, as a condition of curing the default, you and your manager, at your expense, comply with the additional training requirements we prescribe. Under no circumstances may you permit management of the Business' operations on a regular basis by a person who has not successfully completed to our reasonable satisfaction all applicable training we require.

§6.3 Ongoing Training. We may require you and other key employees of the Business to attend ongoing training at our training facility or other locations we designate. If you request training in addition to the initial training program identified above, we reserve the right to charge you a training fee, plus you must pay your costs and expenses in connection with such training. Any training provided by us to any of your workers will be limited to training or guidance regarding the delivery of approved services to clients in a manner that reflects the customer and client service standards of the System. You are, and will remain, the sole employer of your employees at all times, including during all training programs, and you are solely responsible for all employment decisions and actions related to your workers. You are solely responsible for ensuring that your workers receive adequate training.

§6.4 Staffing. You must employ a sufficient number of competent and trained employees to ensure efficient service to customers. It is your responsibility to make sure that no employee or subcontractor enters a customer's home if such person has not passed the required background checks. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from you to us.

§6.5 Attendance at Meetings. You must attend, at your expense, any annual franchise convention we may hold or sponsor and any meetings relating to new services or products, new operational procedures or programs, training, business management, sales or sales promotion, or similar topics, including any system-wide teleconferences or web conferences, as more particularly set forth in the Operations Manual. We reserve the right to charge you a fee to attend any such franchise conventions, meetings, programs, or other trainings, and we may collect such a fee from you whether you attend or not. If you do not attend the annual franchise convention, you may be charged a fee of up to \$1,000. If you are not able to attend a meeting or convention, you must give us prior notice and must have a substitute person acceptable to us attend such meeting or convention. Nothing in this Agreement is intended to require us to hold any annual conventions or other meetings.

Article VII. **MARKETING**

§7.1 Brand Fund. We may establish and manage a fund for the development and promotion of the Roseus Hospitality brand (the “Brand Fund”). If we establish a Brand Fund, you agree to participate and to contribute to such fund on the terms we establish (“Brand Fund Contribution”). The amount of the Brand Fund Contribution will not exceed three percent (3%) of Gross Revenue for the preceding month. All Brand Fund Contributions you pay to us hereunder will be placed in the Brand Fund. The Brand Fund is not a trust or escrow account, and we have no fiduciary obligation to franchisees with respect to it. We have the right to make disbursements from the Brand Fund for expenses incurred in connection with the cost of formulating, developing, implementing, and administering marketing, advertising, public relations, and promotional campaigns. The disbursements may include payments to us for the expense of administering the Brand Fund, including accounting expenses and salaries and benefits paid to our employees engaged in the administration and operation of the Brand Fund or otherwise providing services with respect to the Brand Fund. We have the right to determine the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs. We are not required to spend a prorated amount on each Roseus Hospitality Business or in each advertising market. You acknowledge that there can be no assurance that the Brand Fund your Business proportionately or equivalently to the benefits received by any other franchised businesses of the other participating franchisees.

(a) The Brand Fund will be accounted for separately and will not be used to defray any of our general operating expenses, except for such expenses, administrative costs, and overhead relating to Brand Fund business, including compensation of employees and others providing services to the Brand Fund, and other expenses that we incur in activities related to maintaining, administering, directing, and conducting the Brand Fund programs, including, without limitation, conducting market research and public relations activities; preparing advertising promotion and marketing materials; and collecting and accounting for Brand Fund contributions and expenses. If requested, we will provide you an annual unaudited statement of the financial condition of the Brand Fund.

(b) We assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the Brand Fund or related to our maintenance, direction, or administration of the Brand Fund, including with respect to the efficiency or effectiveness, if any, of the Brand Fund in enhancing the Marks, brand, or System or advancing the business interests of a franchisee or franchisees in general.

(c) We have the right, but not the obligation, to cause the Brand Fund to be incorporated or operated through an entity separate from us at such time as we deem appropriate, and any such successor entity shall have all our rights and duties under this Section. We may use collection agents and institute legal proceedings at the Brand Fund’s expense to collect Brand Fund Contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. If we terminate the Brand Fund, we will refund to you your pro-rata portion of any amounts remaining in the Brand Fund, based on your contributions to the Brand Fund.

§7.2 Required Local Expenditures. You must pay us to promote and advertise the Business in your local market and to establish promotional programs from time to time. In addition to any payment of the Brand Fund Contribution, you must pay the amount per month on advertising within your Territory (the “Local Marketing Package”). Your Local Marketing Package will vary depending on the size of your Territory. The minimum Local Marketing Package is as follows: \$1,000 for a Small territory; \$1,500 for a Medium territory; and \$2,500 for a Large territory. We may change the amount of the Local Marketing Package on thirty days’ written notice to you. We reserve the right to require you expend the amounts on local marketing and to require you to use one or more designated vendors in connection with your local marketing and promotional activities. Should this Agreement terminate prior to our providing such local promotional, marketing and advertising materials and related services in the Territory, we reserve the right to contribute the Local Marketing Package collected to the Brand Fund.

§7.3 Approved Materials. You must use only such marketing materials (including any print, radio, television, electronic, online, or other media forms that may become available in the future) as we furnish, approve in writing, or make available, and the materials must be used only in the manner we prescribe and in compliance with all trademark usage and branding standards. Furthermore, any promotional activities you conduct for the Business are subject to our approval. You must submit all advertising and promotional materials to us for approval prior to your use. If we do not respond within fourteen days of your submission, the materials will be deemed not approved. We will not unreasonably withhold approval of any materials or media and activities; provided that they are current, in good condition, in good taste, and accurately depict the Marks. Notwithstanding our approval, it is solely your responsibility to conduct your promotional activities in accordance with all applicable laws.

§7.4 Local Marketing Groups. We have the right to designate local advertising markets and advertising cooperatives or local marketing groups for such markets (collectively, each such cooperative or group, an “LMG”), and if designated, you must participate in and contribute to the LMG and its programs in your designated local advertising market. If established, you must contribute to the LMG the amount designated by the LMG, which contribution will not exceed the Local Marketing Package. The amounts you contribute to the LMG will count towards the Local Marketing Package requirements. If established, each Franchised Business within a designated local advertising area will be a member of the LMG. You must obtain our written approval of all promotional and advertising materials, creative execution, and media schedules prior to their implementation. We have the right to establish how the LMGs operate, and we have the right to require LMGs to be formed, changed, dissolved, or merged.

Article VIII. FEES, REPORTING AND AUDIT RIGHTS

§8.1 Initial Franchise Fee. Upon signing of this Agreement, you must pay to us an initial franchise fee as set forth on Attachment A (the “Initial Franchise Fee”), which is earned upon receipt and is non-refundable.

§8.2 Royalty Fees. From and after the date you open your Business, you must pay to us, monthly in the manner we specify, a fee (the “Royalty Fee”) in the amount equal to eight percent (8%) of your monthly Net Revenue (“Minimum Royalty”). We will deduct this fee from your revenue we collect through our centralized payment systems, prior to the distributing the balance to you.

§8.3 Brand Fund Contribution. If we establish a Brand Fund, you will be required to contribute up to three percent (3%) of your Gross Revenue each month to the Brand Fund. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to the distributing the balance to you.

§8.4 Technology Fee. You must pay us a monthly fee for digital and web-based services we provide to you equal to thirty-five dollars (\$35) per unit per month. We may add, delete, or modify the services included in the Technology Fee and increase or decrease the Technology Fee on written notice to you. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to the distributing the balance to you.

§8.5 Revenue Management Fee. You must pay us a monthly fee, due on the 10th day of each month, equal to one percent (1%) of Gross Revenue. This fee is subject to increase by no more than 25% in any 12-month period upon written notice to you. This fee is for providing you with management services for stays in your Territory. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to the distributing the balance to you.

§8.6 Guest Services Support Fee. You must pay us a fifteen dollar (\$15) per reservation fee for the cost of our Support Center to handle guest-related requests and services. This fee is subject to increase upon written notice to you. We will deduct this fee from your revenue we collect through our centralized payment systems, prior to the distributing the balance to you.

§8.7 Manner of Payment; Electronic Transfer of Funds. You acknowledge that Rental Payments shall be made through centralized payment processing systems maintained by us or our affiliate. On or before the tenth (10th) day of each calendar month, we or our affiliate will distribute to you the amount of Rental Payments made for Units you have onboarded into our 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 8.6 hereof), (iii) the Technology Fee (as described in Section 8.4 hereof), (iv) other charges paid by us or our 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, (v) the Revenue Management Fee (as described in Section 8.5 herein), and (vi) any other sum due to us or our affiliate by you pursuant to this Agreement (the “Distributed Balance”). In addition, you shall, together with the submission of the Sales Report, pay us the Royalty Fee and the Brand Fund Contribution due with regard to all other Gross Revenue realized by you and paid by means other than the centralized payment processing systems maintained by us or our affiliate. At our option, we may collect these additional Royalty Fees and Brand Fund Contributions through deduction from the Distributed Balance. At our request, you must execute documents that allow us to automatically take any sums due, from business bank accounts via electronic funds transfers. Your failure to allow electronic funds transfers on an ongoing basis is a material breach of this Agreement. We reserve 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 Services Support Fee, reimbursement of fees paid by us or our affiliate on your behalf, or other sums payable pursuant to this Agreement upon forty-five (45) days’ prior notice to you. You must maintain a balance in your account sufficient to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section.

§8.8 Late Payments. A late payment fee of fifty dollars per week or part week plus 18% per annum (the “Late Payment Fee”). Interest will accrue on all late payments from the due date until all sums are paid at the highest applicable legal rate for open account business credit in the state of your domicile, not to exceed eighteen percent per annum. In addition, if you fail to timely provide any Sales Report to us, in addition to any other rights available to us, we may withdraw the applicable Minimum Royalty Fee from your account, and once the applicable Sales Report becomes available to us, you will be required to immediately pay us any additional amounts owed as shown in the calculation of the Royalty Fees and Brand Fund Contribution in such Sales Report. You acknowledge and agree that this Section does not constitute our agreement to accept payments or Sales Reports after they are due or a commitment by us to extend credit to you or to otherwise finance your operation of the Business. Further, you acknowledge and agree that your failure to pay all amounts and provide all Sales Reports and any other reports required pursuant to this Agreement when due will constitute grounds for termination of this Agreement, notwithstanding the provisions of this Section. You will not, on grounds of the alleged nonperformance by us of any of our obligations under this Agreement, withhold payment of any fees or any other amounts due to us and you will not, on such grounds, discontinue providing services to customers of the Business in accordance with this Agreement.

§8.9 Application of Fees. Notwithstanding any designation by you, we have the right to apply any payments received from you to any past due indebtedness to us or any affiliate in such amounts and in such order as we determine.

§8.10 Financial Planning and Management. You must compile and keep books and records that accurately reflect the operations and condition of your Business, including detailed daily sales, cost of sales, and other relevant records and information, maintained in an electronic media format and using the methods of bookkeeping and accounting as we periodically may prescribe. You must also retain check registers; purchase records; invoices, sales summaries, and inventories; sales tax records and returns, state, federal, personal and other income tax records and returns covering or related to the Business; payroll records, cash disbursement journals, and general ledgers. You must submit to us such reports, statements of profit and loss, balance sheets, tax returns, books, and records as we may require, including those identified below, all on the forms and according to reporting formats, methodologies, and time schedules that we establish from time to time. We may also require you to provide us, within the time we specify, audited financial

statements of the Business, prepared by an independent certified public accountant satisfactory to us, or to adopt a fiscal year consistent with ours, and to cooperate with our auditors and to comply with such additional requirements as may be reasonably necessary to enable us to meet our obligations under Generally Accepted Accounting Principles and to comply with applicable accounting standards and rules. You must preserve the books, records and reports for the longer of (i) five years from creation or (ii) such period as required under applicable laws. You must allow us electronic and manual access to any and all records relating to your Business.

§8.11 Reports. Simultaneously with each payment of Royalty Fees and Brand Fund Contributions you must submit to us a Sales Report of the corresponding Gross Revenue and gross receipts of the Business, and a computation of the corresponding Royalty Fees and Brand Fund Contributions with respect to the preceding month. Gross Revenue must be entered into the software and reported for the month in which they are earned; you may not postpone the reporting of any Gross Revenue for any reason. In addition, within five days after the end of each month, you must submit to us the following information for the preceding month: (i) copies of your most recent balance sheet and statement of profit and loss, including a summary of your costs for labor, rent, and other material cost items; (ii) if requested by us to verify your Gross Revenue, all such books and records as we may require under our audit policies published from time to time; and (iii) a current rent roll and client list for all properties and clients as of the last day of the preceding month. You also must, at your expense, submit to us within ninety days after the end of each fiscal year a detailed balance sheet, profit and loss statement, and statement of cash flows for such fiscal year. All reports shall be provided in the form and content as we periodically prescribe. You must certify in writing all reports to be true and correct. You acknowledge and agree that we have the right to impose these requirements on you regardless of whether we impose the same requirement on our other franchisees.

§8.12 Audits. We or our authorized representative have the right at all times (i) during the business day to enter the premises where your books and records relative to the Business are kept and to evaluate, copy and audit such books and records, including, but not limited to any and all financial statements, reports, state, federal, and personal income tax records or other income tax records covering or related to the Business, sales tax records, payroll records, databases, and other related records, and (ii) to remotely access and evaluate, copy, and audit your electronic records located on the Computer System. If, in our reasonable business judgment, we believe that you have failed to comply with your reporting or record keeping obligations hereunder, we have the right to also access and evaluate, copy, and audit books and records related to any other business in which you have an ownership or management interest. We also have the right to request information from you and your suppliers, vendors, and customers. If any such evaluation or audit reveals an understatement of two percent or more of your Gross Revenue or you do not provide any requested information within thirty days from the date of our initial request, you must pay for the cost of the audit (including, without limitation, professional fees, travel, and room and board expenses directly related thereto), in addition to the amount owed (if any) plus interest and late fees. In addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary and any further audits and evaluations conducted within two years thereafter will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Revenue at any time, or if a subsequent audit or evaluation conducted within the two-year period reveals any understatement of your Gross Revenue of two percent or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. To verify the information that you supply, we have the right to reconstruct your sales through any reasonable method of analyzing and reconstructing sales, and you agree to accept any such reconstruction of sales unless you provide evidence in a form satisfactory to us of your sales within a period of fourteen days from the date of notice of understatement or variance. If you dispute any audit findings, you must do so in writing and in accordance with the Operations Manual within thirty days of the notice of understatement or variance, or you will waive the right to challenge the audit findings. For avoidance of doubt, no provision of this Section shall be deemed to supersede or waive the ten-day cure period for failure-to-pay defaults set forth in this Agreement.

§8.13 Gross Revenue. 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.

§8.14 Net Revenue. Net Revenue means 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, and (iv) the unit owner's share of Gross Revenue.

Article IX. INDEMNIFICATION, INSURANCE, AND OTHER OBLIGATIONS

§9.1 Payment of Debts. You agree to (i) pay promptly when due all payments, obligations, assessments, and taxes due and payable to us and our affiliates; vendors; suppliers; lessors; federal, state, or local governments; and creditors in connection with your Business; promptly discharge and remove all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Business; and timely pay all accounts and discharge other indebtedness of every kind incurred by you in the conduct of the Business. If you default in making any such payment, we are authorized (but not required) to pay and discharge the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

(a) You also will pay all federal, state and local taxes, other than taxes assessed on our income, that may be imposed on us as the result of our receipt or accrual of the Initial Franchise Fee, the License Fees, the Brand Fees, or other fees referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

§9.2 Indemnification. You waive any and all Claims (as defined below) against us for damages to property or injuries to persons arising in any way out of this Agreement, your servicing of customers under this Agreement or any other contracts, your actions or omissions, or the operation of your Business. Except to the extent otherwise provided in this Agreement., you agree, at your sole expense, to defend, fully protect, indemnify, and hold harmless, us, our affiliates, our parent companies, our sister companies, and our owners, directors, officers, members, managers, employees, attorneys, successors, and assigns (collectively, "Franchisor Parties"), as well as our customers and the owners of each and every property you service, from any and all Claims. "Claims" as used herein means any and all claims, demands, damages, assessments, violations, interest, causes of action, lawsuits, liens, and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Business (regardless of cause or any concurrent, superseding, or contributing fault, liability, or negligence of us, our affiliates, our parent companies, and our customers and the owners of any property you service), your actions or omissions, or any breach by you or your failure to comply with any of the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you agree to reimburse us for our costs and attorneys' fees immediately upon our request.

It is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason; however, you will, at your sole expense, defend, fully protect, indemnify, and hold harmless, Franchisor Parties, from any and all Claims arising in any manner, directly or indirectly, out of

or in connection with or incidental to the actions or omissions of your employees or independent contractors or allegations that we employ any of your employees.

§9.3 Insurance. Before you begin operating your Business you must purchase, and maintain at all times during the term of this Agreement, at your sole cost, insurance coverage from a responsible carrier, with an A.M. Best rating of A-VIII or better, with the coverage amounts, types and other features as we from time to time specify, using the insurance industry form(s) acceptable to us, and such other insurance coverage as required by law and any other agreement related to the Business. We reserve the right to designate a primary or single source for all or any of the insurance coverage for the Business, and we or our affiliates may be that primary or single source. Any person or entity with an insurable interest that we designate (each, an “Additional Named Insured”) must be named an additional insured on all required liability policies. Each insurance policy must contain a waiver of subrogation in favor of the Additional Named Insureds. Your insurance must apply as primary and non-contributory. Currently, our minimum insurance requirements include (i) comprehensive general liability insurance, with limits of no less than \$1,000,000 per occurrence (including Products/Completed Operations and Personal Injury and Advertising Injury) and \$2,000,000 in the aggregate; (ii) workers’ compensation coverage regardless of whether required by state law, but with minimum coverage of \$1,000,000 per claim and in the aggregate; (iii) errors & omissions insurance (“E&O”) professional liability insurance with a minimum limit of \$1,000,000 per claim and in the aggregate; (iv) employee dishonesty coverage with a minimum limit of \$1,000,000 per claim and in the aggregate; (v) tenant discrimination legal expense and loss reimbursement, with a \$1,000,000 minimum limit per claim and in the aggregate; (vi) cyber security and data privacy insurance policies of such types and with a minimum limit of \$1,000,000 per claim and in the aggregate; and (vii) such other insurance as from time to time required by us, under applicable law and under other agreements applicable to your Business. With respect to National Accounts, if the insurance amount required for any National Account or for National Account work in general exceeds the amount specified as the maximum amount required by us for any type of insurance, that higher amount required for the National Account work will apply. Additional insurance requirements may be set forth in the Operations Manual.

(a) You may satisfy the insurance coverage limits through an umbrella policy that meets all the requirements of this Section. If you fail to purchase or maintain required insurance, we may, but are not obliged to, obtain such insurance for you and keep the same in force and effect, and you must pay us, on demand, all premiums charged for such insurance policies together with a reasonable fee for the expenses we incur in doing so. We also have the right to terminate this Agreement for cause if you fail to comply with this Section.

(b) You must deliver to us at least five days prior to commencement and thereafter annually or at our request a proper certificate of insurance, insurance policy endorsements, and other evidence of compliance - showing the existence of the insurance coverage and your compliance with this Section. If you change your insurance provider, you must immediately deliver the proper certificate of insurance to us. We also may request copies of all insurance policies. Any review we conduct of your insurance coverage does not limit your obligation to comply with this Article. We may modify the required minimum limits and types of coverage, by written notice to you which may be in the form of revisions to the Manual. Upon such notification, you must immediately implement the modification of the policy, and provide evidence thereof, in accordance with our request.

(c) You acknowledge that these minimum insurance requirements do not constitute advice or a representation by us that such coverages are necessary or adequate to protect you from losses in connection with the Business. Nothing in this Agreement restricts you from obtaining insurance with higher policy limits and/or additional coverage.

§9.4 Noncompetition Covenants. You agree that you will receive valuable training and confidential information that you otherwise would not have received or had access to but for the rights licensed to you under this Agreement. You therefore covenant, for the duration of the Term, any Interim Period, and any Renewal Term, not to open or operate any business providing goods or services competitive with the services provided by Roseus Hospitality businesses, including but not limited to, tenant management, leasing, property cleaning or repair, noncompetition covenants set forth in this Section and agree that the noncompetition covenants are reasonable and necessary to protect the System’s legitimate business interests, including its confidential information and customer goodwill.

Unless otherwise specified, the term “you” as used in this Section includes, collectively and individually, all guarantors, shareholders, members, partners, as the case may be, and other holders of any ownership interest in you, if you are an entity, as well as any spouse, children, parents or siblings, if you are an individual. We may require you to obtain from your owners, if you are an entity (including shareholders (if you are a corporation), partners (if you are a partnership and members (if you are a limited liability company) and from your spouse, children, parents, or siblings, if you are an individual, a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of Exhibit H.

In addition, you agree that during the term of this Agreement and for one year thereafter, you will not, without our prior written consent, directly or indirectly, for yourself or on behalf of any other person divert, or attempt to divert, any business or customer of the Business or any other Roseus Hospitality Business away from the System.

Article X. TRANSFER OF FRANCHISE

You agree that the following provisions govern any Transfer or proposed Transfer:

§10.1 Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills, and managerial qualifications as being essential to the satisfactory operation of the Business. Consequently, neither your interest in this Agreement nor in the Business may be directly or indirectly transferred to or assumed by any other person or entity (at times referred to as the “Assignee”), in whole or in part, unless (i) you have first tendered to us the right of first refusal to acquire this Agreement in accordance with the terms of this Agreement, and we do not exercise such right; (ii) our prior written consent is obtained; (iii) the Transfer Fee (as defined below) is paid; and (iv) the Transfer Conditions (as defined below) are satisfied. Any direct or indirect sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the Business to a person or entity who shares in the losses or profits of the Business (including merger, combination, or reorganization or as a result of death, disability, divorce, insolvency, or bankruptcy) in a manner other than as an employee will be considered a “Transfer” for purposes of this Agreement. A Transfer also includes the following which triggers the Transfer conditions set forth in this Article:

(a) for purposes of this subsection, a transfer, pledge, or seizure, or change in the control of any 20% ownership interest in you or in any Principal Owner; or

(b) any change in the general partner of a franchisee that is a general, limited or other partnership entity; and

(c) placement of any communication media or any form of advertising, any information relating to the sale of the Business or the rights under this Agreement, without our prior written consent.

§10.2 Consent to Transfer. We will not unreasonably withhold our consent to a Transfer; provided we determine that all of the conditions described in this Article have been satisfied. Application for our consent to a Transfer and tender of the right of first refusal must be made by submission on our form of application for consent to Transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other Transfer agreement) and other required information. The application must indicate whether you or an owner will retain an interest in the property to be Transferred. No interest may be retained or created without our prior written consent and only on conditions acceptable to us. Any agreement used in connection with a Transfer shall be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed Transfer and must submit promptly to us the application for consent to Transfer. Any attempted Transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will provide us with the right to elect either to default and terminate this Agreement or to collect from you and the guarantors a Transfer fee equal to two times the Transfer Fee as damages.

§10.3 Transfer Fee. You must pay to us a fee in the amount equal to seventy-five percent of the then-current Medium initial Franchise Fee. (“Transfer Fee”). The Transfer Fee is nonrefundable. You will not be required to pay a Transfer Fee if you are an individual and wish to Transfer this Agreement to a newly formed legal entity wholly owned by you and established solely for purposes of the convenience of ownership and the operation of the Business; provided that you must become a guarantor of the Business. The Transfer Fee is also not required for transfers upon death or incapacity.

§10.4 Conditions of Transfer. We condition our consent to any proposed Transfer, whether to an individual, a corporation, a partnership, or any other entity, on the following:

(a) The Assignee must meet all of our then-current requirements for the Roseus Hospitality franchise program we are offering at the time of the proposed Transfer and sign our then-current form of franchise agreement, and its owners must become guarantors of the Business.

(b) All amounts owed by you to us, or any of our affiliates or your suppliers, or upon which we or our affiliates have any contingent liability, must be paid in full.

You must have provided all required reports to us.

(c) In the case of an installment sale for which we have consented to you or any owner retaining an interest or other financial interest in this Agreement or the Business, you or such owner, and the guarantors, are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

(d) The Assignee must assume and agree to be bound by all of your customer obligations, including all warranty work and service plans and obligations.

(e) You and each guarantor must sign a general release of all claims arising out of or relating to this Agreement, your Business, or the parties’ business relationship, in the form we designate, releasing us and our affiliates.

(f) The assignee must, at your or assignee’s expense, comply with our training requirements.

(g) We have the right to require you to prepare and furnish to assignee or us such financial reports and other data relating to the Business and its operations as we deem reasonably necessary or appropriate. You agree that we have the right to confer with proposed assignees and furnish them with information concerning the Business and proposed Transfer without being held liable to or by you, except for intentional misstatements made to an assignee. Any information furnished by us to proposed assignees is for the sole purpose of permitting the assignees to evaluate the Business and proposed Transfer and must not be construed in any manner or form whatsoever as earnings claims or claims of success or failure.

(h) You must have complied with any other conditions that we reasonably require from time to time as part of our Transfer policies. You acknowledge and agree that following any Transfer hereunder, you and your owners will continue to be subject to the noncompetition covenant executed by you or set forth herein.

§10.5 Death, Disability, or Incapacity. You will promptly notify us in the event of a death, disability, or incapacity of Franchisee (or, if Franchisee is a legal entity, of Franchisee's Principal Owner). If the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as the Franchisee or the Principal Owner of the Franchisee entity, such person or entity must tender the right of first refusal provided for in this Article, apply for our consent, pay the applicable Transfer Fee, and satisfy the Transfer Conditions, as in any other case of a proposed Transfer, all within 120 days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Business still must be operated in accordance with the terms and conditions of this Agreement. If the assignee of the decedent, disabled, or incapacitated person is the spouse or child of such person, no Transfer fee will be payable to us and we will not have a right of first refusal as set forth in this Article.

§10.6 Insolvency or Bankruptcy. In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver, or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal, and if we do not exercise such right, must apply for and obtain our consent to the Transfer, pay the Transfer Fee, and satisfy the Transfer Conditions. You or the assignee must also pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

§10.7 Divorce. You will promptly notify us of any divorce proceedings that may result in a Transfer and tender the right of first refusal provided for in this Article. If we do not exercise such right, you must apply for and obtain our consent to the Transfer, pay the Transfer Fee, and satisfy the Transfer Conditions.

§10.8 Right of First Refusal. If you propose to Transfer this Agreement or your interest herein or in the Business, in whole or in part, to any third party, you first deliver a statement to us offering to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any other assets or leasehold interests used in the operation of the Business (subject to this Article 10). If the proposed Transfer involves an offer from a third party, then you must obtain from the third-party offeror and deliver to us a statement, in writing, signed by the offeror and by you, of the binding terms of the offer.

(a) If the Transfer does not involve an offer from a third party, then the purchase price for our purchase of assets described above will be established by a qualified appraiser selected by the parties. The price determined by the appraiser will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a Business and the appraiser will designate a price for each category of asset but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Marks and the System. If the parties cannot agree upon the selection of such an appraiser, a judge of the United States District Court for the District in which the Business is located will appoint one on petition of either party. You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report and all other information we have requested. We and you will each pay one-half of the appraiser's fees and expenses.

(b) We then have ten days from our receipt of the statement setting forth the third-party offer or the appraiser's report, as applicable (and all other information requested by us) to accept the offer by delivering written notice of acceptance to you. We will have an additional forty-five days to complete the purchase if we elect to exercise our right of first refusal. Our acceptance of any right of first refusal will be on the same price and terms set forth in the statement delivered to us; provided, however (and regardless of whether the following are inconsistent with the price and terms set forth in the statement) (i) we have the right to substitute equivalent cash for any noncash consideration included in the offer, (ii) we will prepare the transaction documents for the Transfer, which will be on terms customary for this type of transaction (including representations and warranties, covenants, conditions, and indemnification), and (iii) our purchase may be limited to any assets related to the business.

(c) If we fail to accept the offer within the ten-day period, you will be free for sixty days after such period to effect the disposition described in the statement delivered to us provided such Transfer is in accordance with this Article, including obtaining our consent. You may affect no other sale or assignment of you, this Agreement, or the Business without first offering the same to us.

§10.9 Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement without prior notice to you and without your consent.

Article XI. DISPUTE RESOLUTION

§11.1 Mediation. Before any party may bring an action in court or against the other or commence an arbitration proceeding, the parties must first meet to mediate the dispute. The mediation will be held in Florida. Any such mediation shall be non-binding and shall be conducted by the American Arbitration Association (the "AAA") in accordance with its then-current rules for mediation of commercial disputes unless the parties agree otherwise in writing. The mediator will be appointed in accordance with the rules and regulations of the AAA unless the parties agree on a mediator in writing within ten days after either party gives written notice of mediation. The mediation hearing will be held within twenty days after the mediator has been appointed. Each party will bear its own costs and expenses for the mediation and will be responsible to pay fifty percent of the mediator's costs and expenses.

§11.2 Exceptions to Mediation. Notwithstanding any other provision of this Agreement, the parties agree that the following claims will not be subject to mediation and may be brought in any court of competent jurisdiction, subject to the terms of this Agreement:

(a) any action for temporary, preliminary, or permanent injunctive relief, *ex parte* seizure, specific performance, writ of attachment, or other equitable relief necessary to enjoin any harm or threat of harm to such party's tangible or intangible property, including trademarks, service marks and other intellectual property, confidential and/or trade secret information, or noncompetition covenants. You specifically acknowledge that your breach or threatened breach of any of your obligations under this Agreement would cause irreparable harm to our tangible and intangible property. You understand that irreparable harm is an injury for which monetary damages are not an adequate remedy. Therefore, on any such breach or threatened breach by you, in addition to any other rights or remedies that may be available to us at law, equity, or otherwise, you acknowledge that we will be entitled to equitable relief, including an injunction, restraining order or specific performance, without any requirement to prove irreparable harm. In addition, you hereby waive any right to request that a bond be issued as security (except for a nominal bond not to exceed \$100);

(b) any action in ejectment or for possession of any interest in real or personal property; and

(c) any action related solely to the collection of moneys owed to us or our affiliates under this Agreement (including, without limitation Royalty Fees, Brand Fund Contributions, and Minimum Royalty Fees), or any other agreement related to the franchise granted under this Agreement, including, without limitation, any promissory note or a guarantee executed hereunder. “Moneys owed” also includes attorneys’ fees incurred in the collection of moneys owed, including through the judicial process.

§11.3 Litigation. Except as provided in this Agreement., any dispute between you and us or any of our or your affiliates, including without limitation, your owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the parties’ relationship, or your Business (collectively, “Dispute”) not resolved through mediation must be submitted to litigation pursuant to this Article

§11.4 Arbitration. If a court of competent jurisdiction determines that the waiver of jury trials or class or consolidated actions set forth in this Agreement is invalid or unenforceable with respect to the Dispute, then and only then, notwithstanding any other provision of this Agreement to the contrary, the Dispute must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the AAA pursuant to its then-current commercial arbitration rules and procedures. The arbitration must take place in Orange County, Florida. The arbitration must be conducted by a single arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five years of significant experience in franchise law. The court shall decide the gateway issue of arbitrability. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If this limitation on joinder of or class action certification of claims within arbitration is held to be unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. A judgment may be entered upon the arbitration award in any court of competent jurisdiction. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) except as provided otherwise herein, assess punitive or exemplary damages; or (iii) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. Each party will bear its own costs and expenses for the arbitration and will be responsible to pay fifty percent of the arbitrator’s fees and costs (including arbitrator’s and AAA’s fees and costs); provided that the prevailing party will be entitled to reimbursement of its fees and costs as set forth in this Article.

§11.5 Attorneys’ Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, the parties’ relationship, or the Business will be entitled to recover its reasonable attorneys’ fees and costs (including arbitrator’s and AAA’s fees and costs).

Article XII. DEFAULT AND TERMINATION

§12.1 Defaults. You are in default if we determine that you or any guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes (i) making any false report to us; (ii) intentionally understating or underreporting or failing to pay when due any amounts required to be paid to us or any of our affiliates; (iii) conviction of you or a guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Marks or the Business or any felony; (iv) filing of tax or other liens that may affect this Agreement; or the filing of voluntary or involuntary bankruptcy by or against you or any guarantor, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

§12.2 Termination After Opportunity to Cure. Except as otherwise provided in this Section: (i) you will have thirty days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have ten days to cure those defaults; (ii) your failure to cure a default within the applicable period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective immediately upon our issuance of the written notice of termination.

§12.3 Immediate Termination With No Opportunity to Cure. If any of the following defaults occur, you will have no right to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: (i) any material misrepresentation or omission in your franchise application or other reports or information provided to us; (ii) your voluntary abandonment of this Agreement (which includes your failure to operate the Business for seven or more consecutive days); (iii) the closing of the Business by any state or local authorities for public safety reasons; (iv) your registration of any domain name containing our Marks; (v) any unauthorized use of the Confidential Information; (vi) insolvency of you or a guarantor, you or a guarantor making an assignment or entering into any similar arrangement for the benefit of creditors; (vii) conviction of you or any guarantor of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Marks into disrepute or impairs or tends to impair your reputation or the goodwill of the Marks or the Business or any felony; (viii) intentionally understating or underreporting Gross Revenue, Royalty Fees or Brand Fund Contributions or any understatement or two percent variance on a subsequent audit within a two-year period; (ix) any actual or attempted unauthorized Transfer in violation of this Agreement; (x) a final judgment against you in our or our affiliates' favor is issued by a court or an arbitrator of competent jurisdiction; or (xi) any default by you that is the second default of any type within any period of twelve consecutive months even if the default(s) were cured.

§12.4 Immediate Termination After No More than 24 Hours to Cure. If a default under this Agreement occurs that materially impairs the goodwill associated with any of the Marks, violates any health or safety law or regulation, violates any System standard as to cleanliness, health, or safety, or if the operation of your Business presents a health or safety hazard to the public or to customers or employees: (i) you will have no more than twenty-four hours after we provide written notice of the default to cure the default; and if the default is not timely cured, (ii) this Agreement will terminate effective immediately on our issuance of written notice of termination.

§12.5 Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

§12.6 Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement; provided that: (i) you provide us with written notice of the breach that identifies the grounds for the breach; and (ii) we fail to cure the breach within thirty days after our receipt of the written notice. If we fail to cure the breach, the termination will be effective sixty days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your post-term obligations under this Agreement.

Article XIII. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement, or the expiration or termination of any Interim Period:

§13.1 Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Marks and all other rights and licenses granted herein and the right and license to conduct business under the Marks will revert to us without further act or deed of any party. All of your right, title, and interest in, to, and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Business (although we will not assume

any past due obligations). You also agree to abide by the terms of the Non-Competition Agreement, attached to the Franchise Disclosure Document as Exhibit H.

(a) You must immediately comply with the post-term noncompetition obligations of this and any other agreement between you and us, cease all use and display of the Marks and of any proprietary material (including the Operations Manual), and of all or any portion of promotional materials furnished or approved by us, assign all right, title, and interest in the telephone numbers and social media or digital marketing accounts used at any time for the Business and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You are solely responsible for removing and ceasing use of the Marks on any social media or digital marketing accounts that you setup for the Business. You must immediately pay all sums due to us, our affiliates or designees, and to third parties, such debts being accelerated automatically without further notice to you. You must immediately deliver to us, at your expense, all copies of the Operations Manual, customer lists, and ongoing customer contracts then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of this or any other agreement between you and us. You must promptly, at your expense, remove or obliterate all Roseus Hospitality Business signage, displays, or other materials in your possession that bear any of the Marks or names or material confusingly similar to the Marks, including all such signage and displays on any vehicles, and so alter the appearance of the Business premises as to differentiate the Business unmistakably from duly licensed Roseus Hospitality Businesses identified by the Marks. You must cease any and all advertising and use of any identifying materials generated during the term of the franchise, including, but not limited to, terminating all business listings in electronic and print format, cancelation of all websites, domain names, and telephone numbers (if not assigned to us) used at any time in connection with the Business. If you fail to immediately de-identify your Business, you must pay all expenses we incur to de- identify your Business.

(b) On expiration or termination of this Agreement (or the expiration or termination of any Interim Period), any continued use of the Marks by you or the Business: (i) will constitute willful and knowing infringement, dilution of our trademark rights, and unfair competition; (ii) will constitute the false designation of origin, source, or sponsorship and false or misleading descriptions and representations in violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125(a), and (iii) may constitute trafficking in a counterfeit mark, among other causes of action.

(c) If this Agreement expires or is terminated (or of any Interim Period), you will remain liable for your obligations pursuant to this Agreement and any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement, including your indemnification obligations.

§13.2 Claims. You and your owners and guarantors may not assert any claim or cause of action against us or our affiliates arising out of or relating to this Agreement or your Business after the shortest period of (i) the applicable statute of limitations, (ii) two years and one day following the effective date of expiration or earlier termination of this Agreement or two years and one day from the accrual of any such claim or cause of action; provided that where the two-year-and-one-day limitation of time in clause (i) or clause (ii) is prohibited or invalid by or under any applicable law, then and in that event only, no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

§13.3 Transfer or Assignment of Customer Agreements. On expiration or termination of this Agreement, we have the right, but not the obligation, subject to applicable law, to require the transfer or assignment to us or our designee of all agreements between you and customers. On your receipt of our notice invoking our right under this paragraph, you must immediately cooperate with us and take all actions necessary to ensure that all agreements between you and customers that we designate are transferred and assigned, within thirty days of our notice, to us or, at our election, to another Roseus Hospitality franchisee or a third-party broker, in each case as designated by us.

§13.4 Option to Purchase Certain Business Assets. On the expiration or termination of this Agreement, we have the right (but not the obligation) to purchase any or all assets of the Business that are owned by you or your affiliates, including leasehold improvements, equipment, supplies, and other inventory; provided that we deliver to you notice of our intent to exercise this purchase right within thirty days of such expiration or termination. The purchase price shall be equal to the assets' fair market value, as determined by a qualified independent appraiser mutually agreed upon by us and you. If we elect to exercise this option to purchase, we have the right to set off all amounts due from you under this Agreement, if any, against the purchase price. The assets subject to this option to purchase will not include customer information as customer information is at all times owned by us.

(a) Within thirty days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we or our designee intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraisal fees and expenses. Our interest in the assets of the Business that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

Article XIV. GENERAL PROVISIONS

§14.1 Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement valid and in full force and effect and the terms of this Agreement equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each party that each provision of this Agreement will be honored, carried out, and enforced as written. Consequently, each party agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

§14.2 Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Operations Manual and standards and as otherwise provided herein, this Agreement may not be waived, altered, or rescinded, in whole or in part, except by a writing signed by us, except to the extent the terms of this Agreement are modified by amendment of the Manual. This Agreement together with the addenda and appendices hereto and any application form or similar document executed by you requesting us to enter into this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, members, managers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document given to you pursuant to applicable law. **DO NOT SIGN THIS AGREEMENT IF YOU BELIEVE WE OR ANY OF OUR REPRESENTATIVES HAVE PROMISED YOU SOMETHING THAT IS NOT PART OF THIS AGREEMENT, ANY ATTACHED EXHIBIT, SCHEDULE, OR ADDENDUM OR THE FRANCHISE DISCLOSURE DOCUMENT.**

§14.3 Notices. Except as otherwise provided in this Agreement, any notice, demand, or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, in electronic form via email to an authorized email address or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by a reputable overnight service, and addressed as follows:

(a) If intended for us, addressed to Roseus Franchising, LLC, Attn: Phil Bernardo; at 6900 Tavistock Lakes Blvd, Suite 400, Orlando, Florida 32827

(b) If intended for you, addressed to you at the address set forth on Attachment A; or, in either case, to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Section.

§14.4 Authority. Any modification, consent, approval, authorization, or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our authorized officer or representative.

§14.5 References. If the franchisee is two or more individuals, the individuals are jointly and severally liable hereunder, and references to you in this Agreement include all of the individuals. Headings and captions contained herein are for convenience of reference and may not be taken into account in construing or interpreting this Agreement.

§14.6 Successors/Assigns. Subject to the terms of Article X hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors, and permitted assigns of the parties.

§14.7 Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

(a) The parties agree that the execution of this Agreement and the acceptance of its terms occurred in the state of Florida. The parties further agree that the performance of material obligations arising under the Agreement, including but not limited to, your payment of monies due hereunder and the satisfaction of certain of our training requirements, shall occur in the state of Florida. Accordingly, subject to our rights under federal trademark laws and the parties' rights under the Federal Arbitration Act in accordance with Article XI of this Agreement, the parties' rights under this Agreement, and the relationship between the parties under this Agreement are governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Florida (excluding any conflicts of laws principles).

(b) Whenever this Agreement provides that we have a certain right, that right is absolute, and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

(c) Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise "Reasonable Business Judgment" (as defined below) in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of "Reasonable Business Judgment," even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest.

§14.8 Venue. Any dispute between you and us or any of our or your affiliates, including without limitation, your owners and guarantors, arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your Business, including disputes not resolved through mediation, must be brought in the state or federal district court located in Orange County, Florida. Both parties hereto

irrevocably submit themselves to, and consent to, the jurisdiction of said courts and specifically waive any objection to the jurisdiction and venue of such courts. The parties specifically waive the right to remove any action brought in the state court of Orange County, Florida to a federal district court. The provisions of this Section will survive the termination of this Agreement. The parties are aware of and acknowledge the business purposes and needs underlying the language of this Section, and with a complete understanding thereof, agree to be bound in the manner set forth.

§14.9 Jury Waiver. ALL PARTIES HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS AGREEMENT AND CLAIMS ARISING OUT OF THE PARTIES' RELATIONSHIP.

§14.10 No Class or Consolidated Actions. ALL CLAIMS, CONTROVERSIES AND DISPUTES MAY ONLY BE BROUGHT BY THE FRANCHISEE ON AN INDIVIDUAL BASIS AND MAY NOT BE COMBINED OR CONSOLIDATED WITH ANY CLAIM, CONTROVERSY, OR DISPUTE FOR OR ON BEHALF OF ANY OTHER FRANCHISEE OR BE PURSUED AS PART OF A CLASS ACTION.

§14.11 Waiver of Punitive and Consequential Damages. Except with respect to indemnification obligations hereunder with respect to third-party claims and except for damages under the Lanham Act, you and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any consequential, indirect, special, punitive, or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damages sustained. Notwithstanding anything herein to the contrary, each party waives, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other.

§14.12 WAIVER OF CONSUMER RIGHTS. YOU WAIVE ANY RIGHTS YOU MAY HAVE UNDER STATE LAWS REGULATING DECEPTIVE OR UNFAIR TRADE PRACTICES OR ANY OTHER JURISDICTION THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER AN ADEQUATE OPPORTUNITY TO REVIEW THIS PROVISION INCLUDING THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF YOUR OWN SELECTION, YOU VOLUNTARILY CONSENT TO THIS WAIVER.

§14.13 Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer, or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence.

§14.14 Construction. The parties mutually agree that any ambiguities in this Agreement shall not be construed or interpreted more strictly against the drafting party.

§14.15 Force Majeure. A party's failure of performance of this Agreement according to its terms will not be deemed a breach of this Agreement to the extent such failure was caused by events beyond a party's reasonable control, and which could not be avoided by the exercise of due care including but not limited to terrorism, strikes (except those caused by employees or agents), war, riots, civil disorder, and acts of government except as may be specifically provided for elsewhere in this Agreement. Nothing in this provision shall excuse a party from any obligations, or deprive any party of rights, that survive termination of this Agreement.

§14.16 Adaptations and Variances. You acknowledge that complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the standards, specifications, and requirements for any franchised business based on conditions we deem important to the operation of such business or the System, as more particularly set

forth in the Operations Manual. We are not required to grant you a like or other variation. You acknowledge that the obligations and rights of the parties to other agreements may differ materially from your rights and obligations under this Agreement.

§14.17 Notice of Potential Profit. You acknowledge that we and our affiliates may from time to time make a profit on our sales of goods or services to you for use in your Business. Further, we and our affiliates may from time to time receive rebates or other consideration from suppliers or manufacturers in respect of sales of goods or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and our affiliates are entitled to said rebates, profits and consideration and we may use same as we deem appropriate.

§14.18 Anti-Terrorism Provision. You and each of your owners represent and warrant to us that: (i) neither you nor any owner is named, either directly or by an alias, pseudonym, or nickname, on the lists of “Specially Designated Nationals” or “Blocked Persons” maintained by the U.S. Treasury Department’s Office of Foreign Assets Control currently located at www.treas.gov/offices/enforcement/ofac/; (ii) you and each owner will take no action that would constitute a violation of any applicable laws against corrupt business practices, against money laundering and against facilitating or supporting persons or entities who conspire to commit acts of terror against any person or entity, including as prohibited by the U.S. Patriot Act (currently located at www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244 (currently located at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html) or any similar laws; and (iii) you and each Owner shall immediately notify us in writing of the occurrence of any event or the development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

EACH PERSON SIGNING THIS AGREEMENT REPRESENTS AND WARRANTS THAT HE OR SHE IS AUTHORIZED TO BIND THE RESPECTIVE PARTY TO THIS AGREEMENT. THIS AGREEMENT IS NOT BINDING OR ENFORCEABLE UNTIL WE SIGN IT.

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement as of the dates written below.

FRANCHISEE:

[FRANCHISEE]

Signature:

Name:

Title:

Date:

FRANCHISOR:

ROSEUS FRANCHISE DEVELOPMENT, LLC

Signature:

Name:

Title:

Date:

ATTACHMENT A

FRANCHISEE SPECIFIC TERMS

Effective Date:

Franchise Fee:

Franchisee Name:

Ownership of Franchise:

Owner Name	Ownership Percentage
	%
	%
	%

Franchisee Address:

Franchisee Phone:

Franchisee Email:

Principal Executive:

Designated Representative:

Protected Territory:

[Attach map or list of distinguishing territory features such as list of zip codes]

FRANCHISEE:

[FRANCHISEE]

Signature:

Name:

Title:

FRANCHISOR:

ROSEUS FRANCHISE DEVELOPMENT, LLC

Signature:

Name:

Title:

SCHEDULE 1 TO ATTACHMENT A

LOCATION ACCEPTANCE LETTER

(to be completed after site selection and acceptance)

Date:

1. **Preservation of Agreement.** Except as specifically set forth in this letter, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This letter is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location.** The Authorized Location shall be the following:

3. **Protected Territory.** Pursuant to the Franchise Agreement, Franchisee's Protected Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

FRANCHISOR:

ROSEUS FRANCHISE DEVELOPMENT, LLC

Signature:

Name:

Title:

ATTACHMENT B

PERSONAL GUARANTY OF OWNER/SHAREHOLDER

This Personal Guaranty and Assumption of Obligations (this “Guaranty”) is given by the undersigned individuals identified as the owners of Franchisee in Attachment A.

In consideration of, and as an inducement to, the execution of that certain franchise agreement of even date herewith (“Franchise Agreement”) by the parties listed as Franchisor and Franchisee in the Franchise Agreement, the undersigned hereby personally and unconditionally, jointly and severally: guaranties to Franchisor and its successors and assigns, for the Term of the Franchise Agreement and, including any renewal thereof, as provided in the Franchise Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant stated in the Agreement and any documents, agreements, and instruments signed with or in connection with the Franchise Agreement (collectively, the “Franchise Documents”); and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Documents applicable to the owners of Franchisee.

The undersigned waives:

- acceptance and notice of acceptance by Franchisor of the foregoing undertakings;
- notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;
- protest and notice of default to any party with respect to the indebtedness of non-performance of any obligations hereby guaranteed;
- any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; and
- any and all other notices and legal or equitable defenses to which the undersigned may be entitled.

The undersigned consents and agrees that:

- the undersigned’s direct and immediate liability under this Guaranty shall be joint and several with all signatories to this and similar guaranties of Franchisee’s obligations;
- the undersigned shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;
- this Guaranty shall apply to any claims Franchisor may have due to return of any payments or property Franchisor may have received from Franchisee as a preference, fraudulent transfer or conveyance or the like in any legal proceeding;
- such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and
- such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which in any way modify or amend this Guaranty, which shall be continuing and irrevocable during and after the terms of the Franchise Documents,

as the same may be amended or renewed, until Franchisee's duties and obligations to Franchisor are fully discharged and satisfied.

All capitalized terms when used shall have the meanings ascribed to them in the Franchise Agreement.

This Guaranty shall be governed, construed, and interpreted in accordance with the substantive laws of the state where Franchisor has its principal place of business at the time a dispute arises, without giving effect to its conflicts of law principles.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature as dated below.

GUARANTOR(S):

(add signature lines as necessary)

Signature:

Name:

Date:

ATTACHMENT C

GENERAL RELEASE OF CLAIMS

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release of Claims (“Release”) is made as of the date signed below, by the individual or entity listed below as franchisee (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Roseus Franchise Development, LLC (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Roseus Hospitality business;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] OR [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such; and

WHEREAS, as a condition to Franchisor’s consent, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page follows]

Signature Page to General Release Form

IN WITNESS WHEREOF, Releasor has executed this Release as of the date signed below.

FRANCHISEE:

[FRANCHISEE]

By:

Name:

Title:

Date:

FRANCHISEE'S OWNERS:

(add signature lines as necessary)

Signature:

Name:

Date:

ATTACHMENT D

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

Bank Name:

ABA Number:

Account Number:

Account Name:

Effective as of the date of the signature below, [FRANCHISEE NAME] (the “Franchisee”) hereby authorizes Roseus Franchise Development, LLC (the “Franchisor”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Franchisor or its affiliates under the franchise agreement dated [EFFECTIVE DATE OF FA] (the “Franchise Agreement”) for the business operating at the location identified on Attachment A of the Franchise Agreement (the “Franchised Business”): (i) all Royalty Fees; (ii) Fund Contributions; (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Franchisor or its affiliates; and (iv) all other fees and amounts due and owing to Franchisor or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Franchisor (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Franchisor shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Franchisor. **PLEASE ATTACH A VOIDED BLANK CHECK, FOR PURPOSES OF SETTING UP BANK AND TRANSIT NUMBERS.**

AGREED ON [DATE]:

FRANCHISEE:

[FRANCHISEE]

By:

Name:

Title:

FRANCHISOR:

ROSEUS FRANCHISE DEVELOPMENT, LLC

By:

Name:

Title:

ATTACHMENT E

LEASE RIDER

THIS LEASE RIDER is entered into between the undersigned parties.

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, (the "Franchise Agreement"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate a Roseus Hospitality ("Business") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at the address listed on the signature page below (the "Premises") for the purpose of constructing and operating the Business in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Business and for no other purpose.
2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the Roseus Hospitality system as Company may from time to time prescribe for the Business.
3. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee. Notice shall be sent to Company by the method(s) as stated in the lease to:

Roseus Franchise Development, LLC
6900 Tavistock Lakes Blvd., Suite 400
Orlando, Florida 32827
franchise@roseushg.com

4. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the Roseus Hospitality system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the Roseus Hospitality trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

5. Franchisee will be permitted to assign the Lease to Company or its designee upon the expiration or termination of the Franchise Agreement. Landlord consents to such an assignment and agrees not to impose any assignment fee or similar charge, or to increase or accelerate rent under the Lease, in connection with such an assignment.

6. If Franchisee assigns the Lease to Company or its designee in accordance with the preceding paragraph, the assignee must assume all obligations of Franchisee under the Lease from and after the date of assignment, but will have no obligation to pay any delinquent rent or to cure any other default under the Lease that occurred or existed prior to the date of the assignment.

7. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

8. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.

9. The provisions of this Lease Rider will supersede and control any conflicting provisions of the Lease.

10. Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

IN WITNESS WHEREOF, the parties have executed this Lease Rider on the date signed below:

COMPANY:

ROSEUS FRANCHISE DEVELOPMENT, LLC

By:

Name:

Title:

FRANCHISEE:

[FRANCHISEE]

By:

Name:

Title:

LANDLORD:

[LANDLORD]

By:

Name:

Title:

Effective Date of this Lease Rider:

Premises Address:

EXHIBIT F

RESERVED

EXHIBIT G

FORM OF GENERAL RELEASE

GENERAL RELEASE OF CLAIMS

[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]

This General Release of Claims (“Release”) is made as of the date signed below, by the individual or entity listed below as franchisee (“Franchisee”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “Releasor”) in favor of Roseus Franchise Development, LLC (“Franchisor,” and together with Releasor, the “Parties”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement (“Agreement”) pursuant to which Franchisee was granted the right to own and operate a Roseus Hospitality business;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] OR [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such; and

WHEREAS, as a condition to Franchisor’s consent, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor’s consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “Released Parties”), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor’s express

written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the state where the Franchised Business is located.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

[Signature Page follows]

Signature Page to General Release Form

IN WITNESS WHEREOF, Releasor has executed this Release as of the date signed below.

FRANCHISEE:

[FRANCHISEE]

By:

Name:

Title:

Date:

FRANCHISEE'S OWNERS:

(add more lines signature lines as necessary)

Signature:

Name:

Date:

Signature:

Name:

Date:

EXHIBIT H

FORM OF NONDISCLOSURE AND NONCOMPETE AGREEMENT

[THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY AS A SAMPLE FORM CONFIDENTIALITY AGREEMENT THAT FRANCHISOR MAY APPROVE FOR USE BY FRANCHISEE – BEFORE USING WITH AN EMPLOYEE OR CONTRACTOR FRANCHISEE SHOULD HAVE THIS AGREEMENT REVIEWED AND APPROVED BY AN INDEPENDENT LOCAL ATTORNEY HIRED BY FRANCHISEE.]



CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT
(for franchisee owners, managers, and directors)

In consideration of my being a _____ of _____ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from Roseus Franchise Development, LLC (the “Company”) to: (i) establish and operate a Roseus Hospitality franchised business (the “Franchised Business”); and (ii) use in the operation of the Franchised Business the Company’s trade names, trademarks and service marks (collectively, the “Marks”) and the Company’s unique and distinctive format and system relating to the establishment and operation of a Franchised Business (the “System”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only at the following authorized and approved location: _____ (the “Premises”).

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company’s proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the “Manual”); Franchisor’s proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other mold and moisture control and mediation businesses; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of the Franchised Business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the “Confidential Information”).

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As a(n) _____ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Manual, and other general assistance during the term of this Agreement.

4. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, for any use outside the System would constitute an unfair method of competition.

5. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as _____ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally

known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

6. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which: provides property management services, including the provision of maintenance and repair services, tenant relations, and payment collection specializing in short-term and vacation properties (collectively, a "Competing Business"). I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Controlling Person of Franchised Business or Manager/Officers/Directors of Franchisee.* In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a personal guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 25-mile radius of the Premises; or (ii) within a 25-mile radius of any other Roseus Hospitality business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or employees of Franchisee for any competitive business purpose, during this one-year period following the termination or expiration of my employment with the Franchisee.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company 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 my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of 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. I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees, and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA AND I HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE STATE COURT CLOSEST TO FRANCHISOR'S THEN-CURRENT HEADQUARTERS OR, IF APPROPRIATE, THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY FLORIDA OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement 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. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

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

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday, and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor, and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Title: _____



CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT

[Sample ONLY]

This Agreement (the “Agreement”) is entered into by the undersigned (“you”) in favor of:

[On the Line Below, Insert Name of Franchisee that Owns and Operates the Roseus Hospitality Franchised Business]

_____ (hereinafter referred to as “us”, “our” or “we”)

Recitals and Representations

WHEREAS, we are the owners of a licensed Roseus Hospitality Business (hereinafter referred to as the “Roseus Hospitality Business”) that we independently own and operate as a franchisee;

WHEREAS, you are or are about to be an employee, independent contractor, officer and/or director of a Roseus Hospitality Business that is independently owned and operated by us;

WHEREAS, in the course of your employment, independent contractor relationship and/or association with us, you may gain access to Confidential Information (defined below in this Agreement) and you understand that it is necessary to protect the Confidential Information and for the Confidential Information to remain confidential;

WHEREAS, our franchisor, Roseus Franchise Development, LLC is not a party to this agreement and does not own or manage the Roseus Hospitality Business but is an intended third-party beneficiary of this Agreement; and

WHEREAS, this Agreement is not an employment agreement and is only a confidentiality agreement in connection with information, materials and access that may be provided to you in connection with the Roseus Hospitality Business.

NOW THEREFORE, you acknowledge and agree as follows:

- 1. Recitals and Representations.** You agree that the foregoing Recitals and Representations are true and accurate and shall constitute a part of this Agreement and are hereby incorporated into the main body of this Agreement.
- 2. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

“Business Management System” refers to and means the software and/or internet or cloud-based system and/or systems, point of sale system or systems and customer relationship management system or systems as used in connection with the operations of the Roseus Hospitality Business.

“Business Management System Data” refers to and means the forms, data, tools, customer information, inventory and sales information, and other information that is entered into and/or maintained on the Business Management System of the Roseus Hospitality Business.

“Confidential Information” refers to and means: (a) non-public methods, specifications, standards, policies, procedures, information, concepts, programs and systems relating to the development, establishment,

marketing, promotion and operation of the Roseus Hospitality Business; (b) information concerning customers, customer lists, email lists, database lists, product sales, operating results, financial performance and other financial data of the Roseus Hospitality Business; (c) customer lists and information related to the Roseus Hospitality Business; (d) Business Management System Data; I current and future information contained in the Roseus Hospitality Operations Manual made available to the Roseus Hospitality Business by Roseus Franchise Development, LLC; and (f) production and service procedures that are not disclosed to the public but used by the Roseus Hospitality Business.

“Digital Media” refers to and means any interactive or static electronic document, application or media including, but not limited to, www.roseushg.com, social media platforms and applications such as Facebook, LinkedIn, Twitter, Pinterest, Instagram, Snapchat, YouTube, and world wide web and internet based directories and local directories that refers, references, identifies, reviews, promotes and/or relates, in any way, to the Roseus Hospitality Business or other Roseus Hospitality Businesses.

“Licensed Marks” refers to and means the word marks, trademarks, service marks, and logos now or hereafter utilized in the operation of a Roseus Hospitality Business, including, but not limited to, the “Roseus Hospitality” word mark, associated logos, and any other trademarks, service marks or trade names that we designate for use in a Roseus Hospitality Business.

“Operations Manual” refers to and means the confidential operations manual made available to the Roseus Hospitality Business by our franchisor or as otherwise designated by us. The Operations Manual may consist of one or more volumes, handbooks, manuals, written materials, video, electronic media files, cloud/internet-based list-service, intra-net, internet based and accessed databases, computer media, webinars and other materials as may be modified, added to, replaced, or supplemented.

“Trade Dress” refers to and means the Roseus Hospitality designs, images, marketing materials, packaging, branding and/or branding images used in connection with the operation of the Roseus Hospitality Business.

3. Your Access to Confidential Information. In addition to the representations and acknowledgments contained in the Recitals and Representations, above, you acknowledge and represent that in your capacity as an employee, independent contractor, officer and/or director of the Roseus Hospitality Business that you will be gaining access to, among other things, the Confidential Information. You acknowledge that the terms of this Agreement are fair and reasonable.

4. Protection of the Confidential Information. You agree that: (i) you will not use the Confidential Information in any business or capacity other than the Roseus Hospitality Business; (ii) you will maintain the confidentiality of the Confidential Information at all times; (iii) you will not make unauthorized copies of documents containing the Confidential Information; (iv) you will take such reasonable steps as the we may ask of you from time to time to prevent unauthorized use or disclosure of the Confidential Information; and (v) you will stop using the Confidential Information immediately at our request or demand. You will not use the Confidential Information for any purpose other than for the performance of your duties on behalf of us and in accordance with the scope of your work with us.

5. Reasonableness of Covenants and Restrictions. You agree that: (i) the terms of this Agreement are reasonable and fair and that you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **You hereby waive any right to challenge the terms of this Agreement as being overly broad, unreasonable, or otherwise unenforceable.**

6. Breach. You agree that failure to comply with the terms of this Agreement will cause irreparable harm to us and to our franchisor, Roseus Franchise Development, LLC, and other Roseus Hospitality franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of these covenants will entitle us or our franchisor, Roseus Franchise Development, LLC, to injunctive relief. You agree that we and/or our franchisor, Roseus Franchise Development, LLC, may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at Roseus Franchise Development, LLC

equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, you agree that the amount of the bond shall not exceed one thousand dollars (\$1,000.00). None of the remedies available to us under this Article are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages.

7. Miscellaneous.

(a) If we hire an attorney or files suit against you because you have breached this Agreement and if we prevail in such lawsuit, you agree to pay the reasonable attorney fees and costs that we incur.

(b) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

YOU ACKNOWLEDGE THAT THIS IS NOT AN EMPLOYMENT AGREEMENT.

YOU ACKNOWLEDGE AND AGREE THAT OUR FRANCHISOR, ROSEUS FRANCHISE DEVELOPMENT, LLC, IS NOT A PARTY TO THIS AGREEMENT BUT IS AN INTENDED THIRD-PARTY BENEFICIARY OF THIS AGREEMENT.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement as of the date or dates set forth below.

RESTRICTED PARTY

Signature:

Name:

Date:

EXHIBIT I

STATE SPECIFIC ADDENDA

The following modifications are made to this Disclosure Document given to you and may supersede, to the extent then-required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated as of the Effective Date set forth in your Franchise Agreement. When the term “Franchisor’s Choice of Law State” is used, it means the laws of the state of Florida, subject to any modifications as set forth in the addenda below. When the term “Supplemental Agreements” is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. These State Specific Addenda (“Addenda”) modify the agreements to comply with the state’s laws. The terms of these Addenda will only apply if you meet the requirements of the applicable state, independent of your signing the appropriate Addenda. The terms of the Addenda will override any inconsistent provision in the FDD, Franchise Agreement, or any Supplemental Documents. These Addenda are only applicable to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign the signature page to the Addenda along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of California:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT dfpi.ca.gov.

ITEM 3 – LITIGATION

Neither the Franchisor, nor any person identified 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.A. 79a et seq., suspending or expelling such persons from membership in such association or exchange

ITEM 17 – RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. The Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

2. The Franchise Agreement provides for termination upon bankruptcy, this provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq).

3. The Franchise Agreement and the Development Agreement contain provisions requiring application of the laws of Florida. This provision may not be enforceable under California law.

4. The Franchise Agreement and the Development Agreement require venue to be limited to Florida. This provision may not be enforceable under California law.

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination or non-renewal of the franchise. This provision may not be enforceable under California law.

6. THE FRANCHISE AGREEMENT MAY REQUIRE THE FRANCHISEE TO EXECUTE A GENERAL RELEASE OF CLAIMS UPON EXECUTION OF THE FRANCHISE AGREEMENT. CALIFORNIA CORPORATIONS CODE SECTION 31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE SECTIONS 31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE SECTION 20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE SECTIONS 20000 THROUGH 20043).

7. California Corporations Code, Section 31125 requires us to give you a disclosure document, approved by the Department of Corporations before we ask you to consider a material modification of your Franchise Agreement or the Development Agreement.

8. 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.

9. The Franchise Agreement and any Area Development Agreement require binding arbitration. The arbitration will occur in Florida. If we are the substantially prevailing party, we will be entitled to recover reasonable attorneys' fees and litigations costs and expenses in connection with the arbitration. Prospective
Roseus Franchise Development, LLC
FDD Exhibit I



franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

HAWAII

The following paragraphs are added in the state cover pages:

THESE FRANCHISES WILL HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Franchise Disclosure Document for Roseus Franchise Development, LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

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 Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the disclosure document.

ILLINOIS

Illinois law governs the Disclosure Document and Franchise Agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

INDIANA

Notwithstanding anything to the contrary set forth in the Franchise Agreement or Area Development Agreement, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The Franchise Agreement and Area Development Agreement will be governed by Indiana law. Venue for litigation will not be limited to a venue outside of the State of Indiana, as specified in the Franchise Agreement and Area Development Agreement.
2. The prohibition by Indiana Code 23-2-2.7-1 (7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede any conflicting provisions of the Franchise Agreement and the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.
3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. The post-termination non-competition covenants set forth in the Franchise Agreement and Area Development Agreement shall be limited in time to a maximum of three (3) years and in geographic scope to the designated territory granted by the Agreement.
5. Nothing in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede any conflicting choice of law provisions set forth herein if such provision is in conflict with Indiana law.
6. You will not be required to indemnify us and the other Indemnities for any liability caused by your proper reliance on or use of procedures or materials provided by us or caused by our negligence.
7. If we receive any payments related to purchases from you that we do not pass on in full to the supplier, we will promptly account for the amount of the payment that we retained and we will transmit the retained amount to you.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Roseus Franchise Development, LLC at 6900 Tavistock Lakes Blvd, Suite 400, Orlando, Florida 32827, not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

MARYLAND

The following provisions will supersede anything to the contrary in the Franchise Disclosure Document, Franchise Agreement or Area Development Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Item 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

1. No release language in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Maryland. Any general release required as a condition of renewal, sale and/or assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. A franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Laws must be brought within three years after the grant of the franchise.
3. The provision in the Franchise Agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

ADDENDUM TO 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 this 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 provisions 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 franchised 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, marketing, 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.¹
- (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 franchisee 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; and

¹NOTE: Notwithstanding paragraph (f) above, we intend to fully enforce the provisions of the arbitration section of our agreements. We believe that paragraph (f) is preempted by the Federal Arbitration Act and that paragraph (f) is therefore unconstitutional.

- (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.

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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor must, at the request of the 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 name and address of the franchisor's agent in this state authorized to receive service of process is: Michigan Department of Commerce, Corporation and Securities Bureau, 6546 Mercantile Way, P.O. Box 30222, Lansing, MI 48910.

Any questions regarding this notice should be directed to:

Department of the Attorney General's Office
Corporate Oversight Division
Attn: Franchise
670 G. Mennen Williams Building
Lansing, MI 48913

MINNESOTA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the Franchise Agreement, or the Area Development Agreement, the following provisions will supersede and apply:

1. We will protect your right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols and/or indemnify you from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the same.
2. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit the Franchisor 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 the disclosure document or agreement(s) can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.
3. No release language set forth in the Franchise Agreement or Area Development Agreement will relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
4. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.
5. Under the terms of the Franchise Agreement and Area Development Agreement, as modified by the Minnesota Addendum to the Franchise Agreement, you agree that if you engage in any non-compliance with the terms of the Franchise Agreement or unauthorized or improper use of the System Marks, or Proprietary Materials during or after the period of the Agreements, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law, and you consent to the seeking of these temporary and permanent injunctions.

NEW YORK

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF NEW YORK

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 B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, 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 the "Summary" section 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 Section 687(4) and 687(5) be satisfied.

4. 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.

5. The following is added to the end of the "Summary" section 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.

NORTH DAKOTA

In North Dakota, the Disclosure Document is amended as follows to conform to North Dakota law:

Item 5 “Initial Fees,” is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

Item 6 “Other Fees,” is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

Item 17 “Renewal, Termination, Transfer and Dispute Resolution,” is supplemented by the addition of the following:

Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust, and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee’s place of business.

Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust, or

inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials: _____ Date: _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to Roseus Franchise Development, LLC at 6900 Tavistock Lakes Blvd, Suite 400, Orlando, Florida 32827 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

FRANCHISEE

Signed:

Name:

Date:

RHODE ISLAND

Notwithstanding anything to the contrary set forth in the Franchise Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Rhode Island.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

§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.”

Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Roseus Franchise Development, LLC, for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure: The following statements are added to Item 17:

Pursuant to 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 do 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.

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.

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

SIGNATURE PAGE FOR APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, and any Supplemental Agreements entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, or Supplemental Agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

- California
- Hawaii
- Illinois
- Iowa
- Indiana
- Maryland

- Michigan
- Minnesota
- New York
- North Dakota
- Ohio

- Rhode Island
- South Dakota
- Virginia
- Washington
- Wisconsin

Date: _____

FRANCHISOR:

ROSEUS FRANCHISE DEVELOPMENT, LLC

Name:

Title:

FRANCHISEE:

FRANCHISEE

Name:

Title:

EXHIBIT J

STATE EFFECTIVE DATES

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 document is effective and may be used in the following states, where the document is filed or registered as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	March 20, 2023
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Roseus Franchise Development, 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 that you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Roseus Franchise Development, 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 law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and any applicable state agency.

This franchise is being offered by the following seller(s) at the principal business address and phone number listed below (check all that have been involved in the sales process):

Phil Bernardo; 6900 Tavistock Lakes Blvd, Suite 400, Orlando, FL 32827; 888-223-8824
Bill Anthony; 6900 Tavistock Lakes Blvd, Suite 400, Orlando, FL 32827; 888-223-8824
Greg Gasparini; 6900 Tavistock Lakes Blvd, Suite 400, Orlando, FL 32827; 888-223-8824

Franchise Brokers, Consultants, or Franchise Development Company Representatives (if any):

Name:

Address:

Phone:

Issuance Date: March 10, 2023

I received a Disclosure Document that included the following Exhibits:

- A. Financial Statements
- B. List of State Administrators and Agents for Service of Process
- C. List of Current and Former Franchisees
- D. Operations Manual Table of Contents
- E. Franchise Agreement with Attachments
- F. Reserved
- G. Form of General Release
- H. Form of Confidentiality and Noncompete Agreement
- I. State Specific Addenda
- J. State Effective Dates
Receipts

Signature:

Print Name:

Date Received:

PLEASE SIGN AND KEEP THIS COPY FOR YOUR RECORDS.

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Receipts

Signature:

Print Name:

Date Received:

RETURN THIS COPY TO US:

Roseus Franchise Development, LLC
c/o Phil Bernardo
6900 Tavistock Lakes Blvd, Suite 400, Orlando, FL 32827
franchise@roseushg.com