

## FRANCHISE DISCLOSURE DOCUMENT



iTRIP, LLC  
a Tennessee limited liability company  
2035 Lakeside Centre Way, Suite 250,  
Knoxville, Tennessee 37922-6594  
Phone: (888) 694-8747  
Fax: (888) 704-3308  
Email: [franchising@itrip.net](mailto:franchising@itrip.net)

We offer qualified individuals and entities a franchise for the right to independently own and operate a business (each, an “iTrip Business”) that: (i) offers and provides (a) property management and online listing services for vacation or other rental properties on behalf of the property owner (each, a “Client”), (b) assistance to such Clients in connection with finding and securing potential third-party rental guests to lease such Clients’ respective property(ies), (c) certain digital marketing services, and (d) other related services that we authorize; and (ii) utilizes our proprietary marks and business system.

The total investment necessary to begin operation of a single iTrip Business ranges from \$117,500 to \$153,000. This includes \$55,540 to \$75,540 that must be paid to us or our affiliates.

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 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 for you. To discuss the availability of disclosures in different formats, contact our headquarters at 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922-6594, by phone at (888) 694-8747 or by email to [nate.cannon@itrip.co](mailto:nate.cannon@itrip.co).

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire 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-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 30, 2025

## 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only iTrip franchise in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an iTrip franchisee?</b>	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## What You Need To Know About Franchising *Generally*

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit H.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation (at our option) or litigation only in the State of Tennessee. Out-of-state mediation/litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate/litigate with the franchisor in the State of Tennessee than in your own state.
2. **Spouse Liability (Individual Franchisee)**. If you are an individual, then your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails. If the franchisee is comprised of multiple individuals, then their respective spouses must sign a document that makes their spouses liable for all financial obligations under the franchise agreement. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **Spouse Liability (Business Entity Franchisee)**. If the franchisee is a business entity (with a single principal owner), then the owner's spouse must sign a document that makes the spouse liable for all financial obligations under the franchise agreement. This guarantee 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.

We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

## TABLE OF CONTENTS

ITEM	PAGE
1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
2. BUSINESS EXPERIENCE .....	5
3. LITIGATION.....	6
4. BANKRUPTCY .....	6
5. INITIAL FEES .....	6
6. OTHER FEES.....	8
7. ESTIMATED INITIAL INVESTMENT.....	23
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	27
9. FRANCHISEE’S OBLIGATIONS .....	32
10. FINANCING .....	33
11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	33
12. TERRITORY .....	48
13. TRADEMARKS .....	53
14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	55
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	56
16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	57
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.....	58
18. PUBLIC FIGURES.....	64
19. FINANCIAL PERFORMANCE REPRESENTATIONS .....	64
20. OUTLETS AND FRANCHISEE INFORMATION.....	67
21. FINANCIAL STATEMENTS .....	72
22. CONTRACTS.....	73
23. RECEIPTS .....	73
Exhibits:	
A. Franchise Agreement (State Specific Addenda and Exhibits)	
B. Financial Statements	
C. State Specific Addenda to FDD	
D. List of Current Franchisees and List of Franchisees That Left the System	
E. Operations Manual Table of Contents	
F. Sample General Release	
G. Franchisee Questionnaire/Compliance Certification	
H. List of State Franchise Administrators/Agents for Service of Process	
I. State Effective Dates Page	
J. Receipts	

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

To simplify the language of this disclosure document (the “Disclosure Document”), the Franchisor is referred to in this Disclosure Document as “we,” “us” or “our.” We refer to the person interested in buying the franchise as “franchisee,” “you” or “your.” If you are a corporation, partnership, limited liability company or other entity, the terms “franchisee,” “you” and “your” also refer to your owners.

The Franchisor

We were organized under the laws of Tennessee as a limited liability company on June 2, 2015. Our principal business address is 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922-6594, and our telephone number is (888) 694-8747. We only do business under our corporate name and our proprietary marks, including the marks iTRIP.

We grant franchises for the right to independently own and operate an iTrip Business that offers and provides (a) property management and online listing services for vacation or other rental properties on behalf of the property owner (each, a “Client”), (b) assistance to such Clients in connection with finding and securing potential third-party rental guests to lease such Clients’ respective property(ies) (each a “Client Property”), (c) certain digital marketing services, and (d) other related services that we authorize (collectively the “Approved Services”). Each iTrip Business operates under the marks iTRIP, and any other proprietary marks we designate in the future (the “Proprietary Marks”), and also operates utilizing our proprietary business system described more fully below.

We first began offering franchises for the right to operate an iTrip Business as of July 15, 2015. Other than the business operated by our affiliate (as described below) we have not operated and do not operate businesses similar to the franchise offered under this Disclosure Document. We have not sold and do not sell franchises in any other line of business and, except as provided in this Disclosure Document, we are not otherwise engaged in any other business activity.

Our agents for service of process are listed in Exhibit H to this Disclosure Document.

Our Predecessors and Affiliates

We do not have any predecessors.

Our immediate parent is iTrip Holdco, LLC (“Parent”), a holding company formed on May 28, 2019 in the State of Delaware, with the same principal place of business as us. Our Parent is owned by iTrip Blocker, Inc. (“Blocker”), a Delaware corporation formed on May 29, 2019 with a principal place of business at 2035 Lakeside Centre Way, Suite 250, Knoxville, TN 37922. Blocker is owned by Vacation Brands Purchaser, Inc. (“VBP”), a Delaware corporation incorporated on September 20, 2018 with a principal place of business at 2035 Lakeside Centre Way, Suite 250, Knoxville, TN 37922. VBP is wholly owned by Vacation Brands Holdings, LLC (“VB Holdings”), a Delaware limited liability company formed on September 20, 2018. VB Holdings is a wholly owned subsidiary of InhabitIQ, Inc. (“InhabitIQ”), Delaware corporation incorporated on October 8, 2019. InhabitIQ is wholly owned by InhabitIQ Holdco, Inc. (“InhabitIQ Holdco”), a Delaware corporation formed on October 8, 2019. InhabitIQ Holdco is wholly owned by InhabitIQ Intermediate Parent, Inc. (“InhabitIQ Intermediate”) a Delaware corporation formed on July 17, 2019. Inhabit Intermediate was wholly owned by InhabitIQ Parent, LLC (“InhabitIQ Parent”)

a Delaware limited liability company formed on July 17, 2019. On January 10, 2025, Smokey Parent L.P. (“Smokey Parent”), a Delaware limited partnership formed on November 12, 2024 with a principal address located at c/o Blackstone Inc., 345 Park Avenue, New York, New York 10154, acquired InhabitIQ Parent through a (i) partial redemption of certain InhabitIQ Parent equity that was subsequently and partially rolled over to Smokey Parent and (ii) series of mergers, resulting in Smokey Parent becoming the parent of InhabitIQ Intermediate. Consequently, Inhabit Intermediate is wholly owned by Smokey Parent. VB Holdings, InhabitIQ, InhabitIQ Holdco and InhabitIQ each have the same principal place of business as VBP.

Neither our Parent nor any of our following affiliates (VBP, VB Holdings, InhabitIQ, InhabitIQ Holdco, InhabitIQ Intermediate and Smokey Parent) offer franchises in any line of business or provide products or services to our franchisees. However, a few of VBP’s subsidiaries or affiliates may, from time to time, provide products and services (through VBP’s combined “Inhabit IQ” brand) to our franchisees. Currently, the following subsidiaries of VBP provide services for the Franchised Business: (i) Rental Guardian Holdings, LLC, a Delaware limited liability company organized on August 25, 2017 with a principal address at 241 Willbrook Blvd., Suite A, Pawleys Island, SC 29585, or its subsidiary provide travel and damage insurance to guests of properties managed by franchisees (the franchisee incurs no cost for this service); (ii) Bluetent Marketing LLC (“Bluetent”), a Colorado limited liability company formed on September 9, 2002 with a principal address at 2035 Lakeside Centre Way, Suite 250, Knoxville, TN 37922, provides franchisees with connection to one or more booking websites; (iii) Lynnbrook Consultants LLC (d/b/a Lynnbrook Group), a North Carolina limited liability company formed on September 28, 2010 with a principal address at 1764 Heritage Center Drive, Suite 101, Wake Forest, NC 27587, provides payment processing services to franchisees; (iv) Local Social, Inc. a Delaware corporation with a principal address of 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922 incorporated on August 20, 2009 provides data management tools; and (v) Streamline VRS, LLC, an Arizona limited liability company formed on April 10, 2008 with a principal address of 5580 W. Chandler Blvd, Ste. 3, Chandler, AZ 85226 provides revenue management solutions.

Our affiliate, ITA-III, LLC (a) is the owner of the Proprietary Marks used in connection with the System and Franchised Businesses, and (b) has provided us with a license to use such Proprietary Marks in connection with our franchise system (as described more fully in Item 13 of this Disclosure Document). ITA-III, LLC has a principal business address of 2035 Lakeside Centre Way, Suite 250, Knoxville, TN 37922.

We also have three (3) affiliated entities that are general partnerships formed under the laws of Tennessee, namely (a) ITA Ventures (formed October 28, 2008), (b) ITA Ventures-II (“ITA2,” formed May 3, 2010), and (c) ITA Ventures-III (“ITA3,” formed September 27, 2013), each of which offered and granted licenses for the Proprietary Software and Web Hosting Program to third-party users (each, a “Licensed Location”). Prior to the date we began offering franchises for the right to operate a Franchised Business utilizing the Proprietary Marks and System, the entities described in this paragraph ceased all offer and sale of any new licenses of this kind. All U.S. Licensed Locations have been converted to Franchised Businesses. We have one Licensed Location in Canada, and we may decide to offer that Licensed Location the right to convert to a Franchised Business, but we are under no obligation to do so. On January 31, 2020, ITA Ventures and ITA2 and ITA3 merged into ITA-III, LLC. Pursuant to the merger agreement, ITA-III, LLC assumed the license agreements held by ITA Ventures, ITA2 and ITA3 that were not converted to Franchised Businesses.

Except as provided in this Item, none of the affiliate entities above have offered, sold, or currently offer or

sell franchises in any line of business, and these entities have not conducted the type of business the franchisee will operate.

### The Franchised Business

Your iTrip Business (which we refer to as the “Franchised Business”) will be authorized to offer and sell the Approved Services, together with any merchandise and other items that we authorize you to offer and sell in conjunction with the Approved Services (the “Approved Products”) to Clients with Client Properties located in a designated geographic area where we will not own or operate, or license a third party the right to own or operate, a Franchised Business that utilizes the Proprietary Marks and System (the “Designated Territory”). Before rendering any Approved Services to Clients with Client Properties located in your Designated Territory, you and the Client will enter into an agreement for the Approved Services (the “Approved Services Agreement”). The Approved Services Agreement, will among other things, set forth the terms upon which you will render the Approved Services and the management fee (the “Client Management Fee”) that you will charge the Client for rendering the Approved Services.

Your Franchised Business will be operated using our Proprietary Marks and in accordance with our proprietary operating system (the “System”), which includes our valuable know how, information, trade secrets, methods, confidential operations manual and other proprietary manuals we may loan to you, standards and specifications, marketing and sales programs, fixture and furniture selection, staffing guidelines and other research and development connected with the establishment and operation of a Franchised Business (collectively, the “Brand Standards”), which we may modify from time to time as we deem appropriate in our sole judgment.

You will also be required to use the customized and proprietary software system and web hosting methodology that we currently designate for use in connection with the provision of the Approved Services (collectively, the “Proprietary Software and Website Hosting Program”).

We expect that you will operate the Franchised Business from a home office that meets our standards and specifications (the “Approved Premises”), to the extent such standards and specifications have been provided to you in writing. We do not currently have a typical range for the size of the Approved Premises from which an iTrip Franchised Business is operated, but we reserve the right to provide you with such a range in the future. Under certain circumstances, you may move your Approved Premises to a commercial office space we approve (the “Approved Commercial Office”). After you have been operating the Franchised Business for a period of one (1) year from your Approved Premises, you may request (in writing) to relocate your Approved Premises to a commercial office space (the “Relocation Request”). Our consent to your Relocation Request is conditioned on the following: (i) you have been in (and continue to be) in compliance with the terms of your Franchise Agreement; (ii) your ability to demonstrate that the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space; (iii) your ability to secure a commercial office space located within your Designated Territory and that meets our then-current site selection criteria for an Approved Premises that is not a home office; (iv) your agreement not to use the commercial office space for any other purpose than the operation of the Franchised Business; and (v) payment to us of a relocation fee (the “Relocation Fee”) of Two Thousand Dollars (\$2,000) prior to our approval of your Relocation Request.

In order to own and operate a Franchised Business, you must enter into our current form of franchise agreement that is attached as Exhibit A to this Disclosure Document (the “Franchise Agreement”). If the franchisee is a business entity (for example, a corporation, partnership or limited liability company), then

all of the individuals that have any type of ownership interest in the franchisee entity must sign our form of personal guaranty (attached as Exhibit C to the Franchise Agreement) where each owner agrees to be personally bound by, and personally guarantee the entity's obligations under, all terms of the Franchise Agreement (the "Personal Guaranty"). If the franchisee is an individual, then the franchisee must sign the Franchise Agreement and his/her spouse will be required to execute the Personal Guaranty. If the franchisee is a business entity owned by a single individual, then the franchisee will be required to execute the Franchise Agreement and his/her spouse will be required to execute the Personal Guaranty.

Upon signing the Franchise Agreement for your Franchised Business, we will identify (in Exhibit A to your Franchise Agreement) the Designated Territory in which you are authorized to offer and sell Approved Services to Clients. Your Designated Territory will be determined by researching a number of data points, including but not necessarily limited to: the number of absentee properties, the number of short-term rental listings, the short-term rental restrictions and regulations; and the topography of a geographical area. These data points will be reviewed individually and in relation to one another. Depending on the results of our analysis, your Designated Territory will be classified as a primary market or a boutique market. Typically, primary markets will have more than 900 short-term rental listings on one or more listing sites (each a "Primary Market"), and boutique markets will have at least 500 short-term rental listings on one or more listing sites (each a "Boutique Market"). After your Designated Territory is determined, you will be required to designate a home office located within your Designated Territory or no more than a forty (40) minute commute from your Designated Territory, which you will use to operate your Franchised Business.

### Market and Competition

The iTrip Business concept, including the Approved Products and Approved Services, is targeted to the general public. As a franchisee, you will compete for consumers with a variety of other businesses, including those that offer short-term rental property management services, such as real estate agencies. Your competition may be local, independent businesses or may be part of a regional or national chain or franchise. Demand for the services you offer may be dependent on the local and national economic conditions and their effect on the public's discretionary spending. The Approved Products and Approved Services may be seasonal in nature depending on the geographic region within which your Franchised Business and Designated Territory are located.

Your competitive advantage in the marketplace will be based on your adherence to our Brand Standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on customer service.

### Industry-Specific Regulations

Some state, local and municipal laws require licenses to operate short-term or vacation rentals. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your Franchised Business and Designated Territory, including any real estate licenses required. Also, some local areas have homeowner associations that may have rules or regulations in place that may affect the home's ability to be rented. You should investigate these local rules and regulations and consult with a legal advisor about whether these and/or other requirements apply to your Franchised Business and Designated Territory. We do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by the Franchise Agreement.

In addition, many states' laws affect businesses generally, including laws relating to operating home businesses, labor laws and the Fair Labor Standards Act, workers' compensation laws, business licensing

laws, tax regulations (including lodging taxes) and the Americans with Disabilities Act. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your Franchised Business and Designated Territory.

The United States enacted the “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001” (the “USA Patriot Act”). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity.

You must consult with your own attorney to ensure that the laws of the state where your Franchised Business is located permits you to provide the Approved Products and Approved Services from your Designated Territory. It is your sole responsibility to investigate any regulations in your area, including those related to the establishment and operation of a Franchised Business in your Designated Territory generally.

Please be advised that you must investigate and comply with all of these applicable laws and regulations. You alone are responsible for complying with all applicable laws and regulations (including without limitation, any regulations and restrictions that affect the market and licensing requirements for the management of short-term rentals), despite any advice or information that we may give you. We have not researched any of these laws to determine their applicability to your Franchised Business.

## **ITEM 2 BUSINESS EXPERIENCE**

### General Manager: Vickie Storm

Ms. Storm has served as our General Manager since October 2023 in Sherman, Illinois. Prior to being promoted to this position, Ms. Storm served as our Senior Vice President of Franchise Development from January 2023 to October 2023 in Sherman, Illinois. Before that, Ms. Storm served as our Vice President of Franchise Development from January 2020 to January 2023 in Brentwood, Tennessee.

### Vice President of Professional Services: Jeffrey Beaudin

Mr. Beaudin has served as our Vice President of Professional Services since March 2023 in Franklin, Tennessee. Prior to being promoted to Vice President of Professional Services, Mr. Beaudin served as our Vice President of Training from January 2020 to March 2023 in Franklin, Tennessee.

### Franchise Development Director: Nathan Cannon

Mr. Cannon has served as our Franchise Development Director since March 2025 in Sevierville, Tennessee. Prior to this position, Mr. Cannon served as Partner Success Manager for KeyData from October 2024 to March 2025 in Sevierville, Tennessee. Before that, Mr. Cannon served as Success Manager for iTrip in Sevierville, Tennessee from March 2024 to October 2024. He served as Sales Executive for vTrips in Sevierieville, Tennessee from February 2023 to March 2024; Investment Purchase Manager for Offerpad in Sevierieville, Tennessee from June 2021 to May 2022; and, General Manager with Sand Dollar Hospitality in Santa Rosa Beach, Florida from March 2019 to June 2021.

### **ITEM 3 LITIGATION**

No litigation must be disclosed in this Item.

### **ITEM 4 BANKRUPTCY**

No bankruptcy information must be disclosed in this Item.

### **ITEM 5 INITIAL FEES**

#### *Initial Funding Fee*

Upon execution of your Franchise Agreement, you must pay us an initial funding fee (“Initial Funding Fee”) ranging from \$55,000 to \$75,000 depending on whether your Designated Territory is classified as a Boutique Market or Primary Market. The Initial Funding Fee is comprised of the following fees:

1. *Initial Franchise Fee.* Upon execution of your Franchise Agreement, you must pay us an initial franchise fee equal to the amount set forth on Exhibit A to your Franchise Agreement (the “Initial Franchise Fee”), which covers the franchise license to operate your Franchised Business within your Designated Territory. The Initial Franchise Fee will range between \$10,000 and \$30,000 depending on how your Designated Territory is classified. Each Designated Territory is determined by researching a number of data points, including but not necessarily limited to: the number of absentee properties, the number of short-term rental listings, the short-term rental restrictions and regulations and the topography of a geographical area. These data points are reviewed individually and in relation to one another to classify your Designated Territory. Depending on the results of our analysis, your Designated Territory will be classified as a Primary Market or a Boutique Market. Typically, Primary Markets will have more than 900 short-term rental listings on one or more listing sites, and Boutique Markets will have at least 500 short-term rental listings on one or more listing sites. If your Designated Territory is categorized as a Boutique Market, then you will be required to pay a \$10,000 Initial Franchise Fee. If your Designated Territory is classified as a Primary Market, then you will be required to pay a \$30,000 Initial Franchise Fee.

In 2024, we reduced the Initial Funding Fee for a new franchisee eligible to participate in our United States Military Veteran Discount Program.

2. *Initial Training and Software Integration Fee.* Upon execution of the Franchise Agreement, you must pay us, in one lump sum, an initial training and software integration fee amounting to \$35,000 (“Initial Training and Software Integration Fee”) that helps us defray certain of the costs and expenses we incur in connection with, during the first 12 months of the Effective Date, (i) providing our proprietary initial training program (including training on the use of our Proprietary Software and Web Hosting Program) to you and, if appropriate, your Designated Manager or other management personnel prior to the initial launch and opening of your Franchised Business and (ii) assisting you with configuring your Franchised Business’ computer systems to utilize and/or be integrated into our Proprietary Software and Web Hosting Program. If you are signing the Franchise Agreement for an additional Designated

Territory or if you are selling your Designated Territory to another franchisee, then we may (in our sole business judgment) waive the Initial Training and Software Integration Fee.

In 2024, from time to time we reduced or waived the Initial Training Fee for existing franchisees purchasing additional Designated Territories.

### 3. *Initial Operational Support Fee*

Upon execution of the Franchise Agreement, you also must pay us, in one lump sum, a one-time operational support fee amounting to \$10,000 as consideration for the ongoing operational assistance and support we provide in connection with your initial 12-month period of operations (the “Initial Operational Support Fee”). If you are signing the Franchise Agreement for an additional Designated Territory or if you are selling your Designated Territory to another franchisee, then we may (in our sole business judgment) waive the Initial Operational Support Fee.

In 2024, from time to time we reduced or waived the Initial Operational Support Fee for existing franchisees purchasing additional Designated Territories.

The Initial Franchise Fee, Initial Training Fee and Operational Support Fee and Proprietary Software and Web Hosting Program – Training and Integration Fee, which collectively comprise the Initial Funding Fee are payable in a lump sum upon execution of the Franchise Agreement, deemed fully earned when paid and not refundable under any circumstances.

#### *Software License Fee (First Payment)*

You must pay us an ongoing license fee of \$540 each month (on the 5<sup>th</sup> or other date that we designate) – beginning in the first month after the effective date of your Franchise Agreement – for the right to continue accessing and utilizing the Proprietary Software and Web Hosting Program (the “Software License Fee”), which must be paid in a lump sum each month and will be deemed fully earned and non-refundable upon payment. We anticipate that your first payment of the Software License Fee will be due prior to opening your Franchised Business, which is why we have disclosed this fee here. This amount is deemed fully earned and non-refundable upon payment.

#### *Digital Marketing Requirement (First Payment)*

On the fifth day of each month (or other date that we designate), you must pay our approved supplier, which is currently us, (see Item 6) for certain digital marketing campaigns and services that are designed to market and promote our brand and your Franchised Business within your Designated Territory (the “Digital Marketing Requirement”). Your first monthly payment of the Digital Marketing Requirement will be \$960 (if your Designated Territory is classified as a Boutique Market) or \$1,185 (if your Designated Territory is classified as a Primary Market) and will be due in the first month after the effective date of your Franchise Agreement (in an effort to get those in the Designated Territory aware of your Franchised Business and its opening in the near future). Similar to the Software License Fee, we anticipate that your first payment of the Digital Marketing Requirement will be due prior to opening your Franchised Business. This amount is deemed fully earned and non-refundable upon payment.

Except as provided in this Item, the initial fees described above are applied uniformly to all of our new System franchisees.

**United States Military Veteran Discount Program**

To provide support to the veterans of the United States military, we offer qualified applicants a 10% discount on the Initial Franchise Fee. In order to qualify and participate in our United States Military Veteran Program, you must: (i) be a United States military veteran; (ii) have been honorably discharged from any branch of the United States Military; (iii) provide us with a certified copy of your Certificate of Release or Discharge from Active Duty (DD 214 Form) evidencing your honorable discharge; (iv) own a majority interest in the Franchised Business; (v) otherwise meet the requirements of our program; and, (vi) request participation in our program prior to signing the Franchise Agreement. We may modify or discontinue the United States Military Veteran at any time.

You are not required to pay us or our affiliates any additional fees or payments for services or goods before your Franchised Business opens.

**ITEM 6  
OTHER FEES**

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Royalty Fee	<p>The royalty fee will be based on the Total Rental Revenue generated in connection with all Clients during the preceding calendar month that will amount to a minimum of four percent (4%) and a maximum of six and one tenth percent (6.1%) of each Client’s Total Rental Revenue.</p> <p>The Royalty Fee associated for each Client will be based on the Client Management Fee (defined in Note 1 below) you charge during the preceding month and will be calculated as follows: four percent (4%) of that Client’s Total Rental Revenue, plus an additional zero point fifteen percent (0.15%) of the Client’s Total Rental Revenue for each half of a percentage point you charge your Client a Client Management Fee in excess of fifteen percent (15%), with the Royalty Fee capping at a Client Management Fee of 22% with six and one tenth percent (6.1%) of the Client’s Total Rental Revenue. For Client Management Fees above 22%, the Royalty Fee does not exceed six and one tenth percent</p>	On the fifth of each month.	<p>Your Royalty Fee will begin once your Franchised Business generates Total Rental Revenue. We may require you to pay your Royalty Fee and other recurring amounts via electronic funds transfer (“EFT”).</p> <p>See Note 1 for a definition of “Total Rental Revenue”, as well as Notes 2 and 3, following this table.</p> <p>Please see Note 4 following this table for a breakdown of the Royalty Fee based on the Client Management Fee you charge a given Client.</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	(6.1%).		
Digital Marketing Requirement (Primary Market)	An amount equal to either (i) \$1,185; (ii) \$1,335; or \$1,670, depending on your annual Total Rental Revenue for the then-current calendar year	On the fifth day of each month, beginning in the first full month after the effective date of your Franchise Agreement.	<p>The Digital Marketing Requirement (Primary Market) is a monthly payment tiered to the growth of the Total Rental Revenue generated for your Designated Territory. The Digital Marketing Requirement will be \$1,185, provided that your annual Total Rental Revenue for the then-current calendar year does not exceed \$5,000,000. Once your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$5,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,335 for the remainder of the Initial Term (the “Tier 1 Primary Payment”), unless your annual Total Rental Revenue exceeds \$10,000,000. When your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$10,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,670 for the remainder of the Initial Term (the “Tier 2 Primary Payment”).</p> <p>Your monthly Digital Marketing Requirement will not be reduced if your Total Rental Revenue falls below any of the designated revenue thresholds listed above. It will remain at the amount of the Tier 1 Primary Payment or Tier 2 Primary Payment (as applicable) for the remainder of the Initial Term of your Franchise Agreement.</p> <p>All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your Digital Marketing Requirement expenditures. Currently, we are the approved supplier for your digital marketing materials and</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			<p>these monthly payments must be made to us.</p> <p>The Digital Marketing Requirement may be increased each year of operations by Franchisor to account for inflation in accordance with the Consumer Price Index (“CPI-U”).</p> <p>See Note 1 for a definition of the term “Total Rental Revenue”.</p>
<p>Digital Marketing Requirement (Boutique Market)</p>	<p>An amount equal to either: (i) \$960 (ii) \$1,335; or \$1,670, depending on your annual Total Rental Revenue for the then-current calendar year</p>	<p>On the fifth day of each month, beginning in the first full month after the effective date of your Franchise Agreement.</p>	<p>The Digital Marketing Requirement (Boutique Market) Fee is a monthly payment tiered to the growth of the Total Rental Revenue generated for your Designated Territory. The Digital Marketing Requirement will be \$960, provided that your annual Total Rental Revenue for the then-current calendar year does not exceed \$5,000,000. Once your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$5,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,335 for the remainder of the Initial Term (the “Tier 1 Boutique Payment”), unless your annual Total Rental Revenue exceeds \$10,000,000. When your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$10,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,670 for the remainder of the Initial Term (the “Tier 2 Boutique Payment”).</p> <p>Your monthly Digital Marketing Requirement will not be reduced if your Total Rental Revenue falls below any of the designated revenue thresholds listed above. It will remain at the amount of the Tier 1 Boutique Payment or Tier 2 Boutique Payment (as applicable) for the</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			<p>remainder of the Initial Term of your Franchise Agreement.</p> <p>All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your Digital Marketing Requirement expenditures. Currently, we are the approved supplier for your digital marketing materials and these monthly payments must be made to us.</p> <p>The Digital Marketing Requirement may be increased each year of operations by Franchisor to account for inflation in accordance with the Consumer Price Index (“CPI-U”).</p> <p>See Note 1 for a definition of the term “Total Rental Revenue”.</p>
Direct Mail Requirement	\$1,000 each month for the first 18 full calendar months following the execution of the Franchise Agreement	As incurred.	<p>All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your Direct Mail advertising expenditures.</p> <p>The Direct Mail Requirement may be increased each year of operations by Franchisor to account for inflation in accordance with the CPI.</p> <p>We may (in our sole business judgment) offer you alternatives to direct mail. The cost of such alternative media would apply toward the \$1,000 Direct Mail Requirement.</p>
iTrip Brand Fund Contribution	When formed:  Up to 1% of Total Rental Revenue	Same interval and manner as your monthly Royalty Fee.	We have not currently established an iTrip Brand Fund designed to promote, market and advertise our brand, Proprietary Marks and System, but we reserve the right to do so in the future. If established, we may collect your Fund Contribution in the same manner as we collect your Royalty Fee.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			See Notes 1, 2 and 3.
Initial Marketing Spend (Primary Market)	\$1,500	As incurred.	Must be spent within the 60-day period following the execution of the Franchise Agreement or at the time period we require or approve in writing.
Initial Marketing Spend (Boutique Market)	\$1,000	As incurred.	Must be spent within the 60-day period following the execution of the Franchise Agreement or at the time period we require or approve in writing.
Software License Fee	\$540 each month	Same interval and manner as your monthly Digital Marketing Fee.	Monthly payments begin in the first month following the execution of your Franchise Agreement.
Logo Items Start-Up Kit Fee	\$750	Upon execution of the Franchise Agreement.	You must purchase an initial inventory of logo items from our Approved Supplier upon execution of your Franchise Agreement (the “Logo Items Start-Up Kit”). You will have the option to select among the following items as part of your Logo Items Start-Up Kit: shirts, mugs, pens, bags, sunglasses, water bottles and other such logo items that may become available in the future. The Logo Items Start-Up Fee is the required minimum amount of logo items that you must order to commence operating your Franchised Business. You are not required to purchase additional logo items following the purchase of your Logo Items Start-Up Kit.
Printed Materials Start-Up Kit Fee	\$750	Upon execution of the Franchise Agreement.	Upon execution of the Franchise Agreement, you must purchase an initial inventory of business cards, rack cards and brochures from our Approved Supplier, in order to commence operating your Franchised Business (the

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			<p>“Printed Materials Start-Up Kit”). You are not required to purchase additional printed materials following the purchase of your Printed Materials Start-Up Kit.</p>
Takeover Fee	\$2,000 per Out of Market Property	As incurred.	<p>If (at the time you execute your Franchise Agreement) an existing iTrip Business (the “Existing Franchisee”) is providing Approved Services to a Client Property located in your Designated Territory (an “Out of Market Property”) pursuant to an Approved Services Agreement, then you will have the right to take over servicing each such Out of Market Property within the first 12 months from the date you sign your Franchise Agreement (the “Takeover Period”); provided that, you pay the Existing Franchisee a Takeover Fee of \$2,000 for each Out of Market Property you wish to take over servicing. The Takeover Fee is payable upon (i) you and Client’s execution of an Approved Services Agreement for the Out of Market Property or (ii) the Existing Franchisee’s assignment to you of the existing Approved Services Agreement(s) for the Out of Market Property.</p> <p>Following the expiration of the Takeover Period, you can enter into a new Approved Services Agreement with the Clients for all Out of Market Properties that you did not take over servicing during the Takeover Period. If you enter into an Approved Services Agreement with a Client for an Out of Market Property after the expiration of the Takeover Period, then you will not be required to pay any compensation (including, the Takeover Fee) to the Existing Franchisee that serviced the subject Out of Market Property.</p> <p>If we permit you to manage an Out of</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			<p>Market Property and we later sell the territory in which that Out of Market Property is located, then you will be required to turn over the management of that Out of Market Property to the new franchisee and to fully assist with transferring the management of that Out of Market Property to the new franchisee. If the new franchisee takes over the management of your Out of Market Property within the first 12 months of that franchisee’s franchise agreement, then you will be entitled to receive the Takeover Fee. If the new franchisee takes over managing your Out of Market Property after the Takeover Period, then you will not be entitled to receive a Takeover Fee.</p> <p>See Note 8 following this Chart and Item 12 of this Disclosure Document for more information.</p>
Unit Acceleration Fee	\$2,500 per New Unit	As incurred.	<p>For the first 18 months (the “Ramp-Up Period”) following the execution of your Franchise Agreement, we have the right (but not the obligation) to solicit, recruit and refer prospective Clients (each a “New Unit”) to you within your Designated Territory to you for a Unit Acceleration Fee of \$2,500 per New Unit.</p> <p>The Ramp-Up Period may be extended, if we and you mutually agree in writing.</p>
Limited Damage Waiver (“LDW”) Program Fees	<p>Our then-current fee (the “LDW Fee”) per rental transaction where rental guest elects to participate in the LDW Program (each, an “Applicable Transaction”), which may vary based on the Client Property and other factors</p> <p>Currently, the typical range for the LDW Fee is between \$59.00 and \$400.00 per rental transaction based</p>	As incurred.	<p>Unless prohibited by state law where you or your Client Property at issue is located, you must offer prospective rental guests 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.</p> <p>A portion of the LDW payment made by</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	on our System experience with our current LDW Program		the rental guest includes fees payable to us. Upon receipt of each LDW payment, you will be invoiced for our portion, directly.
Successor Term Fee	\$5,000	Prior to Franchisor entering into the successor franchise agreement.	There are additional conditions that you must meet in order for us to approve your request for a successor term.
Transfer Fee	\$10,000	Payable prior to obtaining our consent to your proposed transfer.	<p>You must also pay any third-party broker fees that are due in connection with the transfer.</p> <p>There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment.</p>
Additional Replacement Personnel Training Fee	Our then-current training tuition fee, which is currently \$1,500/trainee for those additional/replacement personnel that are required to attend our Initial Training Program	As incurred.	<p>The current training fee of \$1,500/person is only for additional or replacement personnel that attend our Initial Training Program or for attendees who fail to successfully complete the Initial Training Program and elect to reattend. You will also be responsible for the costs/expenses incurred in connection with these individuals attending such training.</p> <p>Please see Item 11 of this Disclosure Document for additional information.</p>
Additional Training Fee	Our then-current training tuition fee, which is currently \$300/day for each trainer we provide for Additional Training	As incurred.	In addition to paying us our then-current training tuition fee, you must reimburse us for any expenses we incur in providing Additional Training or other special assistance to you or your personnel. We will not charge any training fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability.

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
			Please see Item 11 of this Disclosure Document for additional information.
Annual Conference Registration Fee	Our then-current registration fee to attend any Annual Conference we designate for iTrip Franchise Businesses, currently \$600 per person	As incurred.	<p>We may schedule and hold an annual conference, as we deem advisable in our sole judgment, and require that you or your Operating Owner (and/or your Designated Manager) attend such conference. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then-current attendance/registration fee.</p> <p>We require you, your Operating Owner and/or your Designated Manager to attend our annual conference and should no one attend, you will be responsible to pay the registration fee for at least one attendee. Failure to attend will constitute a material breach of the Franchise Agreement.</p>
Additional Email Address Fee	\$100 per year per account (except that the first 2 accounts are provided to you without any cost)	As incurred.	You are required to use the two (2) email addresses we will provide you in connection with the Franchised Business and these email addresses must be the only email addresses used in connection with the Franchised Business. If you request additional email addresses, you will be required to pay a fee of \$100 per year per account.
New Product or Supplier Testing	\$500, plus the actual costs we incur in testing the unapproved product or evaluating the unapproved supplier	As incurred	<p>If you propose an alternate supplier or product/service that we have not already authorized for use in connection with your Franchised Business, you will be required to pay the fee in Column 2 and reimburse us for the actual costs we incur in connection with testing the unapproved product and/or evaluating the unapproved supplier.</p> <p>Please see Item 8 of this Disclosure</p>

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Audit Fees	Actual cost of Audit.	Upon billing after audit.	Document for additional information. Payable if audit reveals that you have underreported the Total Rental Revenue of your Franchised Business by 2% or more for any designated reporting period. See Note 5.
Collection Costs	Varies	Upon demand.	You must reimburse us for all costs and expenses we incur in connection with (i) our efforts in collecting any amounts you owe to us under the Franchise Agreement, or (ii) us commencing an action against you due to or in connection with your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and any court costs that we are forced to incur in connection with enforcing or protecting our rights under your Franchise Agreement.
Indemnification	Will vary according to circumstance.	Upon demand.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Franchised Business.
Interest	1.5% per month or maximum interest rate applicable laws permit.	Upon demand.	Payable on all delinquent payments that are due to us for more than 30 days. See Note 7.
Dishonored Check Charge	\$50	Upon demand.	Payable for each check given or electronic transfer made to us that is dishonored, fails to process, or is returned.
Insurance	Will vary according to circumstance.	Upon demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you a service fee to do so. Otherwise, these payments are made directly to your third-party insurance provider. See Note 6.
Relocation Fee	\$2,000 if you decide to relocate	Prior to	Payable to us to defray our costs

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
	your Franchised Business to a commercial office space	Franchisor’s approval of the relocation.	associated with evaluating and approving/rejecting your relocation proposal.
Franchised Business Management Fee	8% of the Total Rental Revenue of your Franchised Business during the period of time we or our representative manages your Franchised Business on your behalf (the “Management Fee”), plus the reasonable costs and overhead we incur.	As incurred	The Management Fee will only be due to us if (a) you are in material default under your Franchise Agreement and fail to cure such default; (b) your Estate fails to appoint a Designated Manager during your death or disability; and/or (c) we exercise our right to temporarily operate your Franchised Business in an effort to assist in getting the operations of the Franchised Business back into compliance with the Franchise Agreement and System standards.
Advertising Cooperative Fee	As determined by the Cooperative (not to exceed your Direct Mail Requirement in any given month, i.e., \$1,000 per month).	Upon Demand	<p>Payable to us if we assign your Franchised Business to a Regional Advertising Cooperative. Any payment to a Regional Advertising Cooperative will not exceed \$1,000 per month and if payable during the Direct Mail Requirement period, each payment will be credited against the monthly Direct Mail Requirement. If there is an affiliate-owned Designated Territory in your Cooperative, then our affiliate will be able to vote on all matters that you and the other Cooperative members have the right to vote on.</p> <p>If the number of affiliate-owned Designated Territories in your Cooperative area is such that the affiliate will have controlling voting power within the Cooperative, then the minimum amount you might be required to pay to the Cooperative will remain at \$0 and the maximum monthly contribution will be your Direct Mail Requirement for the month at issue.</p>
Security Offering Review of Franchisee Public Offering	\$10,000 or any greater amount necessary to reimburse us and/or our advisors for any reasonable costs we incur in considering your request.	Before we approve the transfer.	

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Payment Processing Services Fee	Varies. Approximately 1-3% of online payment amounts made by rental guests.	As incurred.	Our affiliate, the Lynnbrook Group offers credit card processing services, which our franchisees are currently required to use in connection with the establishment and operation of their iTrip Franchised Business. However, we reserve the right to require you to use a different credit card processing services vendor in the future.
Bluetent fee for connecting to certain booking websites	Currently no charge, but we or our affiliate, Bluetent, may impose a charge for this in the future.	Upon demand.	
Call Center Subscription Fee	Our or our Approved Supplier's then-current subscription fee	As incurred.	Payable to us or our Approved Supplier, if we establish a Call Center. We have not yet established a Call Center but we reserve the right to do so in the future.

**Explanatory Notes**

**Generally.** Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. We may directly charge those who use and book a Client Property via our Proprietary Software and Web Hosting Program and/or certain third-party websites in connection with leasing a Clients' property.

1. **Definition of Total Rental Revenue and Client Management Fee.** For purposes of this Disclosure Document (and your Franchise Agreement), the terms below are defined as follows:
  - a. "Total Rental Revenue" means the total amount of gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services Agreement with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees. For the avoidance of doubt, the Total Rental Revenue specifically includes, without limitation: (a) all Client Management Fees and/or other consideration that you receive from Clients under any Approved Services Agreement, (b) any other amounts paid to you on account of the provision of Approved Services under this Agreement, including excursion-related fees, cleaning fees and/or processing fees, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange, and (c) any business interruption insurance proceeds that you obtain due to the non-operation or partial operation of your Franchised Business over the applicable reporting period. Total Rental Revenue does not include any applicable taxes, refundable deposits or the value of any refund issued or granted to any Client that is credited in good faith by you in full or partial satisfaction of the price of the Approved Services offered in connection with your Franchised Business; and

- b. “Client Management Fee” means the fee that Franchisee charges to and/or collect from a given Client in connection with the Approved Services Agreement, including all commissions and other consideration the Client pays to you, whether that Client Management Fee is specifically set forth in the Approved Services Agreement or that is otherwise collected from the Client.
2. **Royalty Fee and Other Fees.** Except for the Initial Funding Fee and other amounts payable to us upon the execution of the Franchise Agreement (which you must pay by bank check, ACH payment or wire transfer), you must pay all fees and other amounts due to us and/or our affiliates under the Franchise Agreement through our EFT program (the “EFT Program”) unless we otherwise require in writing. To participate in our EFT Program, you must open bank account you designate solely for use in connection with your Franchised Business (your “EFT Account”). At least ten (10) days prior to opening your Franchised Business, you must provide us with: (i) the name of your bank, address, the bank’s ACH account number and your EFT Account number; and (ii) a voided check from the EFT Account. Contemporaneous with the execution of your Franchise Agreement, you must sign and provide us, our bank and your bank all documents (including our form of EFT Debit Authorization Form attached as Exhibit E to the Franchise Agreement) necessary to effectuate the EFT Program and our ability to debit funds from the EFT Account via electronic funds transfer. You must immediately notify us of any change in your banking relationship and obtain our advance written approval before changing your EFT Account. You must pay all costs associated with participating in our EFT Program. Upon our written request, you must make all such payments described in this Item by bank or certified check.
3. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than monthly basis.
4. **Royalty Fee Calculation.** On or before the fifth (5th) of each calendar month (or other day we designate in writing) that the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), you will pay us a Royalty Fee based on the Total Rental Revenue generated in connection with all Clients during the preceding calendar month that will amount to a minimum of four percent (4%) and a maximum of six and one tenth percent (6.1%) of each Client’s Total Rental Revenue. The Royalty Fee associated for each Client in a given month will be based on the Client Management Fee that Franchisee charges that Client during the preceding calendar month and will be calculated as follows: four percent (4%) of that Client’s Total Rental Revenue, plus an additional zero point fifteen percent (0.15%) of the Client’s Total Rental Revenue for each half of a percentage point you charge your Client a Client Management Fee in excess of fifteen percent (15%), with the Royalty Fee capping at a Client Management Fee of 22% with six and one tenth percent (6.1%) of the Client’s Total Rental Revenue. For Client Management Fees above 22%, the Royalty Fee does not exceed six and one tenth percent (6.1%). If the Client Management Fee being charged by Franchisee is in excess of 15% of that Client’s Total Rental Revenue and falls in between any half of a percentage point and full percentage point, then Franchisor will charge Franchisee the Royalty Fee that corresponds with the higher of the two Client Management Fees as set forth in the chart below. The highest Royalty Fee that Franchisor will charge Franchisee will be six and one-tenth percent (6.10%). For the avoidance of doubt, if the Client Management Fee being charged is 15.6% of that Client’s Total Rental Revenue (so that it falls between 15.5% and 16%), then Franchisor will charge Franchisee the Royalty Fee that corresponds with the 16% Client Management Fee and Franchisee will be required to pay

Franchisor 4.3% of that Client’s Total Rental Revenue. Below is a table detailing how the Royalty Fee associated with a particular Client will change based on the Client Management Fee that Franchisee charges that Client, with the parties understanding and acknowledging that the Royalty Fee will always be tied to the exact Client Management Fee charged by Franchisee in connection with a particular Client:

<b>Client Management Fee Charged</b>	<b>Royalty Fee paid on that Client’s Total Rental Revenue</b>
15% or less of Total Rental Revenue	4.0% of Total Rental Revenue
15.5% of Total Rental Revenue	4.15% of Total Rental Revenue
16% of Total Rental Revenue	4.30% of Total Rental Revenue
16.5% of the Total Rental Revenue	4.45% of Total Rental Revenue
17% of Total Rental Revenue	4.60% of Total Rental Revenue
17.5% of the Total Rental Revenue	4.75% of Total Rental Revenue
18% of Total Rental Revenue	4.90% of Total Rental Revenue
18.5% of the Total Rental Revenue	5.05% of Total Rental Revenue
19% of Total Rental Revenue	5.20% of Total Rental Revenue
19.5% of the Total Rental Revenue	5.35% of Total Rental Revenue
20% or more of Total Rental Revenue	5.50% of Total Rental Revenue
20.5% or more of Total Rental Revenue	5.65% of Total Rental Revenue
21% or more of Total Rental Revenue	5.80% of Total Rental Revenue
21.5% or more of Total Rental Revenue	5.95% of Total Rental Revenue
22% or more of Total Rental Revenue	6.10% of Total Rental Revenue

5. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Total Rental Revenue by two percent (2%) or more for any given reporting period (whether weekly, monthly or otherwise), then you must reimburse us for the costs/expenses we incur in connection with conducting the audit of your Franchised Business (including, without limitation, any fees paid to auditors and/or attorneys) and pay the amount due plus interest.

If an audit reveals that you understated your Total Rental Revenue by 2% or more for three (3) times within any 36-month period, or by 5% or more for any week or month within the period of examination or the entire period of examination, then we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit.

6. **Insurance.** You must maintain the following insurance:
- (i) “All risk” property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee’s property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;
  - (ii) Workers’ compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;

- (iii) Comprehensive General Liability Insurance and Professional Liability Insurance, against claims for bodily and personal injury, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee's conduct of business pursuant to the Franchise Agreement, with a minimum liability coverage of \$1,000,000 per occurrence or \$2,000,000 in the aggregate for Professional Liability and General Liability or, if higher, the statutory minimum limit required by state law;
- (iv) Automobile liability insurance for the Approved Vehicle and any other vehicles that are utilized in connection with the Franchised Business, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law;
- (v) The business interruption insurance, as well as any other type of insurance, in the amount that Franchisor designates in our Brand Standards or otherwise in writing; and
- (vi) Such insurance as necessary to provide coverage under the indemnity provisions set forth in the Franchise Agreement.

You must furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage outlined above.

7. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full.

Payments due to iTrip are to be processed via an auto-pay process represented by an EFT transaction which we initiate against the bank account you provide to us. Payments are required to be made via auto-pay. Bank information must be current at all times with iTrip. Payments that are 30 days or more past due constitute a material default under your Franchise Agreement and could result in added interest and even the possible termination of your Franchise Agreement.

8. **Takeover Fee.** As the owner of the Franchised Business, you will be solely responsible for determining whether you can participate in our Out of Market Property takeover program as described in the Item 6 Chart above. You will be solely responsible for determining if you can manage the unit under the applicable real estate and other laws where your Franchised Business is located. You must notify us in writing if any applicable law might prohibit or affect your ability to take over servicing (or transferring) an Out of Market Property. Any Takeover Fee that you owe must be paid promptly.

If you are transferring an Out of Market Property that you have been managing to another franchisee, you are expected to make the transfer with the franchisee and the owners of the Out of Market Property a smooth and amicable transaction. This includes transferring to the New Franchisee (i) all photos of the Out of Market Property (regardless of who originally paid for them); (ii) all current bookings of that Out of Market Property; and (iii) such other information or documentation related to the Out of Market Property as we require.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT\***

<b>Type of Expenditure</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee See Note 1	\$10,000	\$30,000	Lump sum	Upon execution of the Franchise Agreement	Us
Software Training and Integration Fee See Note 1	\$25,000	\$25,000	Lump sum	Upon execution of the Franchise Agreement	Us
Initial Training Fee See Note 1	\$10,000	\$10,000	Lump sum	Upon execution of the Franchise Agreement	Us
Initial Operational Support Fee See Note 1	\$10,000	\$10,000	Lump Sum	Upon execution of the Franchise Agreement	Us
Software License Fee See Note 1	\$540	\$540	As incurred	As incurred	Us
Logo Items Start-Up Kit Fee See Note 2	\$750	\$750	Lump sum	Upon execution of the Franchise Agreement	Approved Supplier
Printed Materials Start-Up Kit Fee See Note 2	\$750	\$750	As incurred	Upon execution of the Franchise Agreement	Approved Supplier
Direct Mail Requirement See Note 3	\$1,000	\$1,000	As incurred	As agreed	Approved Suppliers (currently us) for Digital Marketing Requirement; Third-party vendors
Digital Marketing Requirement (Boutique Market and Primary Market) See Note 2	\$960	\$1,185	As incurred	As agreed	Approved Suppliers (currently us) for Digital Marketing Requirement; Third-party vendors
Chamber of Commerce Fee See Note 4	\$200	\$500	As incurred	As agreed	Third-party vendors

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Approved Vehicle See Note 5	\$0	\$5,000	As incurred	As agreed	Third-party vendors
Travel and Living Expenses During Initial Training See Note 6	\$4,000	\$4,000	As incurred	As incurred	Airlines, hotels, and restaurants
Insurance Premium (Annual Amount) See Note 7	\$6,000	\$6,000	As agreed	Prior to opening	Insurance agent or carrier
Business License and Permits See Note 2	\$400	\$400	As incurred	As incurred	Government agencies
Other Professional Fees See Note 9	\$3,000	\$3,000	As agreed	As agreed	Third-party vendors
Office Equipment, Computer System, Software and Related Supplies See Note 10	\$0	\$4,000	As incurred	As agreed	Third-party vendors
Initial Marketing Spend See Note 11	\$1,000	\$1,500	As incurred	In the 60-day period following the execution of the Franchise Agreement	Third-party vendor
Additional Funds, 3 Months See Note 12	\$43,600	\$49,375	As agreed	As incurred	Employees, utilities, suppliers and other third parties, etc.
<b>Total Estimated Initial Investment</b> See Note 13	<b>\$117,500</b>	<b>\$153,000</b>			

\* Unless otherwise stated, none of the expenses listed on this chart is fully refundable.

### **Explanatory Notes**

1. **Initial Fees Due to Franchisor.** The details of the Initial Franchise Fee, Initial Training Fee, Initial Operational Support Fee, Software Training and Integration Fee and Software License Fee are described in Item 5.
2. **Start-Up Kits.** You will separately purchase a Start-Up Kit for the logo items and printed materials that you will need to commence operating your Franchised Business. The Printed Materials Start-

Up Kit Fee will cover the cost you will likely incur in connection with obtaining an initial stock of (a) “rack cards” (4”x9” promotional cards that can be placed in third-party businesses), (b) brochures, and (c) business cards, all of which you must ensure are either designated or approved by us prior to using, displaying or distributing in any manner. The Logo Items Start-Up Kit Fee will cover the cost of your initial inventory of iTrip logo items that you must purchase prior to your first in-market training. You will have the ability to select your choice of logo items, which will include, without limitation, shirts, mugs, pens, bags, sunglasses and water bottles. All printed materials and logo items must be purchased from our Approved Supplier.

3. **Direct Mail Requirement and Digital Marketing Requirement.** This range is designed to account for your Digital Marketing Requirement and Direct Mail Requirement for the first month following the execution of your Franchise Agreement, which we anticipate will become due prior to your Franchised Business commencing operations. This estimate assumes and expects that you will timely attend and complete initial training as well as all other pre-opening obligations and open your Franchised Business within the time period prescribed in your Franchise Agreement.
4. **Chamber of Commerce.** You must become a member of the Chamber of Commerce of the area in which your Franchised Business is Located. We estimate that the membership will be between \$200 and \$500.
5. **Approved Vehicle.** You are required to purchase or lease, and keep in good working condition, a vehicle that meets our standards and specifications for use in connection with your Franchised Business (the “Approved Vehicle”). The Approved Vehicle will be used to provide property management services within your Designated Territory, and otherwise assist you in the operation of your Franchised Business. The Approved Vehicle must be maintained in accordance with the standards and specifications we set forth in the Manual(s) or otherwise in writing. The Approved Vehicle must be a late model vehicle (no older than 10 years) and in good working condition. The low end of this estimate assumes you already own or lease a vehicle that meets our standards and specifications. The high end of the estimate assumes that you will lease a vehicle or upgrade your existing vehicle to be used in connection with the Franchised Business.
6. **Training Expenses.** This is the range designed to cover your estimated range of costs to cover travel and living expenses, including airfare, lodging and meals, which you may incur when you and your employees attend the initial training program. The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. This estimate does not include any wages or salary for you or your trainees during training. The low estimate assumes that you and one (1) other individual will attend our proprietary training program, while the high estimate assumes that a total of three (3) people will be attending this initial training.
7. **Insurance.** This is an estimate of insurance premiums for the first twelve (12) months of business operation. Your costs will vary depending on your market, your state, the amount of coverage you select, your insurance carrier, and other factors. We expect and intend that you will pay your premiums for the entire first year of operations at the outset of your insurance contract in order to get the most favorable pricing, and our estimate is based on this assumption.
8. **Business License and Permits.** You are required to obtain all business licenses, permits,

certificates or approvals before you start business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate. Certain states may require that you obtain a license to rent properties. You are solely responsible for researching all laws applicable to where your Franchised Business is operated to determine whether or not you must obtain such a license.

9. **Professional Fees.** You should consult with an attorney, accountant and/or other business advisors regarding the purchase and operation of the Franchised Business. This item includes an estimate of the cost to incorporate as an entity and an initial consultation with an accountant.
10. **Office Equipment, Computer System/Software and Related Supplies.** You will need to purchase furniture, fixtures, computer system hardware/software (specified in Item 11) and office equipment for the iTrip Franchised Business that meet our specifications and are from approved or designated vendors (if we choose to designate vendors for these items), unless you already have office equipment, computer system hardware/software and related supplies that meet our specifications. You may decide to lease the furniture and/or office equipment needed rather than purchasing it with a lump sum payment or use existing furniture and/or equipment that you already own. A variety of factors (such as the condition of the national and regional economy, availability of credit, number of suppliers leasing products in your area, the interest rates offered by suppliers, duration of leases offered, security requirements, and your credit history) may affect the availability of leased products, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease the furniture and/or equipment. The amounts listed are an estimate and may vary per your location and market. The low end of the estimate assumes that you will use furniture and equipment, including a computer, that you already own (and that meets our System standards), while the high end of the estimate assumes you will purchase or lease all of the furniture and equipment to be used in connection with your Franchised Business.
11. **Initial Marketing Spend.** You are required to provide funding for a pre-opening and opening sales and marketing campaign that we approve or designate.
12. **Additional Funds.** You will need additional capital to support on-going business expenses during the initial three (3) months after you open your Franchised Business. The estimate includes items such as payroll, third-party listing services, royalty, additional advertising, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax, any limited damage waiver program fees, Takeover Fees, Unit Acceleration Fees and other miscellaneous items, that may not be covered by sales revenues. This range does not include any draw or salary for you. Additional factors, basis and experience we relied upon in formulating the estimated amount for Additional Funds (and all estimates in this Item 7) include (a) the experience of our affiliate that has owned and operated a business substantially similar to the Franchised Business offered under this Disclosure Document since October 2007, (b) our own experience in operating businesses substantially similar to the Franchised Business offered under this Disclosure Document, and (c) estimates we have received from certain third-party vendors.
13. **Total Estimated Initial Investment.** We do not offer direct or indirect financing to you for any part of the initial investment. Unless otherwise noted above, all of the expenditures listed in the Item 7 Table are non-refundable.

## **ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential brand standards, instructional manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System (collectively, the “Brand Standards”). We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole judgment, and you will be solely responsible for costs associated with complying with any modifications to the System. We notify franchisees in writing of changes or additions to our standards, specifications and lists, through our Brand Standards or other written notices to franchisees.

### Approved Products and Services

We will loan you a list of the Approved Services and the Approved Products that you must offer and sell at (and/or use in connection with the operation of) your Franchised Business. We may provide this list of Approved Services and Approved Products as part of the Brand Standards or otherwise in writing prior to opening and/or during your 10-year term under the franchise agreement. You must offer and sell all Approved Products and Approved Services which are part of the System and all other programs, products and services which we in the future incorporate into the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not sell any (i) program, product or service which is not a part of the System or (ii) Approved Product and/or Approved Service we delete from the System. If there is a dispute between you and us concerning your right to carry any particular product or to offer any specific service, you will immediately remove the disputed products from inventory, cease offering, selling or providing the disputed service, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute. We may update or modify the lists of Approved Services and Approved Products in writing at any time.

If you wish to offer and sell any product or service in your Franchised Business that is not a part of our System, or use any product or service in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

### Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an “Approved Supplier”), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of our Brand Standards or otherwise in writing, and we may update or modify this list as we deem appropriate.

Currently, we have Approved Suppliers for the following items that you must purchase in connection with the establishment and/or operation of your Franchised Business: (i) computer software (as well as maintenance and support); (ii) website hosting services; (iii) third-party prospects listing services; (iv) digital locks; (v) shirts and other apparel; (vi) private-label merchandise (if and as authorized for resale in connection with your Franchised Business by us); (vii) our current LDW Program; (viii) direct mail materials, marketing materials (digital or otherwise), and brochures; and (ix) the Logo Items Start-Up Kit and Printed Materials Start-Up Kit. In addition, the following subsidiaries of VBP (defined in Item 1) are

our affiliates and are the only approved suppliers for the following services to franchisees, respectively: Rental Guardian Holdings, LLC or its subsidiary provides travel and damage insurance to guests of properties managed by franchisees; Bluetent provides franchisees with connection to one or more booking websites; and, Lynnbrook Group provides credit card processing services to franchisees.

We are the only Approved Supplier for (a) Proprietary Software and Website Hosting Program, (b) Digital Marketing Requirement, and (c) the LDW Program described previously disclosed in Item 6 above. In certain states, we may designate a third-party provider to provide the LDW Program if a System franchisee can demonstrate that such an arrangement is required by applicable law. Currently, you are required to use Lynnbrook Group's credit card processing services. However, we reserve the right to require you to use a different credit card processing services vendor in the future.

Except as provided above, neither we nor any of our affiliates: (i) are an Approved Supplier for any other items you are required to purchase in connection with your Franchised Business; and (ii) have officers that own an interest in any of our Approved Suppliers (other than us and our affiliates).

We reserve the right to designate ourselves or any of our affiliate(s) as an Approved Supplier for any item or service you are required to purchase in connection with your Franchised Business at any time in the future. Among other things, we may develop proprietary products for use in your Franchised Business, including private-label products that bear our Proprietary Marks, and require you to purchase these items from us or our affiliate(s).

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Approved Services directly to our Approved Suppliers and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

#### Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases will account for approximately 75% to 95% of your total costs incurred in establishing your Franchised Business, and approximately 35% to 75% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include the lease payments that you make in connection with your Approved Premises (as defined in Item 11).

In our last fiscal year ending December 31, 2024, we received \$0 in revenue on account of franchisees' required purchase of Printed Material Start-Up Kits. In the fiscal year ending December 31, 2024, our affiliate, Lynnbrook Group, received \$307,000 in connection with our credit card merchant services program. In the fiscal year ending December 31, 2024, our affiliate, Rental Guardian received \$31,800 in revenue from providing travel and damage insurance to guests of properties managed by our franchisees. In our last fiscal year ending December 31, 2024, our Limited Damage Waiver ("LDW") Program (which is an in-house program that shares income and expenses with franchisees in connection with property damage insurance purchased by rental guests) generated \$2,480,179 in revenue.

### Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not included in our list of Approved Products and/or Approved Services; or (ii) purchase any product or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay us \$500 when submitting your request. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) and/or services you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and/or services. If we do so, you must reimburse us for the costs we incur in testing the unapproved product and/or evaluating the unapproved supplier. The proposed supplier must meet our specifications to our reasonable satisfaction. The proposed supplier must also demonstrate to our reasonable satisfaction that it is in good standing in the business community for financial soundness and reliability of its product or service.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. If we do not respond within 30 days, the proposed item and/or unapproved supplier is deemed disapproved. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (although are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier, product or service at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product, service or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

### Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the iTrip businesses in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliates may derive revenue - - in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments - - from suppliers that we designate,

approve, or recommend for some or all iTrip Businesses on account of those suppliers' prospective or actual dealings with your iTrip Business and other iTrip Businesses. That revenue may or may not be related to services we or our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our affiliates' exclusive property, which we and our affiliates may retain and use without restriction for any purposes we and our affiliates deem appropriate. Any products or services that we or our affiliates sell you directly may be sold to you at prices exceeding our and their costs.

We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

We currently do not have any purchasing cooperatives, but we reserve the right to create purchasing cooperatives in the future.

We do not provide any material benefits to you based on your purchase of particular products or services or use of particular suppliers. When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

#### Operation from Premises that Complies with System.

We expect that you will operate from a home office, which must meet our standards and specifications, to the extent such standards/specifications have been reduced and provided to you in writing.

After you have been open and operating your Franchised Business for a period of one (1) year from your Approved Premises that is a home office location, you may submit to us a written request ("Relocation Request" to relocate your Approved Premises to a third-party commercial office space ("Approved Commercial Office"). Our consent to your Relocation Request is conditioned on the following:

- (i) You have been in (and continue to be) in compliance with the terms of this Agreement;
- (ii) Your ability to demonstrate that the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space;
- (iii) Your ability to secure a commercial office space located within your Designated Territory that meets our then-current site selection criteria for an Approved Premises that is not a home office;
- (iv) Your agreement not to use the commercial office space for any other purpose than the operation of the Franchised Business; and
- (v) Your payment to us of a Relocation Fee of Two Thousand Dollars (\$2,000) prior to our approval of your Relocation Request.

Our approval of your Approved Premises or Approved Commercial Office does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location.

#### Insurance

You must purchase and maintain the following insurance in connection with the operation of your iTrip Franchised Business:

- (i) “All risk” property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee’s property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;
- (ii) Workers’ compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;
- (iii) Comprehensive General Liability Insurance and Professional Liability Insurance against claims for bodily and personal injury, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee’s conduct of business pursuant to the Franchise Agreement, with a minimum liability coverage of \$1,000,000 per occurrence or \$2,000,000 in the aggregate for Professional Liability and General Liability or, if higher, the statutory minimum limit required by state law;
- (iv) Automobile liability insurance for the Approved Vehicle and any other vehicles that are utilized in connection with the Franchised Business, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law; and
- (v) The business interruption insurance, as well as any other type of insurance, in the amount that Franchisor designates in our Brand Standards or otherwise in writing;
- (vi) Such insurance as necessary to provide coverage under the indemnity provisions set forth in the Franchise Agreement.

We have not designated an Approved Supplier that you must use for insurance, but we reserve the right to do so in the future. Currently, you must buy insurance only from carriers rated A or better by A.M. Best and Company, Inc. (or similar criteria as we may specify from time to time). You furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor and must name us and any additional parties we designate as additional insureds (except with regards to workers’ compensation insurance).

**ITEM 9  
FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.**

	<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/lease	Sections 7.03 and 7.04, and Exhibit A (Data Sheet)	Item 11
b.	Pre-opening purchases/leases	Sections , 7.04, 7.06, 9.04, 9.12 and 10.01	Items 7, 8, 11
c.	Site development and other pre-opening requirements	Sections 7.03, 7.04, and 7.06	Items 6, 7, 11
d.	Initial and ongoing training	Sections 8.02, 8.03, 6.01(A)(2) and 7.05	Item 11
e.	Opening	Section 9.01	Item 11
f.	Fees	Sections 6.01, 6.02, 6.03, 6.04, 7.02, 8.02, 8.04, 8.05, 8.08, 14.01 and 15.04	Items 5, 6, 7, 11
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 9 - 12	Items 6, 11
h.	Trademarks and proprietary information	Sections 13, 16 and 19	Items 13, 14
i.	Restrictions on products/services offered	Sections 4.04 and 9.12	Items 8, 11, 16
j.	Warranty and customer service requirements	Sections 9.30 and 9.31	Not Applicable
k.	Territorial development and sales quotas	Sections 4.04 and 9.06	Item 12
l.	Ongoing product/service purchases	Sections 6.04, 9.12 and 10.01	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Sections 7.06, 7.07, 7.08, 9.10, 9.23, 15.04 and 19.01	Items 8, 11
n.	Insurance	Sections 10	Items 6, 8, 11
o.	Advertising	Section 11	Items 6, 11
p.	Indemnification	Section 9.14	Item 9
q.	Owner’s participation/management/staffing	Sections 9.11 and 9.22	Item 15
r.	Records and reports	Sections 6.07(F), 8.06, 9.10, 9.21 and 12	Items 6, 9, 21
s.	Inspections and audits	Sections 6.07(E)(4), 7.03, 7.05, 9.03, 9.10, 9.15 and 12.02	Items 6, 11, 21
t.	Transfer	Section 15	Item 17
u.	Renewal	Sections 5.02 and 14	Item 17

	<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
v.	Post-termination obligations	Section 19	Item 17
w.	Non-competition covenants	Section 13	Item 17
X	Guarantee	Section 32.02	Items 1, 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.**

**A. Pre-Opening Obligations**

Before you open your Franchised Business, we will:

1. Upon signing the Franchise Agreement for your Franchised Business, define your Designated Territory for that Franchised Business and include its boundaries in a Data Sheet attached as an Exhibit A to your Franchise Agreement. (Franchise Agreement, Section 4.01, Exhibit A to Franchise Agreement);

2. Provide you with access to, or otherwise loan, one (1) copy of our confidential and proprietary Brand Standards. You must operate your Franchised Business in accordance with our Brand Standards and all applicable laws and regulations. Our Brand Standards may be amended or modified by us to reflect changes in the System, and you must comply with these amendments/modifications when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. You must keep our Brand Standards confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of our Brand Standards at your Approved Premises, and if there is a dispute relating to the contents our Brand Standards, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to our Brand Standards in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Brand Standards as of the Issuance Date of this Disclosure Document is attached to this Disclosure Document as Exhibit E and is a total of approximately 208 pages (Franchise Agreement, Section 8.01);

3. Provide you with a list of Required Purchases and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 9.12(C));

4. Provide you with two (2) email address(es), which you are required to use in connection with the Franchised Business and must be the only email addresses used in connection with the Franchised Business. (Franchise Agreement, Section 8.08);

5. At our option, assist you in developing and conducting a grand opening advertising program, which program shall be conducted at your expense. (Franchise Agreement, Section 10.03);

6. License to you our Proprietary Software and Web Hosting Program. (Franchise Agreement, Section 9.12(E));

7. Approve or disapprove any advertising, direct mail and promotional materials and programs you propose within fifteen (15) days of receipt. If we do not respond within fifteen (15) days, the material is disapproved. (Franchise Agreement, Section 11.02);

8. Offer and make available an initial training program (the “Initial Training Program”) for you and up to one (1) additional person designated by you, provided (a) all initial training-related and other initial fees described in Item 5 of this Disclosure Document have been paid in full, and (b) these individuals attend at the same time. One of the trainees must be you (or, if you are a business entity, an individual who either owns a majority interest in you or, where there is no majority owner, who we otherwise approve of in writing, the “Operating Owner”) and, if applicable, the other attendee must be your proposed designated manager that you wish to be responsible for the day-to-day management of the Franchised Business, subject to our prior written approval, which we will not unreasonably withhold or delay (the “Designated Manager”). (Franchise Agreement, Section 8.02).

The Initial Training Program will be comprised of two (2) components (consisting of three training sessions), namely: (i) two (2) general training sessions with a focus on business development and operations that our training personnel will, in our sole judgment, conduct virtually or within your Designated Territory and at your Approved Premises (“Business Development and Operations Training Module”); and (ii) one (1) session of training that will take place at our designated training facility in Tennessee (or other location that we designate, including, the Internet, a webinar or other virtual medium that we deem appropriate in our sole judgment) and focus on the training and assistance in connection with the Proprietary Software and Web Hosting Program (the “Software Module”). (Franchise Agreement, Section 8.02).

You must complete both Business Development and Operations Modules and the Software Module (collectively, the “Modules”) before you can commence operations of the Franchised Business and/or otherwise commence soliciting any potential Clients or servicing any Out of Market Property or New Units, which you may only do with our prior written approval. If, before completing all three (3) Modules of the Initial Training Program, you have been approved by us to solicit a Client, Out of Market Property and/or New Unit, then we will supervise the maintenance of the account(s) of such Clients, Out of Market Property and/or New Units until all three (3) Modules are completed. Each Module of the Initial Training Program will be provided at the location or via the virtual medium we designate in our sole judgment, subject to the schedules and availability of our personnel, and each particular Module may be provided to you in the chronological order that meets our schedule. (Franchise Agreement, Section 8.02).

Prior to providing either of the Business Development and Operations Modules, you will be required to participate in a preliminary training call, which may be conducted via telephone, Zoom or other medium that we designate, for purposes of going over some preliminary steps that you must complete before we will send our training personnel to provide training to you: (i) in your Designated Territory or (ii) virtually via the Internet, webinar or other virtual medium that we deem appropriate in our sole judgment. (Franchise Agreement, Section 8.02).

You will be responsible for all costs and expenses associated with your attendance and completion of the Software Module, including without limitation, the costs associated with flight or other travel, lodging, meals, local transportation and (if appropriate) wages. We will cover the costs and expenses associated with conducting the Business Development and Operations Modules virtually or within your Designated Territory, which we may provide as we deem appropriate at (a) your Premises, (b) the vehicle that you are utilizing in connection with the Franchised Business (or the vehicle being used by our personnel), or (c) any other locations that might be relevant to the operation of the Franchised Business within the Designated Territory. (Franchise Agreement, Section 8.02).

Below please find a Training Chart providing the details of our Initial Training Program.

## TRAINING PROGRAM

### A. Business Development and Operations Module I

Subject(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
<ul style="list-style-type: none"> <li>- Federal Tax ID</li> <li>- Business Licenses and Permits</li> <li>- Office/Business Address</li> <li>- Business Insurance</li> <li>- General Overview</li> <li>- Compile list of all Real Estate Companies in Market and whether they manage STR.</li> <li>- Identify multiple networking BNI groups (BNI.com) and Meetup groups (meetup.com)</li> <li>- Identify Chamber(s) of Commerce and local Realtor Association(s)</li> </ul>	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<ul style="list-style-type: none"> <li>- Research all STR laws and regulations for all municipalities, county, and state</li> <li>- Conduct Competitor analysis</li> <li>- Conduct rental rate analysis</li> <li>- Conduct STR high-rise complex and managed community analysis. (What are short term renting policies and restrictions?)</li> <li>- Compile list of cleaners doing STR's</li> </ul>	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<ul style="list-style-type: none"> <li>- Operations Overview; Linens, locks, Cleaners, Inspections.</li> <li>- Local Completion Agreements</li> <li>- Guest and Owners Agreements</li> <li>- Begin Creating Unique Value Propositions</li> <li>- Overview of iTrip-Related Websites</li> <li>- Hub Setup</li> </ul>	0	5	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium

<b>Subject(s)</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
<ul style="list-style-type: none"> <li>- Realtor Program</li> <li>- Market Analysis Overview</li> <li>- Setting Up CRM, Realtor Programs and Other Programs</li> <li>- Finalize Unique Value Propositions</li> <li>- Review and Set Up Fees</li> <li>- Review of Additional Avenues of Revenue (cleaning, restoration, affiliate programs, etc.)</li> </ul>	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<ul style="list-style-type: none"> <li>- Create Business Development Plan</li> <li>- Marketing/Prospecting outside resources and options</li> <li>- Develop Direct Mail Campaigns</li> <li>- Cold Call Strategy/Plan</li> <li>- Create Realtor Prospecting plans</li> <li>- Maintenance of Destination Page</li> <li>- Using Photos, Keywords, Pricing Programs and Vendor Programs</li> <li>- OTA's Bookings/Revenue strategy</li> </ul>	0	5	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<ul style="list-style-type: none"> <li>- Designated Territory Tour</li> <li>- Competitor Research</li> <li>- Home Owners' Association (HOA) Overview and Visits</li> <li>- Chamber of Commerce/Visitor Center</li> <li>- Meetings with Realtor Offices</li> <li>- Meetings with Vendors</li> <li>- Attend Networking Event</li> <li>- Plan Board of Realtor Events</li> </ul>	0	6	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<b>TOTALS</b>	<b>0</b>	<b>28</b>	

**B. Business Development and Operations Module II**

<b>Subject(s)</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
<ul style="list-style-type: none"> <li>- Building your Culture and Hospitality Brand</li> <li>- Mission Statement/Brand Standards</li> <li>- Homeowner Relations/Retention</li> <li>- Guest Hospitality</li> <li>- Community Relations</li> </ul>	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium

<b>Subject(s)</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
<ul style="list-style-type: none"> <li>- Review of Business Development and Operations Module I Topics</li> <li>- Review of Business Development Plan</li> </ul>			
<ul style="list-style-type: none"> <li>- Call/Follow Up on Leads</li> <li>- Roadmap for Multiple group presentations and Homeowner presentations/meetings</li> <li>- Additional Vendor Meetings</li> <li>- Additional HOA Meetings</li> <li>- Additional Realtor Meetings</li> <li>- Attend Networking Event</li> <li>- Schedule Meetings with Long-Term Property Management Companies</li> <li>- Chamber of Commerce/Visitor Center Visit and Confirm Future Events</li> </ul>	0	6	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<ul style="list-style-type: none"> <li>- Creating Guest Books for Properties</li> <li>- Finalizing and reviewing: Prospecting Packet/Templates Homeowner Packet</li> <li>- Additional Realtor Meetings</li> <li>- Meetings with Long-Term Property Management Companies</li> <li>- Review of Unique Value Proposition</li> <li>- Review of Business Development Plan</li> </ul>	0	8	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<ul style="list-style-type: none"> <li>- Review Topics for Nashville Training: taxes, seasons, areas</li> <li>- Franchisee Roles in Operating the Franchised Business</li> <li>- Set Up Weekly Accountability and Coaching Calls</li> </ul>	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
<b>TOTALS</b>	<b>0</b>	<b>20</b>	

**C. Software Module**

<b>Subject(s)</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Software-related training <ul style="list-style-type: none"> <li>- Hub Back-Office Set Up</li> <li>- Creating Areas and Adding Properties</li> <li>- Fees and Taxes</li> </ul>	7	0	Nashville, Tennessee or other training facility we designate (including via a virtual

Subject(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
<ul style="list-style-type: none"> <li>- Creating Seasons and Rates</li> <li>- Creating Quotes and Bookings</li> <li>- Creating Help Center Topics</li> <li>- Creating and Editing Templates</li> </ul>			medium we deem appropriate).
Software and related training <ul style="list-style-type: none"> <li>- Creating Businesses and Property Referrers</li> <li>- Rate Management Tools</li> </ul>	4	0	Nashville, Tennessee or other training facility we designate (including via a virtual medium we deem appropriate).
Software and related training <ul style="list-style-type: none"> <li>- Creating Maintenance Items</li> <li>- Creating System Reports</li> <li>- Month-End Closing</li> <li>- Creating and Distributing Owner Statements</li> </ul>	4	0	Nashville, Tennessee or other training facility we designate (including via a virtual medium we deem appropriate).
Business Development and Operations Training	5	0	Nashville, Tennessee or other training facility we designate (including via a virtual medium we deem appropriate).
<b>TOTALS</b>	<b>20</b>	<b>0</b>	

The initial training program described above may be modified for existing franchisees purchasing another Designated Territory, depending on the results of our in-market assessment of the applicable franchisee's current business operations.

We do not currently have a set training schedule, but our Initial Training Program will be made available on an as-needed basis subject to the availability of our personnel. Instructional materials, including components of our Brand Standards, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and our Brand Standards, as well as changes in personnel or other circumstances. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. We may, as we deem appropriate in our sole judgment, provide certain or all portions of your Initial Training Program via the Internet, webinar or other virtual medium. Our training managers and their years of experience within the industry and with our System are listed below. Our training managers may utilize other employees to assist them with all aspects of training. Failure to complete the Initial Training Program to our satisfaction within the applicable time period may result in the termination of the Franchise Agreement. (Franchise Agreement, Section 8.02).

Jeffrey Beaudin, Vice President of Professional Services, will typically oversee each of the Business Development and Operations Modules of the Initial Training Program. Mr. Beaudin has been with us since June 2015, and has over six (6) years of experience in connection with the training topics at issue. While Mr. Beaudin may oversee the training for internal purposes, much of the actual training and instruction is provided by our primary training personnel.

Jeffrey Beaudin, Vice President of Professional Services, will typically oversee the Software Module of the Initial Training Program that is provided at our designated training facility in Nashville, Tennessee (or other location we designate, including via the Internet, webinar or other virtual medium that we may designate in our sole judgment). Mr. Beaudin has over seven (7) years of experience with certain of our affiliates and with the software and topics of instruction. While Mr. Beaudin may oversee the training for internal purposes, much of the actual training and instruction is provided by our primary training personnel. We reserve the right to appoint and substitute other individuals to assist in providing training.

We will loan you one (1) copy of our proprietary instructional materials prior to or upon your attendance at our Initial Training Program, which may include our Brand Standards and certain other instructional materials that we develop. You, or another person who successfully completes our Initial Training Program, will be required to train all other personnel who work at your Franchised Business. (Franchise Agreement, Section 9.22).

If you wish to have more than two (2) individuals attend the Initial Training Program, we will train these individuals, subject to the availability of our training staff, at our corporate headquarters or any other location we may select (including via the Internet, webinar or other virtual medium that we deem appropriate in our sole judgment) and we reserve the right to charge our then-current training tuition fee, which is currently \$1,500 per trainee. If you, your Designated Manager (if applicable) or other trainee you designate fails to complete the Initial Training Program to our satisfaction, that person may re-attend or you may send a replacement to our next available Initial Training Program session, provided there is availability. We may charge our then-current training tuition rate for these individuals to re-attend the Initial Training Program as well. In any event, you are solely responsible for all expenses incurred related to your and your employee's attendance at our Initial Training Program, including transportation to and from the training site, lodging, meals and employee wages. You must also reimburse us for any expenses we incur in providing Additional Training or other special assistance to you or your personnel. (Franchise Agreement, Section 8.02).

#### B. Site Selection

Unless we approve otherwise in writing, you will be required to operate the Franchised Business from your home office or the home office of one of your principals (if you are a business entity). Your home office location is referred to as the Approved Premises for your Franchised Business.

After you have been open and operating the Franchised Business for a period of one (1) year from your Approved Premises, you may submit a Relocation Request to us to relocate your Approved Premises to an Approved Commercial Office. Once you submit a Relocation Request, we will use commercially reasonable efforts to: (i) provide you with basic site selection criteria that we establish for a third-party Premises of an iTrip Franchised Business, if any; (ii) review and evaluate any site relocation proposals; and (iii) approve or reject such site selection proposals within thirty (30) days of the date you provide us with all reasonably requested information that request in connection with a given site proposal. Our consent to your Relocation Request is conditioned on the following:

- (i) You have been in (and continue to be) in compliance with the terms of this Agreement;
- (ii) Your ability to demonstrate that the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space;
- (iii) Your ability to secure a commercial office space located within your Designated Territory that meets our then-current site selection criteria for an Approved Premises that is not a home office;
- (iv) Your agreement not to use the commercial office space for any other purpose than the operation of the Franchised Business; and

Your payment to us of a Relocation Fee of Two Thousand Dollars (\$2,000) prior to our approval of your Relocation Request. You understand and agree that we can use the Relocation Fee to defray our costs associated with evaluating whether to approve or to reject your Relocation Request. (Franchise Agreement, Section 7.02 and Section 7.03)

We do not generally or typically own the iTrip Premises and lease it to the franchisee. If we approve your Relocation Request, we must then also approve the lease for the Approved Commercial Office (the “Lease”) for the location, prior to you entering into any lease for that location. We may condition our approval of any Lease for the proposed Approved Commercial Office on (i) the landlord’s execution of our form of Collateral Assignment and Assumption of Lease attached as Exhibit D to the Franchise Agreement; (ii) the Lease term being at least as long as the number of years that remain in the Initial Term (or Successor Term) at the time you execute the Lease; (iii) the Lease not creating any obligations or granting any rights against us or our affiliates; and (iv) the Lease not containing any term, condition or covenant which is inconsistent with the Franchise Agreement or any related agreements. We will use our commercially reasonable efforts to communicate our approval or disapproval of a proposed Lease to you within thirty (30) days of receiving all reasonably requested information from you. (Franchise Agreement, Section 7.04)

C. Time to Open

Except as provided in this Item, you must open and commence operations of your Franchised Business within 90 days of the date you execute your Franchise Agreement for that Franchised Business. Prior to opening and/or soliciting prospective Clients, you must complete the Initial Training Program described in this Item, unless we otherwise approve in writing. We estimate that it will take between 60 to 90 days to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to attend and complete the Initial Training Program, to obtain financing, to obtain the permits and licenses for the operation of the Franchised Business, and to complete preparation for operating the Franchised Business, including purchasing any supplies needed prior to opening. If you do not open or operate your Franchised Business within this 90-day period, then we may terminate your Franchise Agreement (unless we agree to extend your opening deadline in a writing signed by both parties) (Franchise Agreement, Section 9.01).

D. Post-Opening Obligations

During the operation of the Franchised Business, we will:

1. At our option, offer, and require you and your Designated Manager to attend, additional on-site training programs and/or refresher courses, as we deem necessary in our sole judgment (“Additional Training”). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5) days of Additional Training each year at our headquarters or other location we designate (and 24 hours of

Additional Training via the internet, webinar or other virtual medium we deem appropriate in our sole judgment). You will be required to pay our Additional Training Fee of \$300 per day for each trainer that provides any Additional Training to you and your employees. You will also be solely responsible for all of the travel, lodging and meal expenses our trainers incur in providing Additional Training, as well as the travel, lodging and meal expense incurred by the trainees attending the Additional Training. (Franchise Agreement, Section 5(C));

2. At our option, provide you with continuing consultation and advice, as we deem necessary in our sole judgment, regarding the management and operation of the Franchised Business. We may provide this assistance by group webinar, telephone, intranet communication, Zoom or any other communication channel we deem appropriate and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 8.03);

3. Review, in our judgment, your Relocation Request to relocate your Approved Premises to an Approved Commercial Office, provided: (i) you have been in (and continue to be) in compliance with the terms of this Agreement you secure an alternate location within the Designated Territory; (ii) you demonstrate that the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space; (iii) you secure a commercial office space located within your Designated Territory that meets our then-current site selection criteria for an Approved Commercial Office; (iv) you agree not to use the Approved Commercial Office for any other purpose than the operation of the Franchised Business and (v) you pay us a relocation fee amounting to Two Thousand Dollars (\$2,000). (Franchise Agreement, Section 7.02);

4. If you submit a Relocation Request, review such space and your proposal. (Franchise Agreement, Section 7.03);

5. Approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading “Advertising and Marketing.” (Franchise Agreement, Section 11.02);

6. Approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 9.12(C));

7. At our option, schedule and hold an annual conference, as we deem advisable in our sole judgment, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. We may require that you or your Operating Owner (and/or your Designated Manager) attend such conference. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then-current attendance/registration fee (currently, \$600 per person). If we require you, your Operating Owner and/or your Designated Manager to attend our annual conference and no one attends, then such failure will constitute a material breach of this Agreement and you will be responsible for paying us the registration fee for at least one attendee. (Franchise Agreement, Section 8.05);

8. Display the contact information of your Franchised Business on the websites that we or our

designee maintain to advertise and promote the iTRIP brand, our Proprietary Marks and other iTrip Franchised Businesses, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading “Advertising and Marketing” for further information. (Franchise Agreement, Section 9.13);

9. At our option, administer and maintain a system-wide iTrip Brand Fund for the benefit of the promotion, advertising and marketing of the System, Proprietary Marks and iTrip brand generally, as we deem necessary in our sole judgment. Currently, we have not established a Fund. (Franchise Agreement, Section 11.01);

10. At our option, establish and maintain a website portal or other intranet for use by you and other iTrip Franchised Business owners (the “iTrip Web Portal”), wherein we may post content that will automatically become part of, and constitute a supplement to, our Brand Standards, all of which you must strictly comply with promptly after such content is posted or otherwise listed on the iTrip Web Portal. (Franchise Agreement, Section 9.13);

11. At our option, conduct, as we deem advisable in our sole judgment, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of an iTrip franchise, as we deem appropriate in our sole judgment, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Sections 9.15, 12.01 and 12.02);

12. At our option, establish a System-wide call center (the “Call Center”) and, if we do so, you will be required to pay related subscription fees at our then-current rate or the then-current rate charged by our approved supplier for call center services. (Franchise Agreement, Section 8.09);

13. At our option, supplement, revise or otherwise modify our Brand Standards and/or the iTrip Web Portal as we deem necessary or prudent in our sole judgment, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-wide intranet. (Franchise Agreement, Sections 8.01 and 9.13); and

14. If we determine to do so, exercise rights concerning franchisee pricing of products and services to the fullest extent permitted by then-applicable law. These rights may include, for example prescribing the maximum and/or minimum retail prices which you may charge customers; recommending the prices you charge customers; advertising specific retail prices for some or all products or services sold by your Franchised Business, which prices you will be compelled to observe; engaging in marketing, promotional and related campaigns which you must participate in and which may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which your Franchised Business may charge the public. We may do so only in certain geographic areas (cities, states, regions) and not others, or with regard to certain groups of franchisees and not others. Any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your franchised Business. (Franchise Agreement, Section 8.07)

#### E. Advertising

All advertising and promotional materials that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify in our Brand Standards

or otherwise (including, without limitation, the requirement that: (i) all advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe and (ii) all advertising and promotion in any medium be conducted in a dignified and professional manner). We may make available to you from time to time, at your expense, certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also obtain our approval prior to advertising outside of the Designated Territory. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene applicable regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 11.02).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 20 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved and you may not use such materials. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 11.02). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

*Initial Marketing Spend.* You are required to expend a designated minimum amount within your Designated Territory to promote and advertise the grand opening of your Franchised Business (the “Initial Marketing Spend”), which must be expended within (a) the 60-day period following the execution of the Franchise Agreement, or (b) other time period we require or approve in writing. If your Designated Territory is classified as a Primary Market, then your Initial Marketing Spend will be a minimum of \$1,500. If, however, your Designated Territory is categorized as a Boutique Market, then your Initial Marketing Spend will be a minimum of \$1,000. (Franchise Agreement, Section 11.03(A)).

*Digital Marketing Requirement.* In addition to the Initial Marketing Spend, you must expend the following amounts each month on digital marketing campaigns and placement in a manner, or from a supplier, that we prescribe or approve (collectively, the “Digital Marketing Requirement”). The amount of your monthly Digital Marketing Requirement will be tiered to the growth of the Total Rental Revenue generated for your Designated Territory. The Digital Marketing Requirement will be \$1,185 if you operate a Designated Territory in a Primary Market (or \$960 if you operate an Designated Territory in a Boutique Market) for so long as your annual Total Rental Revenue for the then-current calendar year does not exceed \$5,000,000. Once your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$5,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,335 for the remainder of the Initial Term (whether your Designated Territory is located in a Boutique Market or Primary Market), unless your annual Total Rental Revenue exceeds \$10,000,000. When your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$10,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,670 for the remainder of the Initial Term (whether your Designated Territory is located in a Boutique Market or Primary Market). (Franchise Agreement, Section 11.03(B)(1)).

*Direct Mail Requirement.* You must also expend a total of \$1,000 each calendar month on direct mail advertising to prospective Clients that own properties within the Designated Territory in a manner that, or from a supplier that, we prescribe or approve (the “Direct Mail Requirement”) for the first 18 months of operation. Thereafter, you are permitted to use an approved supplier to purchase additional direct mail marketing and other local advertising as you deem appropriate in your judgment. (Franchise Agreement, Section 11.03(B)(2)).

*iTrip Brand Fund.* We have not yet established an iTrip brand fund (the “Fund”), and therefore we are not currently obligated to conduct systemwide advertising for the franchise system. However, we reserve the right to establish and administer a Fund for the promotion, marketing, development and benefit of the System and our brand generally, and if we do you must contribute up to 1% of the Total Rental Revenue (the “Fund Contribution”) of your Franchised Business to the Fund (See Item 6). We will notify you in writing of the starting date and amount of your fund contribution, should we elect to form a Fund. If we institute such a Fund, we will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, Proprietary Marks, Approved Services and Approved Products. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: television, radio, magazine, newspaper, social media and internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; direct mail advertising, marketing surveys and other public relations activities; the creation, maintenance and periodic modification of the iTrip website; advertising brochures and sponsorships; celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; purchasing promotional items, providing other marketing materials and services to the Designated Territories operating under the System; search engine optimization; establishing a third party facility for customizing local advertising materials; conducting Client and/or rental guest surveys and Client and/or rental guest interviews; accounting for iTrip Brand Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; social media programs; cellular telephone and smartphone media programs; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising and public relations agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency; related retainers; and all other advertising agency fees. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our judgment. We and/or a regional or national advertising agency may be used to produce all advertising and marketing.

We will account for the Fund Contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund Contributions. The Fund is not our asset nor is it a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. We may spend, in any fiscal year, more or less than the total Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund Contributions to pay costs before spending the Fund’s other assets. We will not use Fund Contributions for advertising that principally is a solicitation for the sale of franchises, except that we may use/display the phrase “Franchises Available” on any and all advertising/marketing that is covered by the

Fund. We will prepare an unaudited, annual statement of Fund collections and costs and give it to you upon written request. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Any franchisor-owned or affiliate-owned Businesses may, but will not be required to, contribute to the Fund in the same manner that each franchised Business is required to contribute.

We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement. Within sixty (60) days following the close of our fiscal year, we will prepare (but not audit) a statement detailing iTrip Brand Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request. We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we will use the remaining amount in the future for the benefit of the franchisees and the System, and we may (in our judgment) rebate all or a portion of the unused sum to franchisees on a pro rata basis for franchisees to spend on local advertising and promotion. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole judgment. (Franchise Agreement, Section 11.01).

Since we did not collect any Fund Contributions in our past fiscal year, we did not expend any Fund Contributions in the previous fiscal year.

*Advertising Council.* Currently, we have not established an advertising council (the “Advertising Council”), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. If we establish an Advertising Council, we will determine the membership of such Advertising Council, along with the policies and procedures by which it operates. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 11.05).

*Regional Advertising Cooperatives (“Cooperatives”).* Currently, we have not established any regional advertising cooperatives. However, we reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more iTrip Businesses (whether an iTrip franchised Business or affiliate-owned) (each a “Cooperative”). If we assign your Franchised Business to a Cooperative that we have established, you must work with the other Designated Territory owners in your Cooperative and us to develop, administer and implement regional advertising campaigns designed to benefit all the iTrip Businesses within the geographical boundaries of the Cooperative. We have not established any Cooperatives as of the Issuance Date of this Disclosure Document and have not contemplated how much an iTrip Business might be required to contribute to such a Cooperative (though it will not exceed your Direct Mail Requirement in any given month). If we establish a Cooperative, all franchisees would be required to contribute at the same rate in an amount not to exceed your Direct Mail Required each month. We shall have the right to specify the governing rules, terms and operating procedures of any Cooperative. Any franchisor-owned or affiliate-owned iTrip Businesses located in the geographical area where the Cooperative covers may, but will not be required to, contribute to the Fund in the same manner that each franchised iTrip Business is required to contribute. The Cooperative would be required to prepare periodic financial statements which would be available for review by franchisees. We will have the right to establish, modify, merge and dissolve a Cooperative as we deem appropriate. Any amounts you expend on Cooperatives will be credited towards your Direct Mail Requirement. (Franchise Agreement, Section 11.04).

## F. Computer System

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, including without limitation (i) a laptop or other computer that meets our System specifications and is capable of running our Proprietary Software and Website Hosting Program and other software we may require; (ii) printers and other peripheral hardware/devices; (iii) “plug and play” software components that we designate for use with our Proprietary Software and Website Hosting Program; and (iv) equipment necessary to maintain a physical, electronic or other security system for the Franchised Business that we designate (collectively, the “Computer System”). We may require you to purchase any of these items from one of our Approved Suppliers. (Franchise Agreement, Section 9.12(E)).

The current minimum hardware requirements for your Computer System are as follows: (i) an Apple MacBook or a Windows PC running on an operating system that is able to receive security updates; (ii) an Apple iPad with 4G wireless service; (iii) the most current version of QuickBooks Pro; and (iv) a printer/scanner/copier (all-in-one). We must approve of all of the foregoing hardware before it is used in connection with your Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Business. You will also need to maintain Internet access via DSL or cable broadband connection.

If you already have computer hardware and/or software that meets our then-current standards for a Computer System and/or the Proprietary Software and Website Hosting Program, then you may use these items in connection with your Franchised Business provided you obtain our approval. Otherwise, we estimate the costs to purchase our current Computer System to be between \$2,600 and \$3,500. You must keep your Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Proprietary Software and Website Hosting Program as we direct from time to time in writing. We estimate that you will spend approximately \$750 to \$1,500 annually on maintenance and support contracts for – as well as any upgrades to – your Computer System, but this range does not account for the monthly Software License Fee you will be required to pay in connection with the Proprietary Software and Website Hosting Program (see Items 6 and 8 of this Disclosure Document for additional information). Additionally, your Computer System must be upgraded once its operating system is no longer capable of receiving security updates. We do not have any contractual obligation for maintenance, repairs, updates and upgrades to your Computer System. There is no contractual limit on our ability to require you to upgrade the Computer System, add components to the Computer System and replace components of the Computer System.

You must license from us our then-current customized and Proprietary Software and Web Hosting Program to be used at your Franchised Business in connection with the provision of the Approved Services, and you must execute our then-current form of software license agreement (which is attached as Exhibit G to the Franchise Agreement). You must pay us an ongoing license fee of \$540 each month (on the 5<sup>th</sup> or other date that we designate) – beginning in the first month after the effective date of your Franchise Agreement – for the right to continuously access and utilize the Proprietary Software and Web Hosting Program (the “Software License Fee”). The Software License Fee will also cover the maintenance and support associated with our Proprietary Software and Web Hosting Program. (Franchise Agreement, Section 6.04).

We will also have the right to, at any time without notice to you, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other

purpose we deem necessary). You must provide all assistance we require to bring your Computer System online with our headquarters computer at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer System all data and information which we prescribe in our Brand Standards. There are no contractual limitations on our right to access the information and data on any component of your Computer System. (Franchise Agreement, Sections 9.12(F)).

You are also required to participate in any System-wide area computer network, intranet system, or extranet system that we implement, including, without limitation, the iTrip Web Portal, and may be required to use such networks or system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of our Brand Standards; (iii) download approved local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 8.01 and 9.13).

#### G. Website and Internet Use

Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, profile or other presence on the internet, or otherwise advertise on the internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Pinterest, X (formerly Twitter), YouTube or any other social media and/or networking site. Any such Internet website or presence is considered “advertising” and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in our Brand Standards or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). We alone will be, and at times will remain, the sole owner of the copyrights to all material which appears on your website and/or social media platform. All content and information which appears on your website and/or social media platform or which you gather from visitors to your website or social media platform will be considered our Confidential Information. (Franchise Agreement, Section 9.13).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the “Website”), including the contact information of your Franchised Business. We agree to establish an interior page on our corporate website to display the Designated Territory and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) the Franchise Agreement governing that Franchised Business is not subject to termination. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) are the sole registrant of the Internet domain name [www.itrip.net](http://www.itrip.net), as well as any other internet domain names that we or our affiliates register in the future. You must not register any internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words. We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any iTrip website we establish and maintain, including all material you may furnish to us. (Franchise Agreement, Sections 9.13 and 16.01)

You are required to use the two (2) email addresses we will provide you in connection with the Franchised Business and these email addresses must be the only email addresses used in connection with the Franchised Business. If you request additional email addresses, you will be required to pay a fee of \$100 per year per additional account. (Franchise Agreement, Section 8.08).

## **ITEM 12 TERRITORY**

### Approved Premises and Relocation

You may only operate your Franchised Business from the Approved Premises, which we expect to be from a home-office location. Once we agree on the Approved Premises, we will designate it on the Data Sheet attached to your Franchise Agreement as Exhibit A.

After you have been operating the Franchised Business in compliance with the terms of the Franchise Agreement for a period of one (1) year, you may submit a Relocation Request to us to relocate to your Approved Premises to an Approved Commercial Office. Our consent to your Relocation Request is conditioned on the following, (i) you have been in (and continue to be) in compliance with the terms of this Agreement you secure an alternate location within the Designated Territory; (ii) you demonstrate that the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space; (iii) you secure a commercial office space located within your Designated Territory that meets our then-current site selection criteria for an Approved Commercial Office; (iv) you agree not to use the Approved Commercial Office for any other purpose than the operation of the Franchised Business and (v) you pay us a Relocation Fee of Two Thousand Dollars (\$2,000). When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate. We will not unreasonably withhold our approval of your relocation request, provided the location meets our site-selection criteria.

### Franchise Agreement: Designated Territory

Upon executing the Franchise Agreement for your Franchised Business, we will define the Designated Territory on the Data Sheet attached to your Franchise Agreement. Each Designated Territory is determined by researching a number of data points, including but not necessarily limited to: (i) the number of short-term rental listings already within a given area; (ii) the short-term rental restrictions and regulations and the topography of a geographical area; (iii) natural geographic boundaries, such as inlet and other waterways, as well as man-made boundaries, such as highways; (iv) number of visitors to the area; and (v) traditional demographic information about an area. These data points are reviewed individually and in relation to one another to define your Designated Territory. Depending on the results of our analysis, your Designated Territory will be classified as a primary market or a boutique market. If at the conclusion of our analysis your market has more than 900 short-term rental listings on one or more listing sites, then it will be classified as a primary market (a "Primary Market"). If at the conclusion of our analysis your market has at least 500 short-term rental listings on one or more listing sites, then your market will be classified as a boutique market (a "Boutique Market"). The size and shape of your Designated Territory will likely vary from other System franchisees based on the location and demographics surrounding your Designated Territory. We do not have a standard or minimal area that we grant to all System franchisees as a Designated Territory.

We expect and intend to define the boundaries of your Designated Territory in terms of GPS coordinates.

The source we use to determine the GPS coordinates for your Designated Territory will most likely be the then-current third-party territory mapping software we determine to license or otherwise use.

Your Designated Territory will be exclusive in that, during the term of your Franchise Agreement, we will not open or operate, or license a third party the right to open or operate, any other Designated Territory utilizing the Proprietary Marks and System within your Designated Territory, provided that you are in compliance with the terms and conditions of your Franchise Agreement.

During the first three (3) years of operation, your Designated Territory cannot be modified except by mutual written agreement signed by both parties. After you have been operating your Franchised Business for three (3) full years of operation, then you will be required to generate at least \$1,000,000 in Total Rental Revenue in each subsequent year of operation or we may, at our option: (i) terminate any territorial rights you have within the Designated Territory; or (ii) terminate your Franchise Agreement, subject to applicable law. We are not required to take either action in the event you fail to generate the Total Rental Revenue described above, but we reserve the right to do so.

Unless we agree otherwise in writing, you will only have the right to operate the Franchised Business and offer/provide the Approved Services in connection with Client properties that are located within your Designated Territory.

#### *Permitted Solicitation and Contracting with Clients*

You may not solicit prospective Clients with respect to properties that are located outside of your Designated Territory, unless (a) the property at issue is located in a geographical area that has not been granted to any other franchisee/licensee or other third party in connection with their operation of an iTrip Franchised Business, and (b) you obtain our prior written consent. Any Client with whom you contract that is located in a geographical area that is later granted by us in connection with another iTrip Franchised Business will become an “Out of Market Property” within that geographical area and be subject to the terms of the Account Takeover Procedure, as described below in this Item.

#### *Permitted Advertisement and Promotion*

Your Franchised Business may not advertise, market, promote or offer to make available the Approved Services to any Client property located outside of your Designated Territory (each an “Out of Market Property”) unless (i) you first obtain our prior written consent; (ii) the geographic area in which you wish to advertise is outside of (but contiguous to) your Designated Territory which has not been, and is not intended to imminently be, granted to us, and affiliate of ours, or another franchisee, licensee or other third party for the operation of an iTrip Business (an “Unassigned Territory”); and (iii) your proposed advertising, marketing, promotion or offer is confined to properties located in the Unassigned Territory..

#### *Out of Market Properties and Takeover Procedure*

##### A. Servicing of Out of Market Properties.

Your Franchised Business may not service an Out of Market Property located in an Unassigned Territory without first obtaining our prior written consent, which we can withhold for any reason in our sole judgment.

If we grant you the right to offer and sell Approved Services to an Out of Market Property, then you and the Client(s) must enter into an Approved Services Agreement for the Out of Market Property which

complies with our standards and specifications. You will have the right to service such Out of Market Property only for so long as (i) the Approved Services Agreement for such Out of Market Property is in effect; (ii) the Out of Market Property continues to be situated in an Unassigned Territory; and (iii) you satisfy each of the following conditions:

1. You manage the Out of Market Property in strict compliance with the terms and conditions set forth herein;
2. You acknowledge and agree that we may (in our sole judgment) actively market the Unassigned Territory to prospective franchisees, licensees or other third parties for the operation of an iTrip Business; and
3. You execute all agreements we deem necessary to memorialize your understanding of the conditions upon which you will have the right to service an Out of Market Property.

Your Rights and Obligations Upon Our Allocation of the Unassigned Territory in which the Out of Market Property is Located.

(a) Your Rights.

- (i) *During the Takeover Period.* Once the Unassigned Territory is assigned by us or our Affiliates to another franchisee, licensee or other third party (collectively, the “New Franchisee”), you will have to turn over the management of any Out of Market Property located in the Unassigned Territory to the New Franchisee. If the New Franchisee elects to take over servicing the Out of Market Property within the first twelve (12) months following the effective date of the New Franchisee’s franchise agreement (the “Takeover Period”), you will be entitled to receive a Takeover Fee in the amount of \$2,000 for each Out of Market Property the New Franchisee takes over servicing. Such Takeover Fee shall be payable to you upon (i) the New Franchisee’s and Client’s execution of an Approved Services Agreement for each Out of Market Property or (ii) your assignment to the New Franchisee of the existing Approved Services Agreement(s) for the Out of Market Property. Other than being entitled to receive the Takeover Fee, you will not be entitled to receive any additional compensation from the New Franchisee, the Client(s) or us. You are solely responsible for notifying us in writing if any applicable law might prohibit or affect your ability to transfer an Out of Market Property to the New Franchisee.
- (ii) *Following the Expiration of the Takeover Period.* If the New Franchisee enters into an Approved Services Agreement for an Out of Market Property after the expiration of the Takeover Period, then you will not be entitled to receive the Takeover Fee (or any compensation whatsoever from the New Franchisee, the Client or us). Any bookings that have not been transferred to the New Franchisee during the Takeover Period will be cancelled. For the avoidance of doubt, you are only entitled to receive the Takeover Fee if the New Franchisee enters into an Approved Services Agreement for the management of the Out of Market Property during the 12-month Takeover Period.

(b) Your Obligations.

- (i) You must (upon our notification to you that we have assigned the Unassigned Territory in which your Out of Market Property is located to the New Franchisee) (i) terminate your Approved Service Agreement(s) for each Out of Market Property located in the Unassigned Territory by triggering the 60 Day termination clause; (ii) cease servicing such Out of Market Property upon the expiration of the sixty (60) day termination period; and (iii) ; and (iii) fully

assist with transferring the management of each Out of Market Property located in the Unassigned Territory to the New Franchisee, which includes without limitation, transferring to the New Franchisee (a) all data photos of the Out of Market Property (regardless of who originally paid for them); (b) all current bookings for that Out of Market Property; and (c) such other information or documentation related to the Out of Market Property as we require.

- (ii) If we grant a New Franchisee the right to operate an iTrip Business in the Unassigned Territory, you must not (i) engage in any communication with the Client of the Out of Market Property you are servicing in an effort to dissuade the Client from allowing the New Franchisee to take over servicing the Out of Market Property or (ii) disparage the New Franchisee to the Client of your Out of Market Property, local real estate brokers or otherwise. If you engage in such conduct, then such behavior shall constitute a material breach of the Franchise Agreement, entitling us to (i) revoke our consent granting you the right to service the Out of Market Property and requiring you to terminate the Approved Services Agreement for the Out of Market Property (by triggering the 60 day termination clause) and/or (ii) terminate the Franchise Agreement in accordance with its terms hereunder (and applicable state law).

**B. Right to Service Existing Out of Market Properties in Your Designated Territory.**

If you are granted a Designated Territory in which an existing iTrip franchisee (the “Existing Franchisee”) is providing Approved Services to an Out of Market Property of such Existing Franchisee, then you will have the right to take over and service each Out of Market Property located in your Designated Territory as follows:

- (i) *During the Takeover Period.* If during the Takeover Period you elect to take over servicing an Out of Market Property, then you must pay a Takeover Fee of \$2,000 to the Existing Franchisee(s) servicing said Out of Market Property. If the Existing Franchisee is servicing more than one Out of Market Property in your Designated Territory, then you will have to right to take over servicing each such Out of Market Property; provided that you pay the Existing Franchisee a Takeover Fee for each such Out of Market Property. The Takeover Fee is payable upon (i) your and the Client’s execution of an Approved Service Agreement for the Out of Market Property or (ii) the Existing Franchisee assigning to you the existing Approved Services Agreement for the Out of Market Property.
- (ii) *Following the Expiration of the Takeover Period.* Once the Takeover Period expires, you may enter into a new Approved Services Agreement with the Client for any Out of Market Property that you did not take over servicing during the Takeover Period. If you and the Client of the Out of Market Property enter into a new Approved Services Agreement for the Out of Market Property after the Takeover Period expires, then you will not be required to pay the Takeover Fee (or any other compensation whatsoever) to the Existing Franchisee that previously serviced the Out of Market Property

*Limited Right to Enter Designated Territory during Ramp-Up Period to Assist in New Unit Generation*

In addition to the rights reserved under the “Reserved Rights” heading below, we have the right, but not the obligation, to solicit, recruit and refer prospective Clients located within the Designated Territory (each a “New Unit”) to enter into an Approved Services contract with you, with said rights to expire eighteen (18) months from the date you enter into the Franchise Agreement (the “Ramp-Up Period”) for a Unit Acceleration Fee of \$2,500 per New Unit. At the end of the Ramp-Up Period, you and we will mutually

decide if the Ramp-Up Period needs to be extended. If no mutual agreement is reached, the Ramp-Up Period will not be extended.

### Reserved Rights

Under the Franchise Agreement, we and our affiliates reserve the exclusive right to: (i) own, operate or authorize others to own or operate Businesses at any location outside of your Designated Territory, including immediately proximate to your Designated Territory; (ii) offer, sell and/or license certain software, software-as-a-service (SAAS), apps/applications and web-hosting services under a mark other than “iTRIP” that are similar to the types of software, SAAS, apps and/or web-hosting services that you utilize in connection with the Franchised Business at any location, within or outside your Designated Territory; (iii) acquire, or be acquired by, any entity, including an entity operating one or more businesses offering products or services similar to those offered by an iTrip Business, located within or outside your Designated Territory, and subsequently operate (or license our designee the right to operate) these locations (but not under the Proprietary Marks if any such location is within your Designated Territory); (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; (v) open and operate, or license third parties the right to open or operate, businesses that offer products and services different than the Franchised Business under the Proprietary Marks at any location; and (vi) use, and license others the right to use, the Proprietary Marks and System to engage in any other activity not expressly prohibited by this Agreement.

VBP (defined in Item 1) and its subsidiaries own or have an interest in, or may in the future own or have an interest in, businesses that offer complementary or supplementary products or services to the Approved Services, which are not the same as or similar to the goods or services an iTrip franchisee currently provides. Examples of such complementary or supplementary products or services include property management software, connection to one or more booking websites, payment processing solutions that perform certain functions that the software used by iTrip franchisees also performs, or businesses that provide travel and damage insurance policy management software. None of these businesses are franchised. At some point in the future (there is no specific timetable), VBP may combine or otherwise consolidate some of the products or services offered by such other businesses with the Approved Services offered by iTrip businesses. Franchisor and its affiliates reserve the right to use the Proprietary Marks or other marks in connection with such other products and services, to offer them within your Designated Territory, to provide such products and services to other, non-iTrip travel-related companies and, as a result, to compete or cause competition with you in your Designated Territory.

The Franchise Agreement does not grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory.

### Additional Disclosures

The Franchise Agreement does not provide you with any right or option to open and operate additional Franchised Businesses within your Designated Territory or any other location.


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 sell our Approved 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 a limited, non-exclusive license to use our then-current Proprietary Marks, which includes our current primary mark ITRIP, in connection with the operation of your Franchised Business within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Brand Standards.

Our affiliate, ITA-III, LLC, owns the following federal registrations for our primary Proprietary Marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

#### **Federal Registrations**

<b>Mark</b>	<b>Registration No.</b>	<b>Principal or Supplemental Register</b>	<b>Registration Date</b>
ITRIP	5,204,590	Principal	May 16, 2017
	7,298,480	Principal	February 6, 2024

All required affidavits and other documents have been filed to maintain and obtain the federal registrations described above. We entered into a license agreement with VR-IP, LLC dated July 15, 2015, under which we were granted a perpetual, worldwide license to use, and sublicense third parties the right to use, the Proprietary Marks in connection with the System and iTrip franchises (the “License Agreement”). Our affiliate, ITA-III, LLC, assumed the License Agreement, and we consented to such assumption, with an effective date of January 23, 2020. The License Agreement may affect the franchisee in that, if the License Agreement is terminated, the franchisor may no longer be able to license the iTrip System and other intellectual property to the franchisee. While the term of the License Agreement is indefinite, the circumstances under which the License Agreement may be canceled or modified are the following: (1) the nature and quality of the services provided under the Proprietary Marks fail to meet quality control standards and specifications that our affiliate communicates to us from time to time; (2) if we make an assignment of the License Agreement for the benefit of creditors; (3) if we file a voluntary petition in bankruptcy; (4) if we are adjudicated bankrupt or insolvent; (5) if we file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law; (6) we consent to or acquiesce in the appointment of a trustee or receiver for Licensee; or (7) by mutual agreement in writing by us and our affiliate. However, in the event the License Agreement is terminated, the terms of the License Agreement require our affiliate to work with us to ensure that our existing franchisees are able to continue utilizing the Proprietary Marks consistent with the terms of the License Agreement.

Please note that VR-IP, LLC was also the owner of state trademark registrations for the mark ITRIP (Registration No. 50681) and assigned its rights and interest in the state trademark registrations to our affiliate, ITA-III, LLC, which are on file with the Trademark Register of the Tennessee Department of State. These registrations are set to expire in October 14, 2026. We expect and intend to work with ITA-III, LLC to ensure all affidavits and other documents are filed to continue to protect these state trademark registrations.

You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of your Franchise Agreement.

As of the Issuance Date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any superior rights in, or infringing uses of, our Proprietary Marks that could materially affect your right to use these marks. There are presently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings, or any material litigation, involving the Proprietary Marks which is relevant to your use.

Other than as detailed in this Item 13, we are not aware of any agreements in effect as of the Issuance Date of this Disclosure Document that could significantly limit our right to use, or license the use of, the Proprietary Marks that are material to the franchise. As previously noted in Item 1 of this Disclosure Document, there are a number of Licensed Locations that operate under a license with one of our affiliates to use the Proprietary Software and Website Hosting Program in connection with independent businesses that may provide property management services that are similar to the Approved Services. Each one of these Licensed Locations is permitted to use our Proprietary Marks and software in connection with the operation of their respective Licensed Locations.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name or “d/b/a”. You must follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade names or fictitious name registrations. You may not modify the Proprietary Marks with words, designs or symbols, except those that we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your owners, managers, employees, independent contractors, agents or representatives will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise System, or contest our sole right to register, use, or license others to use, our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term “iTrip” or any similar phrase. You cannot, either during or after the term of the Franchise Agreement, do anything or aid or assist any person or entity to do anything, which would infringe upon or harm our rights in any of our Proprietary Marks. Further, you may not hinder, or prevent us from using or franchising our names and marks in any jurisdiction. All goodwill which may arise

from your use of our Proprietary Marks is and will remain our sole and exclusive property and will inure solely to our benefit.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Proprietary Marks in the manner we prescribe, provided you immediately notify us of the proceeding (within three days) and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to you engaging counsel. We will not reimburse you for disputes where we challenge your use of our Proprietary Marks.

You must, at your sole expense, modify or discontinue using any of the Proprietary Marks, and add new names, designs, logos or commercial symbols to the Proprietary Marks as we instruct. We may, at our sole judgment, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require, nor will we be liable to you for any other expenses, losses or damages you sustain as a result of any addition, modification, substitution or discontinuation of the Proprietary Marks. You will receive written notice of any change and will be given a reasonable time to conform to our directions (including changing signage, marketing displays, trade dress and other advertising), at your sole expense.

#### **ITEM 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any registered patents or pending patent applications that are material to the franchise. We have not registered any copyrights with the U.S. Copyright Office. We do, however, claim common law copyright and trade secret protection for several aspects of the franchise System including, without limitation, our Brand Standards, the Proprietary Software and Web Hosting Program, training materials, advertising, and business materials.

There are no agreements currently in effect which significantly limit your right to use any our copyrights. There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you immediately notify us of such unauthorized use. As of the Issuance Date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the franchised iTrip Business will be located. We may revise our System and any of our copyrighted materials in our judgment and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing or other business materials.

During the term of the Franchise Agreement, you will receive information that we consider trade secrets and confidential. You may not, during the term of the Franchise Agreement or any time after its expiration or termination, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (the “Confidential Information”). You may not copy any of our Confidential Information to another person or give it to a third

party except as we authorize. You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations.

You must require your Designated Manager and any managerial personnel having access to any of our Confidential Information to sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement as Exhibit F-1, where these individuals agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you. This Confidentiality and Non-Competition Agreement, which will be in a form that we prescribe, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights. All of your non-managerial personnel and independent contractors you hire or engage to assist you with the operation of your franchised Business and/or Designated Territory will be required to execute our form of Confidentiality Agreement (Exhibit F-2 to the Franchise Agreement).

The Franchise Agreement provides that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of any Franchised Business, you will promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to such new concepts. You and your principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that these provisions in the Franchise Agreement are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

We may revise any of our copyrighted materials at our discretion and may require that you cease using any outdated item or portion of our Brand Standards.

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

Unless we otherwise permit in writing, you or your Operating Owner (if you are a business entity) must personally participate and manage the day-to-day operations of your Franchised Business, and to devote your time, attention and best efforts to honestly and diligently perform your obligations under the Franchise Agreement. You must designate a Designated Manager (who we approve in writing) to manage daily operations of your Franchised Business. If your Designated Manager is not your Operating Owner, then before designating and engaging the services of the Designated Manager, you must identify such individual to us; furnish information to us regarding the candidate's background, experience, credentials and such additional information that we may require; and, secure our prior written approval of the candidate. Both

you and your Designated Manager will be required to successfully complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has successfully completed our Initial Training Program and otherwise demonstrated that he/she has a good handle on our System standards and specifications for daily operations of an iTrip Franchised Business. If the franchisee is a business entity, we do not require the Designated Manager to own an equity interest in the entity, but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement (substantially in the form of Exhibit F-1 to the Franchise Agreement).

Your Franchised Business must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Franchised Business, you must have a properly trained Designated Manager at each iTrip Franchised Business you own and operate. You must keep us informed at all times of the identity of any personnel acting as Designated Manager and obtain our approval before substituting a new Designated Manager at any of your locations. You must immediately notify us of your Designated Manager's death, disability or termination of employment, and within 5 days of such notification inform us of the designated successor or acting Designated Manager if you choose to replace the former Designated Manager. We must approve your replacement Designated Manager before you appoint him/her. Your replacement Designated Manager must successfully complete our Initial Training Program.

You will be solely responsible for all employment-related decisions associated with your Franchised Business personnel, including hiring, firing, scheduling and compensation. Nothing in the Franchise Agreement is intended, or may be construed to, establish or create any kind of employer-employee or joint employer relationship between (a) us, and (b) you and your personnel.

If you are an individual or multiple individuals, then your spouse(s) will also be required to sign the Franchise Agreement and our form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the "Personal Guaranty"). If the franchisee will comprise of two or more individuals, then the individual franchisees and their spouses will sign the franchise agreement; however, only the individual franchisees will be required to sign the Personal Guaranty. If you are a business entity (limited liability company, corporation, partnership, etc.) with multiple owners, then (a) each of your shareholders/members/partners (the "Owners"), as applicable, must sign the Personal Guaranty. If the business entity only has a single Owner, then the Owner's spouse must also sign the Personal Guaranty.

## **ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You may only offer and must offer all of the Approved Services and Approved Products that we expressly authorize through your Franchised Business and may only offer these services within the Designated Territory and in the manner prescribed in your Franchise Agreement and our Brand Standards. We may supplement, revise and/or modify our Approved Services and/or Approved Products as we deem appropriate from time to time, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Brand Standards or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

If we discontinue any Approved Service offered by the Franchised Business, then you must cease offering or selling such service within a reasonable time, unless such product/service represents (a) a health or safety hazard, or (b) a regulatory violation of a licensure requirement (in which case you must immediately comply

upon receipt of notice from us). You may not use the Premises of your Franchised Business for any other business purpose other than the operation of your Franchised Business.

As described more fully in Item 12, you may not solicit prospective Clients with respect to Out of Market Properties Territory, unless (i) you first obtain our prior written consent; (ii) the geographic area qualifies as an Unassigned Territory; and (iii) your proposed advertising, marketing, promotion or offer is confined to properties located in the Unassigned Territory. If we subsequently grant an Unassigned Territory to a New Franchisee, then all Out of Market Properties located in that Unassigned Territory will be subject to the Takeover Procedure (described in Item 12).

## ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

### THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise or Other Agreement	Summary
a.	Length of the franchise term	Section 5.01	The initial term is for 10 years commencing on the effective date of your Franchise Agreement.
b.	Renewal or extension of the term	Section 5.02	You have the right to be considered for 2 additional (and consecutive) 10-year successor terms.
c.	Requirements for franchisee to renew or extend	Section 14.01	In order to enter into a successor term, you must: provide us with notice of your intent to enter into a successor term; not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us or the landlord of the Approved Commercial Office; throughout the Initial Term or and Successor Term must have performed all of your obligations and been, according to our business judgment, in compliance with the terms of the Franchise Agreement, the Brand Standards and other agreements between you (or your affiliates) and us or our affiliates; execute our then-current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); pay a successor term fee of \$5,000; attend an Additional Training course; execute a general release; must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by us; and agree to, at your expense, re-image, renovate, refurbish and modernize the Premises as necessary to meet our then-current standards for new iTrip Franchised Businesses. We also must still be offering franchises in the area in which your Designated Territory is located.

	<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
d.	Termination by franchisee	18.02 18.05	<p>a. You may terminate the Franchise Agreement if you and we agree in writing. You may also terminate the Franchise Agreement under any grounds permitted by law.</p> <p>b. Your failure to pay any Continuing Royalties, System Advertising Fund Contributions or other money after you receive notice of the default granting an opportunity to cure, will mean that you are willfully and wrongfully breaching the Franchise Agreement and that you have decided to reject and terminate the Franchise Agreement and all Agreements between you and us (or our affiliates) related to the Franchise Agreement.</p>
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with cause	Section 18	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart. The Franchise Agreement describes defaults throughout – please read it carefully.
g.	“Cause” defined – curable defaults	Section 18.03	Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h.	“Cause” defined – non-curable defaults	Section 18.01  Section 18.02	<p>Your Franchise Agreement may be terminated automatically and without notice from us if: you become insolvent or make a general assignment for the benefit of creditors; a bankruptcy petition is filed by or against you and not dismissed within 30 days; a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; a receiver or custodian of your assets of property is appointed; or a final judgment remains unsatisfied or of record for 30 days (or longer period if we consent).</p> <p>Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: you commit any fraud or misrepresentation in connection with your Franchised Business; you or other required attendees fail to timely complete our Initial Training Program; after curing a default, you commit the same act of default within 6 months; you misuse the Proprietary Marks, Confidential Information or other confidential information provided to you; you misuse the Proprietary Software and Website Hosting Program or any other proprietary software that might be developed; you take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the iTrip Business' employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly</p>

	Provision	Section in Franchise or Other Agreement	Summary
			<p>with your employees, Clients, rental guests or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled; you and we agree in writing to terminate; you make an unauthorized transfer; you knowingly conceal revenues, knowingly maintain false books or records, falsify information, otherwise defraud, make false representations or submit any substantially false report to us; you do not maintain the required financial records; a judgment is entered against you involving aggregate liability (in excess of the insurance coverage) of \$100,000 or more, if such judgment remains unpaid or unsatisfied for a period of ten days or more following entry thereof; an audit shows that you understated your Gross Revenues by 2% or more 3 times within any 36 month period or 5% or more for the reporting period; you refuse us permission to inspect or audit your Business; you interfere or attempt to interfere with our contractual relations with others; you commit any act or default that by nature is incurable which materially impairs the goodwill associated with our Proprietary Marks, or if the default is curable, you fail to cure such default after at least 72 hours' written notice to cure; you default under your Lease for the Premises and fail to timely cure; you fail to open and commence operations within the required time period; you fail to cure the following defaults within 10 days' notice: (i) failure to offer only the Approved Products and Approved Services; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item from the appropriate Approved Supplier(s); you abandon your Franchised Business; you fail to provide us with access to the Proprietary Software, Website Hosting Program, Computer System and fail to remedy within 48 hours; you fail to pay us, our affiliates, any Approved Supplier(s) or Client(s) any amount owed within 10 days' notice; you do not purchase or maintain required insurance; you breach advertising standards and fail to cure within 3 days following written notice; you purchase any proprietary programs, products or services or purchase any non-proprietary goods or services under a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit them for the benefit of any other individual, entity or business; you fail to comply with any law or regulation within 15 days' notice; you fail to obtain required licenses, certifications, permits or approvals within 10 days' notice; you are convicted of a felony or any other crime of moral turpitude or offense that will adversely affect the System; you take any property of the Franchised Business for personal use; there are insufficient funds in your EFT Account on three or more occasions in any 12-month period; you</p>

	<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
			commit repeated violations of any applicable law; if an audit reveals you have not properly obtained and maintained the Escrow Account(s); or if you fail, after three (3) full years of operation, to generate the minimum Total Rental Revenue requirement as set forth in Section 9.06 of the Franchise Agreement.
i.	Franchisee's obligations on termination/non-renewal	Section 19	Upon termination or expiration of the Franchise Agreement, your obligations include: immediately pay all amounts owed to us, your lessor/sublessor, plus all sums due and owed to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties; immediately discontinuing the use of the Proprietary Marks and trade dress; cease doing business in a form or manner that may give the general public the impression that you are operating an iTrip Business; take all necessary action to cancel any assumed name or equivalent registration; refrain from engaging in any contacts with Clients, rental guests, suppliers, employees and vendors of the Franchise Business; return of our Brand Standards of any other Confidential Information to us; provide us with all customer information, lists and applicable contracts, including the then-current and up-to-date (a) Client and property lists, and (b) any Approved Services contracts and other agreements between Clients and the former Franchised Business; cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee; comply with all post-term confidentiality and restrictive covenants; at our written option, assign the lease for the Premises to us; execute all agreements necessary to effectuate the termination; surrender all computer software, data storage disks and other electronic media used in the operation of the Franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming; if you are operating from an Approved Commercial Office, assign to us any interest which you have in the Lease, sublease; and, if you are operating from an Approved Commercial Office and we elect not to assume possession of the Approved Commercial Office, redecorate and remodel the Approved Commercial Office to de-identify it.
j.	Assignment of contract by franchisor	Section 15.01	No restrictions on our right to assign.
k.	"Transfer" by franchisee – defined	Sections 15.02, 15.03, 15.04 and 15.05	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you.

	<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
l.	Franchisor approval of transfer by franchisee	Section 15.04	No transfer without our consent except as provided in Franchise Agreement, but we will not unreasonably withhold our approval if you meet our conditions.
m.	Conditions for franchisor approval of transfer	Section 15.04	We may condition any transfer on the following conditions: all of your accrued monetary obligations to us, our affiliates, and designated/approved suppliers and vendors, are satisfied; you cure all existing defaults; you, your principals and the transferee execute a general release; you or the transferee provide us with a copy of the executed purchase agreement; the transferee meets our qualifications and standards for a franchisee; the transferee executes our then-current franchise agreement; you pay us the required transfer fee; the transferee satisfactorily completes the Initial Training Program and pay our then-current initial training fee; you comply with the post-termination provisions of the Franchise Agreement; the transferee demonstrates that he or she has obtained or maintained all required permits and licenses; lessors, if applicable, consent to the transfer; the transfer must be made in compliance with all applicable laws; the purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business; you must request that we provide the transferee with our then-current Disclosure Document; and we will have the right to disclose to any transferee such revenue reports and other financial information.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 15.06	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 60 days to match any third-party <i>bona fide</i> offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will (subject to Section 15.04 of the Franchise Agreement) have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	Section 20.01	We have the right, but not the obligation, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at the depreciated book value.
p.	Death or disability of franchisee	Section 15.05	If you are a business entity, then upon the death or disability of one or more of your owners (and not the last surviving owner), your estate, heirs, legatees, guardians or representatives of such owner may assign the deceased or disabled owner's interest to: (i) such owner's spouse; (ii) any individual or business entity which, at the

	Provision	Section in Franchise or Other Agreement	Summary
			<p>time of the subject death or disability, is already a shareholder, member, partner or other category of owner of you; or (iii) you.</p> <p>On your (or if you are a business entity, your last surviving owner's) death or disability your rights pass to your "Estate", within six (6) months following such death or disability and subject to our right of first refusal, your Estate must appoint a Designated Manager to supervise the operation of the Franchised Business in accordance with the requirements described in Section 15.04 of the Franchise Agreement. Your Estate may continue to operate your Franchised Business until the consummation of such assignment.</p>
q.	Non-competition covenants during the term of the franchise	Section 13.02	<p>Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with, a "Competing Business" (meaning one that provides rental property management services similar to those provided by a franchised iTrip Business); (ii) employ or seek to employ any of our management employees or us, our affiliates or any other System franchisee or induce such persons to leave their management employment; or (iii) divert, or attempt to divert, any prospective customer to any person or business entity, including to a Competing Business. This provision is subject to state law.</p>
r.	Non-competition covenants after the franchise is terminated or expires	Section 13.02	<p>For a period of two (2) years after the termination, or transfer of your Franchise Agreement (the "Restriction Period"), neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with a Competing Business: (i) at the Approved Premises or Approved Commercial Office, (ii) within your Designated Territory; (ii) within a 50-mile radius of your Designated Territory; or (iii) within a 50-mile radius of any other designated territory of any franchised or licensed iTrip d Business as of the date of expiration/termination of your Franchise Agreement (subject to state law). The Restriction Period shall be tolled during (and shall be deemed automatically extended by) any period in which you are in violation of the provisions of Section <b>Error! Reference source not found.</b> of the Franchise Agreement.</p> <p>During this two-year period, these parties are also prohibited from: (i) soliciting business from Clients of your former Franchised Business; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) subject to and only as such restrictions are permitted by applicable law, soliciting any of our</p>

	<b>Provision</b>	<b>Section in Franchise or Other Agreement</b>	<b>Summary</b>
			management employees, our affiliates' management employees or any management employee of another System franchisee to discontinue their employment (subject to state law).
s.	Modification of the agreement	Section 26.01	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and our Brand Standards as we deem appropriate in our discretion from time to time.
t.	Integration/merger clause	Sections 25.01	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Not applicable	No provision for arbitration or mediation.
v.	Choice of forum	Section 31.06	all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current corporate headquarters or, if appropriate, the United States District Court for the Middle District of Tennessee (subject to state law).
w.	Choice of law	Section 31.05	The Franchise Agreement is governed by the laws of the state of Tennessee, without reference to this state's conflict of laws principles (subject to state law).

## **ITEM 18 PUBLIC FIGURES**

We do not use any public figures to promote our franchise, but we reserve the right to use one in the future.

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

**AVERAGE AND MEDIAN TOTAL RENTAL REVENUE GENERATED BY iTRIP FRANCHISEES**

This Item 19 presents certain historical data of franchised iTrip Businesses. Specifically, the table immediately below presents the annual average and median Total Rental Revenue, including sales taxes and other occupancy/vacation rental taxes, generated by our 93 franchisees (operating in a total of 109 territories) (the “Representative Franchisees”) that operated a Franchised Business for at least 12 months during the 2023 Measurement Period.

Please note that for this financial performance representation we pulled each Representative Franchisee’s Total Revenue from the Proprietary Software and Website Hosting Program. We have not audited this information or independently verified this information. The Representative Franchisees generated the Total Rental Revenue figures described in this Item 19.

**Average and Median Total Rental Revenue including Sales Tax and Other Occupancy/Vacation Rental Taxes<sup>1</sup> (Per Territory) Generated by Representative Franchisees over the 2024 Measurement Period**

Year	Group	Total Rental Revenue	Total Territories	Average Total Rental Revenue Per Territory	Number of Territories that Met or Exceeded the Average	Median Total Rental Revenue Per Territory
2024	All Representative Franchisees*	\$197,759,626	114	\$1,734,734	43	\$1,168,320
	76 Representative Franchisees Operating within a Single Territory	\$130,475,454	76	\$1,716,782	38	\$904,320
	20 Representative Franchisees Operating within Two Territories Each	\$28,157,359	20	\$1,407,868	7	\$1,810,534
	20 Representative Franchisee Operating within Three or more Territories	\$39,126,814	18	2,173,712	9	\$2,251,678

**Note to Chart:**

1. For the 2024 Measurement Period, the highest reported Total Rental Revenue, including Sales Tax and other occupancy/vacation rental taxes, per Territory over the 2024 Measurement Period was:

(i) \$12,226,850 among All Representative Franchisees; (ii) \$12,226,850 among Representative Franchisees Operating within a Single Territory; (iii) \$10,281,063 among Representative Franchisees Operating within 2 Territories Each; and (iv) \$12,413,400 among Representative Franchisees Operating within 3 Territories Each. The lowest Total Rental Revenue per Territory for the 2024 Measurement Period was: (a) \$0.00 among All Representative Franchisees; (b) \$0.00 among Representative Franchisees operating within a Single Territory; (c) \$1,713 among Representative Franchisees Operating within 2 Territories Each; and (d) \$233,561 among Representative Franchisees Operating within 3 Territories Each..

### **Explanatory Notes:**

1. *Total Rental Revenue (including Certain Taxes).* The term “Total Rental Revenue, including Certain Taxes” means: (i) the total gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services contract with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees; plus (ii) the respective and applicable sales, tourist and PCB taxes collected in connection with the total revenue that each Representative Franchisee must pay to the appropriate taxing authority. The sales and other applicable taxes vary amongst the Representative Franchisees based on what state they are located in and the applicable taxes where they operate their respective franchised iTrip Business, which is one of the reasons we are not in a position to disclose the specific taxes for each Representative Franchisee in the chart above. It is important to note that: (i) regarding the term “Total Rental Revenue,” when used in your Franchise Agreement and elsewhere in this Disclosure Document outside this Item 19, the term “Total Rental Revenue” does not include sales taxes; and (ii) your Royalty Fee will be based on such Total Rental Revenue.

2. Certain of the Representative Franchisees were already licensing a version of the Proprietary Software and Web Hosting Program from our affiliate at the time these parties decided to enter into a Franchise Agreement with us to operate an actual franchised iTrip Business utilizing our Proprietary Marks, System and our Brand Standards. These particular Representative Franchisees had an existing book of business and some level of experience in the relevant industry as of the date they commenced operating a franchised iTrip Business. Please note that your Franchised Business may not have an existing clientele base and, as a result, it may take some time to reach the kind of Total Rental Revenue figures described in this Item.

3. The figures disclosed in this Item do not reflect the costs of sales, operating expenses, taxes, or other costs or expenses that must be deducted from the Total Rental Revenue figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

### **Notes Regarding Item 19 Generally**

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

We strongly suggest that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in

operating a Franchised Business.

Other than the preceding financial performance representation, we do not make any financial performance 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 Designated Territory, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our General Manager, Vickie Storm, at iTrip, LLC, 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 or by phone at (888) 694-8747.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
System-wide Outlet Summary  
For Years 2022-2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2022	91	109	+18
	2023	109	114	+5
	2024	114	114	0
<b>Company/ Affiliate- Owned*</b>	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
<b>Total Outlets</b>	2022	92	110	+18
	2023	110	115	+5
	2024	115	115	0

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2022-2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Colorado</b>	2022	1
	2023	0
	2024	0
<b>Florida</b>	2022	2
	2023	1
	2024	1

State	Year	Number of Transfers
<b>Hawaii</b>	2022	0
	2023	1
	2024	0
<b>Oregon</b>	2022	0
	2023	1
	2024	0
<b>Texas</b>	2021	0
	2023	1
	2023	0
<b>Total</b>	2022	3
	2023	4
	2024	1

**Table No. 3  
Status of Franchised Outlets  
For Years 2022-2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
<b>Alabama</b>	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	1	0	1
<b>Arizona</b>	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
<b>Arkansas</b>	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>California</b>	2022	6	1	0	0	0	0	7
	2023	7	1	0	0	0	1	7
	2024	7	1	0	0	0	0	8

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Colorado	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Delaware	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	27	7	0	0	0	0	34
	2023	34	0	0	0	0	0	34
	2024	34	0	0	0	0	0	34
Georgia	2022	3	0	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Hawaii	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Idaho	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Maryland	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Massachusetts	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Missouri	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Montana	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
New Hampshire	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Oregon	2022	6	2	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8
South Carolina	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Tennessee	2022	5	1	0	0	0	0	6
	2023	6	2	0	0	0	0	8
	2024	8	0	0	0	0	0	8
Texas	2022	4	3	0	0	0	0	7
	2023	7	0	0	0	0	0	7

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2024	7	1	0	0	1	0	7
Utah	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Washington	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Total	2022	91	19	0	0	0	1	109
	2023	109	6	0	0	0	1	114
	2024	114	3	0	0	3	0	114

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years 2022-2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

**Table No. 5**  
**Projected Openings as of December 31, 2024**

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
All States	0	0	0
<b>Total</b>	0	0	0

Please understand that you have the opportunity to contact existing and certain other former franchisees and we urge you to do so.

A list of the names of all of our current iTrip franchisees as of December 31, 2024, along with the addresses and telephone numbers of their respective franchises, is set forth in Exhibit D to this Disclosure Document.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every iTrip franchisee who had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the applicable franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document, is listed on Exhibit D to this Disclosure Document if applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the iTrip franchise system or certain aspects of their franchise agreement. 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.

The following independent franchisee organization has asked to be included in this disclosure document:

IAITF, an independent association of iTrip Vacations franchisees

Board of Directors

American Association of Franchisees & Dealers

P.O. Box 10158

Palm Desert, CA 92255-1058

Phone: (619) 209-3775

Fax: (866) 855-1988

Email: [iaitf@aafdxhapters.org](mailto:iaitf@aafdxhapters.org)

## ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit B to this Disclosure Document are our audited financial statements for our fiscal years ending December 31, 2024, December 31, 2023 and December 31, 2022.

## **ITEM 22 CONTRACTS**

Copies of all proposed agreements regarding the franchise offering are attached as Exhibits to this Franchise Disclosure Document. These include the following:

Franchise Agreement (Exhibit A) - - including all Exhibits to it, including the following agreements: Personal Guaranty; Collateral Assignment of Lease; Confidentiality & Non-Competition Agreement; Conditional Assignment of Telephone/Facsimile Numbers and Domain Names; Software License Agreement; Sample Termination and Release (Exhibit F); and, Franchisee Questionnaire/Compliance Certification (Exhibit G)

## **ITEM 23 RECEIPTS**

Exhibit J to this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to our Franchise Development Manager at the following address: Nathan (Nate) Cannon, iTrip, LLC, 2035 Lakeside Center Way, Suite 250, Knoxville, Tennessee 37922 or via phone at (888) 694-8747 or via e-mail at [nate.cannon@itrip.co](mailto:nate.cannon@itrip.co).

**EXHIBIT A TO DISCLOSURE DOCUMENT**

**ITRIP, LLC**

**FRANCHISE AGREEMENT**

**ITRIP, LLC**  
**FRANCHISE AGREEMENT**

TABLE OF CONTENTS

1. DEFINITIONS..... 1

2. PURPOSE AND SCOPE OF THIS AGREEMENT .....6

    2.01 The iTrip Businesses, System and Proprietary Marks .....6

3. GRANT OF FRANCHISE AND LICENSE.....7

    3.01 Grant of Franchise and Licenses .....7

4. TERRITORIAL RIGHTS AND RESTRICTIONS.....7

    4.01 Approved Premises; Approved Commercial Office; Designated Territory .....7

    4.02 Form of Approved Services Agreement.....7

    4.03 Our Restrictions .....7

    4.04 Your Restrictions .....8

    4.05 Rights We Reserve.....10

    4.06 Limited Right to Solicit Prospective Clients in Your Designated Territory ..... 11

5. INITIAL TERM AND SUCCESSOR TERM..... 11

    5.01 Initial Term ..... 11

    5.02 Successor Term and Successor Agreement.....11

6. YOUR PAYMENTS TO US..... 11

    6.01 Initial Fees..... 11

    6.02 Royalty Fee .....12

    6.03 iTrip Brand Fund Contribution ..... 13

    6.04 Software License Fee ..... 13

    6.05 Other Amounts Owed ..... 14

    6.06 Definitions of Total Rental Revenue; Client Management Fee .....14

    6.07 Right to Modify Payment Interval; Method of Payment; Bank Accounts ..... 14

7. APPROVED PREMISES, RELOCATION, SITE SELECTION, CONSTRUCTION, AND LEASE REQUIREMENTS..... 16

    7.01 Approved Premises for Your iTrip Franchised Business.....16

    7.02 Relocation of Your iTrip Franchised Business .....16

    7.03 Limited Site Selection Review and Approval.....17

    7.04 Approved Commercial Office Lease .....17

    7.05 Construction of Your Approved Commercial Office.....17

    7.06 Furniture, Fixtures and Equipment for Approved Premises and Approved Commercial Offices ..... 18

    7.07 Maintaining Your Approved Commercial Office .....18

    7.08 Refurbishing Your Approved Commercial Office.....18

7.09	Time Is Of the Essence .....	18
8.	OUR DUTIES .....	19
8.01	Brand Standards; Policy Statements .....	19
8.02	Initial Training Program.....	19
8.03	Continuing Assistance.....	20
8.04	Additional Training .....	21
8.05	Annual Conference .....	21
8.06	Accounting Software.....	21
8.07	Promotional Pricing; Pricing Guidelines .....	21
8.08	Email Addresses.....	22
8.09	Call Center .....	22
8.10	Nature of Obligations.....	22
9.	YOUR DUTIES .....	22
9.01	Opening Date .....	22
9.02	Manner of Operation .....	23
9.03	Management of Client Information.....	23
9.04	Licenses and Permits for Franchised Business .....	23
9.05	Licensing Requirements for Personnel .....	23
9.06	Minimum Performance Requirement.....	24
9.07	Modifications to the System.....	24
9.08	Cobranding.....	24
9.09	Compliance with Laws, Rules and Regulations.....	24
9.10	Health, Safety and Cleanliness.....	25
9.11	Your Participation in the Operation of the Business; Designated Manager.....	25
9.12	Requirements Concerning Approved Services and Approved Products .....	26
9.13	Web Sites/Social Media .....	31
9.14	Indemnification .....	32
9.15	Inspection .....	33
9.16	Intellectual Property You Develop.....	34
9.17	Adequate Reserves and Working Capital.....	34
9.18	Credit Cards and Other Modes of Payment .....	34
9.19	Compliance with Security Protocols .....	35
9.20	Hours of Operation.....	35
9.21	Business Entity Franchisees .....	35
9.22	Staffing Requirements, Qualifications and Training.....	36

9.23	Image.....	36
9.24	Testimonials and Endorsements.....	37
9.25	Vendor Accounts.....	37
9.26	No Conflicting Agreements .....	37
9.27	Taxes .....	37
9.28	Government Actions .....	37
9.29	Privacy and Data Protection.....	37
9.30	Complaints; Claims; Safety; Health and Other Violations .....	38
9.31	Crisis Management .....	38
9.32	Coupons, Certificates and Vouchers .....	39
10.	INSURANCE .....	39
10.01	Your Required Insurance Coverage .....	39
10.02	Certificates of Insurance .....	41
10.03	Purchase of Insurance on Your Behalf.....	41
10.04	No Undertaking or Representation.....	42
10.05	Failure To Purchase Insurance or To Reimburse .....	42
11.	ADVERTISING .....	42
11.01	Administration of the iTrip Brand Fund .....	42
11.02	Advertising Standards You Must Comply With .....	43
11.03	Initial Marketing Spend; Local Advertising and Promotion .....	44
11.04	Advertising Cooperatives.....	46
11.05	Advertising Council .....	46
11.06	Merchandise Materials; Private Label Products.....	46
12.	RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY .....	47
12.01	Financial and Operating Records and Reports .....	47
12.02	Our Audit of Your Financial and Operational Records .....	48
13.	CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE .....	48
13.01	Restriction on Use of Confidential Information.....	48
13.02	Covenant Not to Compete .....	49
13.03	Lesser Included Covenants Enforceable At Law .....	50
13.04	Enforcement of Covenants Not To Compete .....	51
13.05	Procurement of Additional Covenants .....	51
13.06	Your and Our Enforcement of Confidentiality/Non-Competition Agreements .....	51
14.	CONDITIONS TO AND PROCEDURES GOVERNING SUCCESSOR TERM .....	51
14.01	Conditions to Successor Franchise Agreement.....	51

14.02	Successor Franchise Procedures .....	53
14.03	Notice of Expiration.....	53
15.	TRANSFER AND ASSIGNMENT .....	53
15.01	Assignment By Us .....	53
15.02	Transfer (Assignment) By You – General .....	54
15.03	Transfer (Assignment) By You – To A Business Entity You Form .....	54
15.04	Transfer (Assignment) By You – Sale To Third Party .....	55
15.05	Assignment By You – Transfer Upon Death or Disability .....	58
15.06	Right of First Refusal.....	59
15.07	Security Interest .....	60
15.08	Your Offer and Sale of Securities .....	61
15.09	Bankruptcy .....	61
15.10	No Waiver of our Rights .....	62
16.	PROPRIETARY MARKS .....	62
16.01	Our Ownership of Proprietary Marks .....	62
16.02	Limitations on Your License to Use the Proprietary Marks .....	62
16.03	Use and Display of Proprietary Marks.....	63
16.04	Required Means of Identification; Non-Use of Trade Name .....	63
16.05	Our Defense of Proprietary Marks and Copyrights .....	64
16.06	Prosecution of Infringers.....	64
16.07	Discontinuance or Substitution of Proprietary Marks.....	64
17.	RELATIONSHIP OF THE PARTIES .....	64
17.01	Relationship of the Parties .....	64
17.02	You are the Sole and Exclusive Employer of Your Employees.....	65
18.	DEFAULT AND TERMINATION .....	66
18.01	Termination By Us – Automatic Termination Without Notice.....	66
18.02	Termination By Us Upon Notice – No Opportunity To Cure.....	67
18.03	Termination by Us – Thirty Days to Cure.....	69
18.04	Description of Default.....	71
18.05	Your Failure to Pay Constitutes Your Termination of This Agreement .....	71
18.06	Cross-Default .....	71
18.07	Continuance of Business Relations .....	71
18.08	Notice Required By Law.....	71
18.09	Franchisor’s Right to Send Notifications of Termination .....	71
18.10	Step-In Rights .....	71

19.	FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT .....	72
19.01	Further Obligations and Rights Following the Termination or Expiration of this Agreement	72
20.	OUR OPTION UPON TERMINATION OR EXPIRATION .....	74
20.01	Option to Purchase Your Franchised Business’s Assets, Computers and Computer System ..	74
20.02	Appraisals.....	75
20.03	Timing.....	75
21.	UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE) .....	76
21.01	Unavoidable Delay or Failure to Perform (Force Majeure).....	76
22.	APPROVALS AND WAIVER .....	76
22.01	Approvals .....	76
22.02	Waiver and Delay.....	76
22.03	Our Withholding of Consent – Your Exclusive Remedy.....	76
22.04	No Warranty or Guarantee .....	76
23.	OUR RIGHT TO CURE DEFAULTS .....	77
23.01	Our Right to Cure Defaults .....	77
24.	INJUNCTION.....	77
24.01	Injunction .....	77
25.	INTEGRATION OF AGREEMENT.....	77
25.01	Integration of Agreement .....	77
26.	NO ORAL MODIFICATION .....	77
26.01	No Oral Modification.....	77
27.	NOTICES .....	77
27.01	Notices, Requests and Protests.....	77
28.	SEVERABILITY .....	78
28.01	Severability .....	78
29.	NO THIRD PARTY BENEFICIARIES .....	78
29.01	No Third Party Beneficiaries .....	78
30.	EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS.....	78
30.01	Execution, Construction and Interpretation; Further Acts .....	78
31.	LEGAL ACTIONS, GOVERNING LAW AND VENUE .....	79
31.01	Attorneys’ Fees – Direct Actions.....	79
31.02	Attorneys’ Fees – Third Party Actions.....	79
31.03	Collection Costs .....	79
31.04	Internal Dispute Resolution.....	79

31.05	Governing Law .....	80
31.06	Venue .....	80
31.07	Waiver of Jury Trial and Punitive Damages .....	80
31.08	No Consolidated or Class Actions .....	81
31.09	Limitation on Actions .....	81
31.10	Disputes Between iTrip Franchisees and/or iTrip Licensees .....	81
32.	LIABILITY OF “FRANCHISEE”; GUARANTEE .....	81
32.01	Liability of “Franchisee” .....	81
32.02	Personal Guaranty .....	81
33.	SURVIVAL .....	82
33.01	Survival .....	82
34.	OUR BUSINESS JUDGMENT.....	82
34.01	Our Business Judgment.....	82
35.	YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS .....	82
35.01	Your Representations .....	82
35.02	Your Acknowledgments.....	83
36.	SUBMISSION OF AGREEMENT .....	83
36.01	Submission of Agreement .....	83

**EXHIBITS**

State Addenda to Franchise Agreement

- Exhibit A: Data Sheet
- Exhibit B: Proprietary Marks
- Exhibit C: Personal Guaranty
- Exhibit D: Collateral Assignment and Assumption of Lease
- Exhibit E: EFT Debit Authorization Form
- Exhibit F-1: Confidentiality and Non-Competition Agreement (for use by Franchisee for Management Personnel of the Franchised Business and Owners, Officers and Directors of Franchisee)
- Exhibit F-2: Confidentiality Agreement (for use by Franchisee for Non-Managerial Personnel)
- Exhibit G: Software License Agreement
- Exhibit H: Conditional Assignment of Telephone Numbers and Domain Names

**ITRIP, LLC**  
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) is made and effective as of \_\_\_\_\_ (the “Effective Date”) between iTrip, LLC, a Tennessee limited liability company with its principal office at 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922-6594 (“we,” “us,” “our” or “Franchisor”) and \_\_\_\_\_, [a STATE corporation/limited liability company] / [an individual] whose principal address is \_\_\_\_\_ (“you,” “your” or “Franchisee”).

**1. DEFINITIONS**

As used in this Agreement, the following terms have the meanings specified below:

**1.01 60 Day Termination Clause** refers to the 60-day termination clause you must include in each Approved Services Agreement you enter into with a Client.

**1.02 AAA** means the American Arbitration Association.

**1.03 ADA** refers to the Americans with Disabilities Act.

**1.04 Additional Training** refers to the additional on-site and refresher training programs that we may develop from time to time.

**1.05 Additional Training Fee** refers to the fee set forth in Section 8.04 that you must pay us for Additional Training.

**1.06 Adequate assurance of future performance** has the meaning set forth in Section 15.09.

**1.07 Advertising** means any and all national, regional or local advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and “bulletin boards”; any advertising on the internet/worldwide web; any advertising or promotion on social media; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by Clients, rental guests or other third parties; promotional material captured in any electronic medium; any advertising through any hereafter developed media, platforms, devices or modes of communication; and, any other material or communication which we denominate as “advertising” in our Brand Standards or otherwise.

**1.08 Advertising Council** refers to a council to provide advice and guidance to us regarding the administration of the Fund and various other advertising/marketing matters.

**1.09 Affiliate** refers to any individual or entity we control, which controls us, or which is under common control with us/

**1.10 Agreement** refers to this franchise agreement between iTrip and Franchisee.

**1.11 Applicable Law** refers to all laws, rules, regulations, ordinances, policies and procedures of any federal, state, county, municipal or local governmental or quasi-governmental agency, commission and/or authority which govern the construction or any element of the operation of your Franchised Business, including without limitation, all applicable real estate laws.

**1.12 Approved Commercial Office** refers to the commercial office space at which we may permit you to operate your Franchised Business pursuant to Section 7.02 below.

**1.13 Approved Premises** refers to the home office from which you operate your Franchised Business.

**1.14 Approved Products** means any related merchandise and other products that we authorize for sale in conjunction with the Approved Services.

- 1.15 Approved Services** has the meaning prescribed in Section 2.01 below.
- 1.16 Approved Services Agreement** means the agreement between Franchisee and the Client in which the Client grants Franchisee the right (and Franchisee undertakes the obligation) to provide Approved Services to the Client Property.
- 1.17 Approved Suppliers** means all suppliers from which you must purchase or lease any Required Purchases.
- 1.18 Approved Vehicle** refers to a vehicle that must be used in connection with the operation of the Franchised Business, which is in good working condition, no later than 10 years old and meets our standards and specifications.
- 1.19 Boutique Market** refers to a market with at least 500 short-term rental listings on one or more listing sites.
- 1.20 Brand Fund Contribution** has the meaning set forth in Section 6.03.
- 1.21 Brand Standards** refers to our confidential brand standards, as well as any other instructional manuals we deem appropriate.
- 1.22 Business Development and Operations Training Module** has the meaning prescribed in Section 8.02(A).
- 1.23 Call Center** refers to a systemwide call center.
- 1.24 Claim** has the meaning prescribed in Section 16.05
- 1.25 Claims, losses, liabilities and costs** shall have the meaning prescribed in Section 9.14.
- 1.26 Client** means the owner of the Client Property.
- 1.27 Client Information** has the meaning set forth in Section 9.03.
- 1.28 Client Management Fee** has the meaning set forth in Section 6.06(B).
- 1.29 Client Property** refers to the property that is the subject of the Approved Services Agreement between the Client and Franchisee.
- 1.30 Closing Date** has the meaning set forth in Section 20.01.
- 1.31 Cobranding** has the meaning prescribed in Section 9.08.
- 1.32 Competitive Business** has the meaning set forth in Section 13.02.
- 1.33 Computer System** means the computer hardware, software, wired and/or wireless internet connections and service, required dedicated telephone and power lines, “smart phone” automated rental guest (and other) tracking facilities and other computer-related accessories, peripherals and equipment that we specify in our Brand Standards or otherwise, which you must purchase at your own expense and use in connection with the operation of your Franchised Business.
- 1.34 Confidential Information** has the meaning set forth in Section 13.01.
- 1.35 CPI-U** means the Consumer Price Index for Urban Non-Manual Employees.
- 1.36 Crisis Management Event** has the meaning set forth in Section 9.31(D).
- 1.37 Designated Manager** has the meaning set forth in Section 9.11.
- 1.38 Designated Territory** means the geographic area set forth in Exhibit A in which you are authorized to offer and sell Approved Services to Clients.
- 1.39 Digital Marketing Requirement** has the meaning set forth in Section 11.03B.1).
- 1.40 Direct Mail Requirement** has the meaning set forth in Section 11.03B.2).
- 1.41 Disability** has the meaning set forth in Section 15.05

- 1.42 Effective Date** means the date set forth in the preamble of this Agreement.
- 1.43 EFT Account** refers to the segregated bank account that you must use for your Franchised Business in connection with our EFT Program.
- 1.44 EFT Program** means our electronic funds transfer program through which you must pay all fees and other amounts due to us and/or our Affiliates under this Agreement.
- 1.45 Escrow Account** has the meaning prescribed in Section 6.07(E)(1).
- 1.46 Escrowed Funds** has the meaning set forth in Section 6.07(E)(2).
- 1.47 Estate** has the meaning prescribed in Section 15.05.
- 1.48 Existing Franchisee** refers to the iTrip franchisee providing Approved Services to an Out of Market Property in your Designated Territory.
- 1.49 Franchised Business** refers to the iTrip Business you operate in accordance with the terms of this Agreement.
- 1.50 Franchisee** refers to you. For the purposes of this Agreement, “Franchisee” also refers to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement.
- 1.51 Franchisee Party(ies)** has the meaning set forth in Section 31.02.
- 1.52 Franchisor** means iTrip, LLC.
- 1.53 Franchisor Indemnitees** has the meaning prescribed in Section 9.14.
- 1.54 Guarantors** refers to the Owners that must guarantee your obligations under this Agreement.
- 1.55 Hub** means our platform that you must exclusively use to as the administrative platform for the operation of your Franchised Business operate and to post bookings for the Client Properties that you service.
- 1.56 Indemnification Claim** has the meaning set forth in Section 9.14.
- 1.57 Initial Franchise Fee** has the meaning set forth in Section 6.01(A)(1).
- 1.58 Initial Funding Fee** has the meaning set forth in Section 6.01(A).
- 1.59 Initial Marketing Spend** has the meaning prescribed in Section 11.03A).
- 1.60 Initial Operational Support Fee** has the meaning set forth in Section 6.01(A)(3)
- 1.61 Initial Term** refers to the initial term of this Agreement which shall be the 10-year period beginning on the Effective Date of this Agreement, unless sooner terminated in accordance with the terms herein.
- 1.62 Initial Training and Software Integration Fee** has the meaning set forth in Section 6.01(A)(2).
- 1.63 Initial Training Program** has the meaning prescribed in Section 8.02.
- 1.64 iTrip Brand Fund or Fund** have the meaning set forth in Section 6.03.
- 1.65 iTrip Business** means all franchised iTrip businesses that are now (or hereinafter) shall become a part of the iTrip franchise network.
- 1.66 iTrip Web Portal** means any website portal or other intranet that we establish and maintain through which downloads of operations and marketing materials, exchanges of franchisee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected.
- 1.67 LDW Program** refers to our then-current limited damages waiver program.
- 1.68 Lease** means the lease or sublease for your Approved Commercial Office.
- 1.69 Logo Materials Start-Up Kit Fee** has the meaning set forth in Section 6.01(B)(1).

- 1.70 Management Fee** means the management fee you are required to pay to us if we exercise our “step-in rights” pursuant to Section 18.10
- 1.71 Modules** has the meaning set forth in Section 8.02(A).
- 1.72 New Franchisee** means us, our Affiliates or another franchisee, licensee or other third party that we grant the right to operate an iTrip Business in an Unassigned Territory.
- 1.73 New Unit** refers to the prospective properties in your Designated Territory that we identify, solicit, recruit and refer to you during the Ramp-Up Period.
- 1.74 Opening Date** means the actual date you open your Franchised Business.
- 1.75 Operating Owner** has the meaning set forth in Section 9.21.
- 1.76 Operational Report** has the meaning prescribed in Section 6.07(F)(3).
- 1.77 Out of Market Property** means the Client Property located outside of your Designated Territory.
- 1.78 Owners** refers to each of your shareholders, members or partners, if you are a business entity.
- 1.79 PCI** means the payment card industry.
- 1.80 Person** refers to both natural persons and legal entities, including corporations, partnerships, limited liability companies and trusts).
- 1.81 Personal Guaranty** means the guaranty (annexed as Exhibit C to this Agreement) that must be executed by (i) your Owners, if you are a business entity; or (ii) by the Owner’s spouse, if the business entity only has a single Owner.
- 1.82 Personal Information** refers to any information that can be used (alone or when used in combination with other information within your control) to identify, locate or contact an individual or pertains in any way to an identified or identifiable individual.
- 1.83 Primary Market** refers to a market that has more than 900 short-term rental listings on one or more listing sites.
- 1.84 Printed Materials Start-Up Kit Fee** has the meaning set forth in Section 6.01(B)(2).
- 1.85 Privacy Laws** means all national and state data protection laws, laws regulating marketing communications and/or electronic communications, information security regulations and security breach notification rules.
- 1.86 Proprietary Marks** has the meaning set forth in Section 2.01 below.
- 1.87 Proprietary Software and Website Hosting Program** means the then-current customized and proprietary software system and web hosting methodology that we designate for use in connection with the provision of the Approved Services.
- 1.88 Ramp-Up Period** means the eighteen-month period following the Effective Date of this Agreement during which we may solicit, recruit and refer prospective Clients with properties located within your Designated Territory to enter into an Approved Services Agreement with you.
- 1.89 Regional Advertising Cooperative or Cooperative** has the meaning set forth in Section 11.04.
- 1.90 Relocation Fee** refers to the fee set forth in Section 7.02E) which must accompany your Relocation Request.
- 1.91 Relocation Request** means your written request to relocate your home office location to a commercial office space.
- 1.92 Rental Guest Data** refers to all information pertaining to our and/your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; any rental guest data, including the names, contact information, rental preferences and any other information concerning users of the Approved Services, except for credit card numbers, bank information or other financial data related to the transaction of funds between you and Clients.

**1.93 Required Purchases** means all furniture, fixtures, equipment (including, the Computer System), inventory, supplies and other that you required to purchase or lease in connection with the establishment and ongoing operation of your Franchised Business.

**1.94 Restriction Period** has the meaning set forth in Section 13.02.

**1.95 Royalty Fee** has the meaning prescribed in Section 6.02.

**1.96 Safeguards** means the administrative, physical, technical and organizational safeguards that are designed to prevent the unauthorized collection, access, use and disclosure of Personal Information.

**1.97 Software License Fee** has the meaning prescribed in Section 6.04.

**1.98 Software Module** has the meaning set forth in Section 8.02(A).

**1.99 Specially Designated National or Blocked Person** means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a “specially designated national or blocked person” or similar status; (ii) a person or entity described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or Affiliates) are prohibited from transacting business.

**1.100 Successor Franchise Agreement** means the subsequent franchise agreement that you have the right to enter into upon the expiration of this Agreement; provide that you meet the conditions and follow the procedures set forth herein.

**1.101 Successor Franchise Package** has the meaning set forth in Section 14.01(B).

**1.102 Successor Term** refers to the term of each Successor Franchise Agreement you have the right to enter into; provided that you meet the conditions and follow the procedures set forth herein.

**1.103 Supplements to the Brand Standards** means our additions to, deletions from or revisions of the Brand Standards.

**1.104 System** means the proprietary iTrip system which we and/or our Affiliates developed and may improve, further develop, or otherwise modify from time to time.

**1.105 System Merchandise** refers to certain merchandising materials that we may produce and provide to you to identify the System and to support national promotions, such as point of purchase advertising materials, System memorabilia and other brand-relevant merchandise.

**1.106 Systemwide Supply Contract** refers to any supply contracts that we enter into either for all iTrip Businesses or a subset of Businesses situated within one or more geographic regions.

**1.107 Takeover Fee** refers to the fee that you must pay to an Existing Franchisee for each Out of Market Property located in your Designated Territory that you take over servicing from the Existing Franchisee during the Takeover Period.

**1.108 Takeover Period** refers to the twelve-month period following the Effective Date of this Agreement in which you can elect to take over servicing an Out of Market Property located in your Designated Territory that is being serviced by an existing franchisee.

**1.109 Tier 1 Payment** has the meaning set forth in Section 11.03B.1(a).

**1.110 Tier 2 Payment** has the meaning set forth in Section 11.03B.1(b).

**1.111 Total Rental Revenue** has the meaning prescribed in Section 6.06(A).

**1.112 Total Sales Price** has the meaning prescribed in Section 15.04(M).

**1.113 Transfer Fee** refers to the fee that you are required to pay to us pursuant to Section 15.04(S) in connection with the consummation of an assignment, sale or transfer made pursuant to Section 15.04.

**1.114 Unassigned Territory** means a geographic area outside of (but contiguous to) your Designated Territory which has not been, and is not intended to imminently be, granted to us, and Affiliate of ours, or another franchisee, licensee or other third party for the operation of an iTrip Business.

**1.115 Unit Acceleration Fee** means the fee that you must pay us when we refer a New Unit to you.

**1.116 White Pages** means all print and/or electronic alphabetic directories.

**1.117 Yellow Pages** means all print and/or electronic classified directories.

## **2. PURPOSE AND SCOPE OF THIS AGREEMENT**

### **2.01 The iTrip Businesses, System and Proprietary Marks**

We and/or our Affiliates have, over a considerable time period and with considerable effort, developed the iTrip System which we may improve, further develop, or otherwise modify from time to time for opening and operating iTrip Businesses that each offers and provides (a) property management and online listing services for vacation or other short-term rental properties on behalf of a Client, (b) assistance to such Clients in connection with finding and securing potential third-party rental guests to lease such Clients' Client Property, (c) authorized and designed digital marketing services, and (d) other related services that we authorize (collectively, the "Approved Services"). Your iTrip Business will be operated from your home (if you are an individual) or the home of one of your owners (if you are a business entity) or, in certain circumstances, from a commercial office space that we approve.

Our System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of an iTrip Business; access to our Proprietary Software and Website Hosting Program; basic standards for the home office or third-party office space that is typically used as the Approved Premises for an iTrip Franchised Business; standards and specifications for the furniture, fixtures and equipment, including computer hardware, software and systems that must be used in connection with an iTrip Franchised Business; established relationships with approved or designated suppliers for certain products and services that must be utilized in connection with an iTrip Business; proprietary training programs, courses and training materials; our confidential and proprietary operations manuals and, at our option, other instructional manuals that have been reduced to writing ; and standards and specifications for advertising, bookkeeping, sales and other aspects of operating an iTrip Business. You hereby acknowledge and agree that: (i) while the System and our related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the Brand Standards are proprietary and confidential.

The System makes use of the trademark, service mark and fictitious business name "iTRIP", as well as certain other trademarks, service marks, trade names, related emblems, designs, labels, trade dress, signs and symbols, copyrighted materials and other intellectual property all of which we may modify, update, supplement or substitute in the future (collectively, the "Proprietary Marks"), which we will designate as licensed to you in this Agreement, Exhibit "B" hereto, our Brand Standards (as described below) and/or otherwise.

From time to time and in our sole judgment we may grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an iTrip Business offering the products, services and programs we authorize and using our System. We may improve, further develop or otherwise modify our System from time to time.

As an iTrip Business franchisee, you will comply with this Agreement and all of our then-current standards, specifications and requirements in order to maintain the high and consistent quality that is critical to attracting and keeping Clients for iTrip Businesses.

### **3. GRANT OF FRANCHISE AND LICENSE**

#### **3.01 Grant of Franchise and Licenses**

We grant you, and you accept, the right to use the Proprietary Marks and the System, during the Initial Term, in connection with establishing and operating a single franchised iTrip Business at the Approved Premises as identified on Exhibit A) within the Designated Territory specified in Section 4.01 below. You agree to use the Proprietary Marks and System as we may change, improve, modify or further develop them from time to time as provided in this Agreement, and to operate your Franchised Business only in accordance with the terms and conditions of this Agreement, any related agreements and the Brand Standards. You further agree to honestly and diligently perform your obligations under this Agreement and to use your best efforts to promote your franchised iTrip Business. You may not sub-franchise or otherwise grant to any other Person any interest in this Agreement or the franchise granted hereby, except as otherwise provided in this Agreement.

### **4. TERRITORIAL RIGHTS AND RESTRICTIONS**

#### **4.01 Approved Premises; Approved Commercial Office; Designated Territory**

Your right to operate your Franchised Business is restricted to the Designated Territory described in Exhibit A. You may only operate your iTrip Franchised Business from your home (if you are an individual) or the home of one of your owners (if you are a business entity) (the "Approved Premises") unless we grant you the right to operate your Franchised Business from an Approved Commercial Office as set forth in Section 7.02. Once we have approved the premises for your Franchised Business the address will be set forth in the Data Sheet annexed hereto as Exhibit A.

#### **4.02 Form of Approved Services Agreement**

Once we approve your Designated Territory and Approved Premises, you must advertise, promote and market the Approved Services to prospective Clients who own properties located in your Designated Territory. For every Client who elects to retain your Franchised Business to service the property it owns in your Designated Territory, you and the Client must enter into an Approved Services Agreement the form of which (i) we must approve prior to execution or (ii) we will provide in our Brand Standards. Whether prepared by you and approved by us or furnished to you in our Brand Standards, each Approved Services Agreement must include:

- A. A 60 Day Termination Clause exercisable by either party for any reason or no reason whatsoever;
- B. If the Client Property is an Out of Market Property, a clause indicating that the Client Property is an Out of Market Property that you can service only for so long as the Approved Services Agreement remains in effect and the Unassigned Territory in which the Out of Market Property is located has not been, and is not intended to imminently be, granted to us, an Affiliate of ours or another iTrip franchisee, licensee or other third party for the operation of an iTrip Business; and
- C. A recital that, with respect to an Out of Market Property, if the Unassigned Territory in which the Out of Market Property is located is subsequently granted to a New Franchisee, then the Client agrees to (i) allow the New Franchisee to succeed you and take over servicing the Out of Market Property upon at least sixty (60) days' prior written notice or (ii) terminate the current Approved Services Agreement by triggering the 60 Day Termination Clause if the Client does not wish for the New Franchisee to service the Out of Market Property.

#### **4.03 Our Restrictions**

Within your Designated Territory, neither we nor any Affiliate will operate or grant a franchise for a business operated under the Proprietary Marks of the type franchised to you hereunder, or a similar or competitive business, except as provided in Section 4.05 ("Rights We Reserve"). These restrictions will terminate immediately upon the expiration or termination of this Agreement for any reason.

Outside of your Designated Territory, we and/or our Affiliates reserve the right to operate any number of iTrip Businesses and/or authorize others to operate same at any location whatsoever, including one or more locations that may be proximate to, but not within, your Designated Territory.

Notwithstanding the foregoing, we shall have the limited right (but not the obligation) pursuant to Section 4.06 to assist you with ramping up Clients for your Franchised Business by soliciting, recruiting and referring prospective Clients with properties located within your Designated Territory to enter into an Approved Services Agreement with you.

#### **4.04 Your Restrictions**

A. Generally. Your Franchised Business may only offer and sell the Approved Services and Approved Products to Clients with properties situated within your Designated Territory. Notwithstanding the foregoing, you may (if we agree pursuant to this Section 4.04), offer and sell the Approved Services and Approved Products to Clients that own Out of Market Properties located in an Unassigned Territory. You must exclusively use our Hub as the administrative platform for the operation of your Franchised Business.

B. Soliciting Client Properties Outside Your Designated Territory. Your Franchised Business may not advertise, market, promote or offer to make available the Approved Services to any Out of Market Property unless (i) you first obtain our prior written consent; (ii) the geographic area in which you wish to advertise is contiguous to your Designated Territory and qualifies as an Unassigned Territory; and (iii) your proposed advertising, marketing, promotion or offer is confined to properties located in the Unassigned Territory.

#### C. Out of Market Properties.

1. Servicing of Out of Market Properties. You understand, acknowledge and agree that your Franchised Business may not service an Out of Market Property located in an Unassigned Territory without first obtaining our prior written consent, which we can withhold for any reason in our sole judgment.

If we grant you the right to offer and sell Approved Services to an Out of Market Property, then you and the Client(s) must enter into an Approved Services Agreement for the Out of Market Property which complies with Section 4.02 above. You understand, acknowledge and agree that you will have the right to service such Out of Market Property only for so long as (i) the Approved Services Agreement for such Out of Market Property is in effect; (ii) the Out of Market Property continues to be situated in an Unassigned Territory; and (iii) you satisfy each of the following conditions:

- (a) You manage the Out of Market Property in strict compliance with the terms and conditions set forth herein;
- (b) You acknowledge and agree that we may (in our sole judgment) actively market the Unassigned Territory to prospective franchisees, licensees or other third parties for the operation of an iTrip Business; and
- (c) You execute all agreements we deem necessary to memorialize your understanding of the conditions upon which you will have the right to service an Out of Market Property.

#### 2. Your Rights and Obligations Upon Our Allocation of the Unassigned Territory in which the Out of Market Property is Located.

##### (a) Your Rights.

- (i) *During the Takeover Period.* Once the Unassigned Territory is assigned by us or our Affiliates to another franchisee, licensee or other third party (collectively, the “New Franchisee”), you will have to turn over the management of any Out of Market Property located in the Unassigned Territory to the New Franchisee. If the New Franchisee elects to take over servicing the Out of Market Property within the Takeover Period, you will be entitled to receive a Takeover Fee in the amount of \$2,000 for each Out of Market Property the New Franchisee takes over servicing. Such Takeover Fee shall be payable to you upon (i) the New Franchisee’s and

Client's execution of an Approved Services Agreement for each Out of Market Property or (ii) your assignment to the New Franchisee of the existing Approved Services Agreement(s) for the Out of Market Property. Other than being entitled to receive the Takeover Fee, you acknowledge and agree that you will not be entitled to receive any additional compensation from the New Franchisee, the Client(s) or us. You are solely responsible for notifying us in writing if any applicable law might prohibit or affect your ability to transfer an Out of Market Property to the New Franchisee.

- (ii) *Following the Expiration of the Takeover Period.* If the New Franchisee enters into an Approved Services Agreement for an Out of Market Property after the expiration of the Takeover Period, then you acknowledge and expressly agree that you will not be entitled to receive the Takeover Fee (or any compensation whatsoever from the New Franchisee, the Client or us). Any bookings that have not been transferred to the New Franchisee during the Takeover Period will be cancelled. For the avoidance of doubt, you are only entitled to receive the Takeover Fee if the New Franchisee enters into an Approved Services Agreement for the management of the Out of Market Property during the 12-month Takeover Period.

(b) Your Obligations.

- (i) You must (upon our notification to you that we have assigned the Unassigned Territory in which your Out of Market Property is located to the New Franchisee) (i) terminate your Approved Service Agreement(s) for each Out of Market Property located in the Unassigned Territory by triggering the 60 Day Termination Clause; (ii) cease servicing such Out of Market Property upon the expiration of the sixty (60) day termination period; and (iii) fully assist with transferring the management of each Out of Market Property located in the Unassigned Territory to the New Franchisee, which includes without limitation, transferring to the New Franchisee (a) all data photos of the Out of Market Property (regardless of who originally paid for them); (b) all current bookings for that Out of Market Property; and (c) such other information or documentation related to the Out of Market Property as we require.
- (ii) If we grant to ourselves (or any Affiliate of ours) or to another franchisee, licensee or third party the right to operate an iTrip Business in the Unassigned Territory, you agree not to (i) engage in any communication with the Client of the Out of Market Property you are servicing in an effort to dissuade the Client from allowing the New Franchisee to take over servicing the Out of Market Property or (ii) disparage the New Franchisee to the Client of your Out of Market Property, local real estate brokers or otherwise. You acknowledge and understand that if you engage in such conduct, then such behavior shall constitute a material breach of this Agreement, entitling us to (i) revoke our consent granting you the right to service the Out of Market Property and requiring you to terminate the Approved Services Agreement for the Out of Market Property (by triggering the 60 Day Termination Clause thereunder) and/or (ii) terminate this Agreement in accordance with its terms hereunder (and applicable state law).
- (iii) You must immediately notify us in writing if any applicable law might prohibit or affect your ability to transfer an Out of Market Property to the New Franchisee.

3. Right to Service Existing Out of Market Properties in Your Designated Territory. If you are granted a Designated Territory in which an existing iTrip franchisee (the "Existing Franchisee") is providing Approved Services to an Out of Market Property of such Existing Franchisee, then you will have the right to take over and service each Out of Market Property located in your Designated Territory as follows:

- (a) *During the Takeover Period.* If during the Takeover Period you elect to take over servicing an Out of Market Property, then you agree to pay a Takeover Fee of \$2,000 to the Existing Franchisee(s) servicing said Out of Market Property. If the Existing Franchisee is servicing more than one Out of Market Property in your Designated Territory, then you will have to right to take over servicing each such Out of Market Property provided that you pay the Existing Franchisee a Takeover Fee for each such Out of Market Property. The Takeover Fee is payable upon (i) your and the Client's execution of an Approved Service Agreement for the Out of Market Property or (ii) the Existing Franchisee assigning to you the existing Approved Services Agreement for the Out of Market Property. You are solely responsible for determining if you can manage the Out of Market Property under that applicable real estate and other laws where your Franchised Business is located. You must immediately notify us in writing if any applicable law might prohibit or affect your ability to take over servicing an Out of Market Property.
- (b) *Following the Expiration of the Takeover Period.* Once the Takeover Period expires, you may enter into a new Approved Services Agreement with the Client for any Out of Market Property that you did not take over servicing during the Takeover Period. If you and the Client of the Out of Market Property enter into a new Approved Services Agreement for the Out of Market Property after the Takeover Period expires, then you will not be required to pay the Takeover Fee (or any other compensation whatsoever) to the Existing Franchisee that previously serviced the Out of Market Property.

4. Compliance with Applicable Laws. You acknowledge and agree that you shall be solely responsible for (i) determining whether you can participate in the Out of Market Property takeover program described in this Section 4.04 under the applicable real estate and other laws governing your Franchised Business; and (ii) notifying us (in writing) if any applicable law might prohibit or affect your ability to take over servicing an Out of Market Property.

#### **4.05 Rights We Reserve**

You understand and agree that we and/or our Affiliates may, in or outside your Designated Territory (except as we are restricted by Section 4.02 of this Agreement), engage in any business activity and deploy any business concept whatsoever and use our Proprietary Marks or any other names or marks owned or developed by us or our Affiliates in connection with such other concepts and business activities. You further understand and agree that this Agreement does not confer upon you any right to participate in or benefit from such other concepts or business activities, regardless of whether it is conducted under the Proprietary Marks or not. Our and our Affiliates' rights to engage in other business activities are specifically reserved and may not be qualified or diminished in any way by implication. We thus may engage in, or authorize others to engage in, any form of business offering and selling any type of program, product or service except as restricted by Section 4.02 above.

By way of example, we and/or our Affiliates may own, operate or authorize others to own or operate any type of business at any location whatsoever, including within your Designated Territory, so long as such other business does not sell under the Proprietary Marks the type of programs, products or services which your Business offers and sells (except as permitted below). Further, we and/or our Affiliates may: (i) own, operate or authorize others to own or operate Businesses at any location outside of your Designated Territory, including immediately proximate to your Designated Territory; (ii) offer, sell and/or license certain software, software-as-a-service (SAAS), apps/applications and web-hosting services under a mark other than "iTRIP" that are similar to the types of software, SAAS, apps and/or web-hosting services that you utilize in connection with the Franchised Business at any location, within or outside your Designated Territory; (iii) acquire, or be acquired by, any entity, including an entity operating one or more businesses offering products or services similar to those offered by an iTrip Business, located within or outside your Designated Territory, and subsequently operate (or license our designee the right to operate) these locations (but not under the Proprietary Marks if any such location is within your Designated Territory); (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; (v) open and operate, or license third

parties the right to open or operate, businesses that offer products and services different than the Franchised Business under the Proprietary Marks at any location; and (vi) use, and license others the right to use, the Proprietary Marks and System to engage in any other activity not expressly prohibited by this Agreement.

You acknowledge and agree that we and/or our Affiliates may own or have an interest in, or may in the future own or have an interest in, businesses that offer complementary or supplementary products or services to the Approved Services, which are not the same as nor similar to the goods or services an iTrip franchisee currently provides, and that we may combine or otherwise consolidate some of the products or services offered by such other businesses with the Approved Services offered by iTrip Businesses.

#### **4.06 Limited Right to Solicit Prospective Clients in Your Designated Territory**

During the Ramp-Up Period, we shall have the right (but not the obligation) to solicit, recruit and refer prospective Clients that own New Units located in your Designated Territory to enter into an Approved Services Agreement with you. You agree to pay us a Unit Acceleration Fee of \$2,500 for each New Unit we refer to you. At the end of the Ramp-Up Period, you and we will mutually decide if the Ramp-Up Period needs to be extended and, if so, we shall set forth any such extension in writing. If no mutual agreement is reached, the Ramp-Up Period will expire at the conclusion of the eighteen (18) month period.

### **5. INITIAL TERM AND SUCCESSOR TERM**

#### **5.01 Initial Term**

The Initial Term of this Agreement will be ten (10) years, beginning on the Effective Date of this Agreement, unless this Agreement is sooner terminated in accordance with its provisions.

#### **5.02 Successor Term and Successor Agreement**

You will have the right to enter into two (2) consecutive Successor Franchise Agreements, each featuring a Successor Term of ten (10) years if you have complied with the conditions and procedures for a Successor Term specified in Article 14 below. The first Successor Term will begin on the date that the Initial Term expires and each succeeding Successor Term will begin on the date that the preceding Successor Term expires. The first Successor Franchise Agreement will supersede this Agreement and each subsequent Successor Franchise Agreement will supersede the preceding Successor Franchise Agreement. Successor Franchise Agreements may not take the form of this Agreement but, instead, may each take the form of our then-current franchise agreement and may materially vary from this Agreement in all respects, except that no "initial franchise fee" will apply to you; the boundaries of your Designated Territory will remain the same; the limited Successor Term rights identified in this Agreement will be incorporated (as applicable); and, the Royalty Fee on entering into a Successor Franchise Agreement will not be greater than the Royalty Fee that we then impose on similarly situated franchisees entering into Successor Franchise Agreements. The conditions to and procedures governing your right to a Successor Term are set forth below in Article 14.

### **6. YOUR PAYMENTS TO US**

#### **6.01 Initial Fees**

In consideration of the rights and license granted hereunder, you agree to pay us (or as noted below, our designated supplier) the following amounts:

A. Initial Funding Fee. You agree to pay us an Initial Funding Fee ranging from Fifty-Five Thousand Dollars (\$55,000) to Seventy-Five Thousand Dollars (\$75,000) depending on whether your Designated Territory is identified as a Boutique Market or Primary Market. The Initial Funding Fee is comprised of the following fees (which are payable in lump sum and are non-refundable upon payment):

- (1) *Initial Franchise Fee*. Upon execution of this Agreement, you must pay us an Initial Franchise Fee equal to the amount set forth in Exhibit A ("Data Sheet") annexed hereto. The Initial Franchise Fee will range between Ten Thousand Dollars (\$10,000) and Thirty Thousand Dollars (\$30,000) depending on the classification of your Designated Territory. We will classify your Designated Territory by researching a number of data points, including but not necessarily limited to the number of absentee properties; the number of short-term rental listings; short-term rental restrictions and regulations; and the topography of a geographical area. We will review

these data points individually and in relation to one another to define your Designated Territory. Depending on the results of our analysis, your Designated Territory will be classified as a Primary Market or a Boutique Market. An Designated Territory that is classified as a Primary Market will have more than 900 short-term rental listings on one or more listing sites and an Designated Territory with at least 500 short-term rental listings on one or more listing sites will be classified as a Boutique Market. If your Designated Territory is classified as a Boutique Market, then upon execution of this Agreement, you must pay us an Initial Franchise Fee equal to Ten Thousand Dollars (\$10,000). If your Designated Territory is classified as a Primary Market, then upon execution of this Agreement, you must pay us an Initial Franchise Fee equal to Thirty Thousand Dollars (\$30,000).

- (2) *Initial Training and Software Integration Fee.* Upon execution of the Franchise Agreement, you must pay us an Initial Training and Software Integration Fee amounting to Thirty-Five Thousand Dollars (\$35,000) that helps us defray certain of the costs and expenses we incur in connection with (i) providing our proprietary initial training program (including training on the use of our Proprietary Software and Web Hosting Program) to you and, if appropriate, your Designated Manager or other management personnel prior to the initial launch and opening of your Franchised Business and (ii) assisting you with configuring your Franchised Business' computer systems to utilize and/or be integrated into our Proprietary Software and Web Hosting Program. If you are signing the Franchise Agreement for an additional Designated Territory or if you are selling your Designated Territory to another franchisee, then we may (in our sole business judgment) waive the Initial Training and Software Integration Fee.
- (3) *Initial Operational Support Fee.* Upon execution of this Agreement, you must pay us a one-time Initial Operational Support Fee equal to Ten Thousand Dollars (\$10,000) as consideration for the ongoing operational assistance and support we provide in connection with your initial 12-month period of operations. If you are signing this Agreement for an additional Designated Territory or if you are selling your existing Designated Territory to another franchisee, then we may (in our sole business judgment) waive the Initial Operational Support Fee.

#### B. Start-Up Kit Fee.

- (1) *Logo Materials Start-Up Kit.* Upon execution of this Agreement, you must pay our designated supplier (which may be us or our Affiliate) a Logo Materials Start-Up Kit Fee of \$750 for an initial inventory of logo items necessary to commence your Franchised Business. You will have the option to select among the following logo items, including t-shirts, mugs, pens, bags, sunglasses, water bottles and such other logo items that may become available in the future (the "Logo Items Start-Up Kit"). This fee is nonrefundable.
- (2) *Printed Materials Start-Up Kit.* In addition to paying the Logo Items Start-Up Kit Fee, you must also pay our designated supplier (which may be us or our Affiliate) a Printed Materials Start-Up Kit Fee of \$750 for an initial inventory of business cards, rack cards and brochures that you will need to commence operating your Franchised Business (the "Printed Materials Start-Up Kit"). This fee is nonrefundable.

#### **6.02 Royalty Fee**

On or before the fifth (5th) day of each calendar month (or other day we designate in writing) that the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), you agree to pay us a Royalty Fee based on the Total Rental Revenue (as defined in Section 6.06 below) derived or received from all of your Clients during the preceding calendar month that will amount to a minimum of four percent (4%) of that Client's Total Rental Revenue, plus an additional zero point fifteen percent (0.15%) of the Client's Total Rental Revenue for each half of a percentage point you charge the Client a Client Management Fee (as defined in Section 6.06) in excess of fifteen percent (15%), with the Royalty Fee capping at a Client Management Fee of twenty-two percent (22%) with six and one tenth percent (6.1%) of the Client's Total Rental Revenue. For Client Management Fees above twenty-two percent (22%), the Royalty Fee does not exceed six and one tenth percent (6.1%). If the Client Management Fee you charge is in excess of fifteen percent (15%) of that Client's Total Rental Revenue and falls in between any

half of a percentage point and full percentage point, then we will charge you the Royalty Fee that corresponds with the higher of the two Client Management Fees as set forth in the chart below. The highest Royalty Fee that we will charge you will be six and one tenth percent (6.10%).

For the avoidance of doubt, if the Client Management Fee being charged is fifteen point six percent (15.6%) of that Client's Total Rental Revenue (so that it falls between fifteen point five percent (15.5%) and sixteen percent (16%)), then we will charge the Royalty Fee that corresponds with the sixteen percent (16%) Client Management Fee and you will be required to pay us a Royalty Fee equal to four point three percent (4.3%) of that Client's Total Rental Revenue.

Below is a table detailing how the Royalty Fee associated with a particular Client will change based on the Client Management Fee that you charge that Client, with the parties understanding and acknowledging that the Royalty Fee will always be tied to the exact Client Management Fee charged by you in connection with a particular Client:

<b>Client Management Fee Charged</b>	<b>Royalty Fee paid on that Client's Total Rental Revenue</b>
15% or less of Total Rental Revenue	4.0% of Total Rental Revenue
15.5% of Total Rental Revenue	4.15% of Total Rental Revenue
16% of Total Rental Revenue	4.30% of Total Rental Revenue
16.5% of the Total Rental Revenue	4.45% of Total Rental Revenue
17% of Total Rental Revenue	4.60% of Total Rental Revenue
17.5% of the Total Rental Revenue	4.75% of Total Rental Revenue
18% of Total Rental Revenue	4.90% of Total Rental Revenue
18.5% of the Total Rental Revenue	5.05% of Total Rental Revenue
19% of Total Rental Revenue	5.20% of Total Rental Revenue
19.5% of the Total Rental Revenue	5.35% of Total Rental Revenue
20% or more of Total Rental Revenue	5.50% of Total Rental Revenue
20.5% or more of Total Rental Revenue	5.65% of Total Rental Revenue
21% or more of Total Rental Revenue	5.80% of Total Rental Revenue
21.5% or more of Total Rental Revenue	5.95% of Total Rental Revenue
22% or more of Total Rental Revenue	6.10% of Total Rental Revenue

The Royalty Fee is solely in consideration of our granting you the franchise conferred by this Agreement and is not in exchange for any particular goods, services or assistance we may furnish you.

### **6.03 iTrip Brand Fund Contribution**

When we notify you that we are instituting a brand fund to advertise, market and promote the System, Proprietary Marks and iTrip brand (the "iTrip Brand Fund"), you agree to pay us a monthly contribution (the "Brand Fund Contribution") of up to one percent (1%) of your prior month's Total Rental Revenue (as defined in Section 6.06 below). These iTrip Brand Fund Contributions will be expended as provided for in Section 11.01 below.

### **6.04 Software License Fee**

On or before the fifth (5<sup>th</sup>) of each calendar month (or other day we designate in writing) beginning on the first month following the Effective Date of this Agreement (or such other date that we may designate), you agree to pay us a software license fee (the "Software License Fee") in the amount of Five Hundred Forty Dollars (\$540) for the right to continuously access and utilize our Proprietary Software and Web Hosting Program. The Software License Fee will also cover the maintenance and support associated with our Proprietary Software and Web Hosting Program. Your first Software License Fee payment may be due prior to you opening your Franchised Business. The Software License Fee is deemed fully earned and non-refundable upon payment and may be increased each year to account for inflation in accordance with the CPI-U.

## **6.05 Other Amounts Owed**

In addition to all other payments due under this Agreement, you agree to pay us or our Affiliates immediately upon demand: (a) all sales taxes, trademark license taxes, gross receipts taxes and any other taxes imposed on or required to be collected or paid by us, our Affiliates and/or our third party designees (as applicable) (excluding any corporate income taxes imposed on us, our Affiliates and/or our third party designees) because we, our Affiliates and/or our third party designees (as applicable) have furnished programs or services to you, collected any Royalty Fee or other fee from you, licensed our Proprietary Marks to you and/or entered into this Agreement with you; (b) all amounts we advance, pay or become obligated to pay on your behalf for any reason; and, (c) any amount to reimburse us for costs and commissions paid or due to a collection agency or in connection with our collection efforts; and (d) all amounts you owe us or our Affiliates for programs, products or services that you purchase from us or our Affiliates.

## **6.06 Definitions of Total Rental Revenue; Client Management Fee**

A. Total Rental Revenue. “Total Rental Revenue” means the total amount of gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services Agreement with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees. For the avoidance of doubt, the Total Rental Revenue specifically includes, without limitation: (a) all Client Management Fees (defined in Section 6.06(B) below) and/or other consideration that you receive from Clients under any Approved Services Agreement, (b) any other amounts paid to you on account of the provision of Approved Services under this Agreement, including excursion-related fees, cleaning fees and/or processing fees, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange, and (c) any business interruption insurance proceeds that you obtain due to the non-operation or partial operation of your Franchised Business over the applicable reporting period.

The “Total Rental Revenue” does not include (a) any applicable lodging taxes associated with the booking and rental fees paid by rental guests; (b) refundable deposits; or (c) the value of any refund issued or granted to any Client that is credited in good faith by you in full or partial satisfaction of the price of the Approved Services offered in connection with your Franchised Business. We may, from time to time, authorize certain other items to be excluded from Total Rental Revenues. Any such permission may be revoked or withdrawn at any time in writing by us in our sole judgment.

B. Client Management Fee. “Client Management Fee” means the fee that you charge to and/or collect from a given Client in connection with an Approved Services Agreement, including all commissions and other consideration the Client pays to you, whether that Client Management Fee is specifically set forth in the Approved Services Agreement or is otherwise collected from the Client.

## **6.07 Right to Modify Payment Interval; Method of Payment; Bank Accounts**

A. Right to Modify Payment Interval. You acknowledge, understand and agree that we may (upon written notice to you) modify the interval at which we collect the Royalty Fee, the iTrip Brand Fund Contribution and other recurring fees due hereunder. For the avoidance of doubt, we may notify you and require that you pay any of the foregoing fees on a weekly basis. If we provide you with such notice, you understand and agree that we may modify any reporting obligations that we may impose under Section 6.07(F).

B. Method of Payment. Except for the Initial Funding Fee and other amounts payable to us upon the execution of this Agreement (which you shall pay by bank check, ACH payment, electronic funds transfer (EFT) or wire transfer), you must pay all fees and other amounts due to us and/or our Affiliates under this Agreement through our auto-pay EFT Program unless we otherwise require in writing. To participate in our EFT Program, you must open and maintain an EFT Account. At least ten (10) days prior to opening your Franchised Business, you must provide us with: (i) the name of your bank, address, the bank’s ACH account number and your EFT Account number; and (ii) a voided check from the EFT Account. Contemporaneous with the execution of this Agreement, you agree to sign and provide us, our bank and your bank all documents (including our form of EFT Debit Authorization Form attached as Exhibit E to this Agreement)

necessary to effectuate the EFT Program and our ability to debit funds from the EFT Account via electronic funds transfer. The bank information for your EFT Account must be current at all times. As such, you must immediately notify us of any change in your banking relationship and obtain our advance written approval before changing your EFT Account. You agree to pay all costs associated with participating in our EFT Program.

C. Late Payments; Interest; Overdraft Fee. You agree to pay us or our Affiliates interest on any overdue amounts owed to us or our Affiliates (under this or any other agreement) at the maximum commercial contract interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of 1.5% above the prime rate of interest identified by Citibank, N.A. in New York City (or any successor to it) on the first day of each month that an amount is past due, beginning from the date of nonpayment or underpayment until the unpaid amount is fully paid. This provision does not constitute consent to late payments or an agreement to extend credit. You must pay us Fifty Dollars (\$50) for every check given or electronic transfer made to us that is dishonored, failed to process, or is returned. If you are delinquent in any required payment, we or our Affiliate may apply any payment from you to any obligation due in whatever order and for whatever purposes as we determine, whether or not there is any contrary designation by you. In the event that you are eligible to receive any payments from us pursuant to an incentive program, we may apply such incentive payments to offset any of your past due indebtedness to us. We may also set-off any amounts you or your owners owe us or our Affiliates against any amounts we or our Affiliates owe you or your owners. You may not withhold, set-off or recoup payment of any amount due on the grounds of the alleged non-performance or breach of any of our or our Affiliates' obligations under this or any other agreement. No payments you are required to pay to us (whether for royalties, advertising, merchandise, special programs, or otherwise) may be reduced on account of the imposition by any federal, state or local authority of any tax charge, assessment, or by any claim you may have against us.

D. EFT Account Administration. You agree to immediately deposit all revenues derived or received from the operation of the Franchised Business into the EFT Account immediately upon receipt (including cash, checks, Zelle, Venmo, smartphone and credit card receipts). This excludes any unearned Escrow Funds, which are only earned and transferred to the EFT Account after a rental guest has completed his/her stay. You acknowledge, understand and agree that under our EFT Program, we will automatically debit all payments owed to us or our Affiliates under this Agreement, or any other agreement between you and us and/or our Affiliates, from your EFT Account. Accordingly, you agree to deposit and maintain at all times sufficient funds in the EFT Account to cover all fees and payments you owe to us and our Affiliates under this Agreement or any other agreement between you and us and/or our Affiliates.

E. Escrow Account for Prepaid Rent and Damage Deposits.

- (1) Establishment of Escrow Account. In addition to the EFT Account that you must utilize as the operational bank account for your Franchised Business, you are required to establish and maintain an escrow account with a federally insured bank that is located in the state in which your Franchised Business is located and, preferably, within your Designated Territory (the "Escrow Account"). The Escrow Account must have the ability to receive merchant deposits (namely, credit card payments processed through a merchant services credit care processor), as well as meet and comply Applicable Law.
- (2) Deposit and Use of Escrow Funds. You must use the Escrow Account to hold prepayment of rent and damage deposits that are paid in connection with the rental of any Client Property along with any other payments required by Applicable Law to be escrowed (collectively, the "Escrow Funds"). The Escrow Funds shall be held separate and apart from other funds of the Franchised Business and shall be used exclusively for the uses and purposes as set forth in this Section 6.07(E).
- (3) Disbursement of Escrow Funds. The Escrow Funds shall remain in the Escrow Account until the rental guest either (i) completes his/her reserved stay at the subject Client Property or (ii) cancels such reservation. Upon the completion of a rental guest's reserved stay at the Client Property, you will have the right to transfer the Escrow Funds associated with such reservation to your EFT Account. If a rental guest cancels his/her reservation, the Escrow Funds shall be disbursed

in accordance with the refund policies governing that rental guest's reservation. It is understood that in certain instances, the Escrow Funds will be required to be refunded to your rental guest and/or disbursed to your EFT Account. You acknowledge, understand and expressly agree to disburse the Escrow Funds in strict compliance with this Section 6.07(E)(3).

- (4) Audit of Escrow Accounts. We will have the right to audit your Escrow Account to ensure that you are administering the Escrow Account (and the Escrow Funds held therein) in strict compliance with the terms of this Agreement and the Brand Standards (as defined in Section 8.01). If our audit reveals that you have (or are) misappropriating the Escrow Funds or otherwise improperly maintained the Escrow Account, then we are entitled to immediately terminate this Agreement upon notice to you and without affording you an opportunity to cure.

F. Operational Reports; Right to Modify. We may, with or without notice to you, independently and remotely access (via the internet or other electronic means) your Computer System through our Proprietary Software and Web-Hosting Program that you are required to use in connection with your Franchised Business to obtain any financial and/or Client information that is related to the operation of the Franchised Business including without limitation, Total Rental Revenue figures, Client contact data and property information. If we are unable to access your Computer System to obtain your Franchised Business' financial and/or Client information (including information related to your EFT Account and/or Escrow Account), we may require you (upon written notice) to submit a signed report after each reporting interval (currently monthly) setting forth the following:

- (1) the Total Rental Revenue and Client Management Fees due from the preceding reporting period;
- (2) a calculation of your Royalty Fee, Digital Marketing Requirement, Software License Fee, iTrip Brand Fund Contribution (if appropriate) and any other amounts due to us and/or our Affiliates during that preceding reporting period; and
- (3) any other information that we deem reasonably appropriate regarding the number of Clients and Client Properties under contract during the preceding reporting period (collectively, the "Operational Report"). We may, as we deem necessary in our sole judgment, change the form and content of the Operational Report from time to time.

## **7. APPROVED PREMISES, RELOCATION, SITE SELECTION, CONSTRUCTION, AND LEASE REQUIREMENTS**

### **7.01 Approved Premises for Your iTrip Franchised Business**

Unless we approve otherwise, you are required to operate your Franchised Business from your home office or the home of one of your owners (if you are a business entity). The address of your home office, which we define as the Approved Premises (pursuant to Section 4.01), will be set forth in Exhibit A to this Agreement.

### **7.02 Relocation of Your iTrip Franchised Business**

After you have been open and operating your Franchised Business for a period of one (1) year from your Approved Premises, you may submit to us a Relocation Request to relocate your Approved Premises to an Approved Commercial Office. Our consent to your Relocation Request is conditioned on the following:

- A. You have been in (and continue to be) in compliance with the terms of this Agreement;
- B. Your ability to demonstrate that the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space;
- C. Your ability to secure a commercial office space located within your Designated Territory that meets our then-current site selection criteria for an Approved Commercial Office;
- D. Your agreement not to use the Approved Commercial Office for any other purpose than the operation of the Franchised Business; and

- E. Your payment to us of a Relocation Fee of Two Thousand Dollars (\$2,000) prior to our approval of your Relocation Request. You understand and agree that we can use the Relocation Fee to defray our costs associated with evaluating whether to approve or to reject your Relocation Request.

If you relocate the Approved Premises for your Franchised Business to an Approved Commercial Office. We will amend Exhibit A hereto to reflect the address of your Approved Commercial Office. Any relocation will be at your expense. All leases or subleases that you enter into, all plans and specifications for your relocated Franchised Business that you adduce and all construction, remodeling, renovation or other such activity that you perform at and for the relocated Franchised Business must be in accordance with all of the provisions of this Article 7 and our then-current standards, specifications and requirements.

If we license you the right to operate more than one iTrip Business, you may operate each of your iTrip Franchised Businesses from a single Approved Premises or Approved Commercial Office (as applicable), so long as the Approved Premises or Approved Commercial Office is situated within the Designated Territory of one of your Franchised Businesses.

### **7.03 Limited Site Selection Review and Approval**

Once you submit a Relocation Request to us pursuant to Section 7.02, we will use our commercially reasonable efforts to: (i) provide you with basic site selection criteria that we establish for an Approved Commercial Office, if any; (ii) review and evaluate any site relocation proposals from you; and (iii) approve or reject such site selection proposals within thirty (30) days from the date you provide us with all of the information that Franchisor requests to consider your site proposal.

You understand that any advice we furnish regarding site selection and our proposal, inspection and/or approval of any proposed site for your relocated Approved Commercial Office will not constitute, and will not be deemed to constitute, our express or implied representation, warranty, guarantee or any other indication of the prospective profitability, viability or merit of the Approved Commercial Office.

### **7.04 Approved Commercial Office Lease**

If you will be leasing your Approved Commercial Office, then promptly following our written approval of your proposed site, you agree to deliver to us a copy of any proposed Lease and any related documents before you execute the Lease. Any Lease will be subject to our advance written approval, which approval we may condition on (i) the landlord's execution of our form of Collateral Assignment and Assumption of Lease annexed hereto as Exhibit D; (ii) the Lease term being at least as long as the number of years that remain in the Initial Term (or Successor Term) at the time you execute the Lease; (iii) the Lease not creating any obligations or granting any rights against us or our Affiliates; and (iv) the Lease not containing any term, condition or covenant which is inconsistent with this Agreement or any related agreement. We will use our commercially reasonable efforts to communicate our approval or disapproval of a proposed Lease to you within thirty (30) days following our receipt of the proposed Lease and all information we request in connection therewith.

You may not, in any Lease, create any obligations or grant any rights against us or our Affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. You also acknowledge and agree that you are bound by the terms, conditions, covenants and obligations of the Lease and that your failure to comply with the Lease will constitute a material breach of this Agreement. You may not assign, transfer or encumber your Lease or sublet all or any part of the Approved Premises without our advance written approval.

### **7.05 Construction of Your Approved Commercial Office**

After acquiring the Approved Commercial Office by lease or purchase, you shall (at your expense) construct, furnish and equip the Approved Commercial Office for your Franchised Business in accordance with our standards, specifications and any agreed-upon plans. At your expense and prior to commencing construction of the Approved Commercial Office for your Franchised Business, you must obtain all necessary permits, licenses, variances and approvals pertaining to the building, occupancy, signs, utilities, zoning, use, and any other permits, approvals or variances which are necessary to permit the construction and use of the Approved Commercial Office as may be required by Applicable Law.

You must engage a qualified, licensed and bonded general contractor to construct the Approved Commercial Office for your Franchised Business and to complete all improvements. You understand and agree that it is your responsibility to ensure that the as-built plans for the Approved Commercial Office for your Franchised Business fully complies with the ADA; the architectural guidelines under the ADA; and, all other laws, rules, regulations, codes and ordinances applicable to the Approved Commercial Office, including any requirements set forth in the Lease. You must obtain and maintain in force during the entire period of construction the insurance required under Section 10.01 of this Agreement. Your indemnification of us, our Affiliates and all others specified in Section 9.14 below applies to each and every activity arising from or related to the construction of the Approved Commercial Office for your Franchised Business.

All signs at the Approved Commercial Office for your Franchised Business must conform to our sign criteria (if any), unless you demonstrate good cause and we consent in writing to such non-conformance.

You hereby grant us access to your Approved Commercial Office while work is in progress. We may require any reasonable modifications to the construction of your Approved Commercial Office that we consider necessary or desirable in our reasonable business judgment. You will notify us of the scheduled date for completion of construction no later than thirty (30) days prior to such date. We will have the right, but not the obligation, to conduct a final inspection of the completed Approved Commercial Office before it opens. We may require any corrections and modifications we consider reasonable and necessary to bring the Approved Commercial Office into compliance with the plans and specifications we agreed upon. The Approved Commercial Office will not be allowed to open if it does not conform to the agreed upon plans and specifications, including changes thereto that we may approve.

#### **7.06 Furniture, Fixtures and Equipment for Approved Premises and Approved Commercial Offices**

We will (as set forth in Section 9.12(C)) loan you a list of all furniture, fixtures and equipment that you are required to purchase or lease in connection with the establishment and ongoing operation of your Franchised Business. If you are permitted to operate at and from an Approved Commercial Office, then you are specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, internet kiosks, public telephones, or any other electrical or mechanical device at the Approved Commercial Office other than those we prescribe or approve.

#### **7.07 Maintaining Your Approved Commercial Office**

You must at all times maintain at your sole expense the interior and exterior of the Approved Commercial Office (including all fixtures, furnishings, signs, artwork, décor items and inventory therein) and any other facilities used by the Franchised Business in first class condition and repair, and in compliance with all applicable laws, rules, regulations and our Brand Standards, except to the extent that we may otherwise expressly agree in writing.

#### **7.08 Refurbishing Your Approved Commercial Office**

You understand and agree that we have the right to require you, at your sole expense, to update, remodel, refurbish, renovate, modify or redesign the Approved Commercial Office so that it reflects our then-current standards. We will not require you to make material renovations or refurbishments to the Approved Commercial Office for the Franchised Business more than once every seven (7) years, unless such renovation/refurbishment is in connection with a Successor Term or transfer of this Agreement. Notwithstanding the foregoing, you understand and agree that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.

If any such direction of ours requires you to expend more than Twenty Thousand Dollars (\$20,000) to effect the directed activity, then you will have six (6) months following your receipt of our notice to comply with our direction. In addition, we will relieve you from our direction if in our sole opinion you will be unable to amortize the additional investment required during the balance of the Initial Term of this Agreement; however, under these circumstances, we may extend the term of this Agreement to allow for a new schedule of amortization, and if we do so you will be required to comply with our direction.

#### **7.09 Time Is Of the Essence**

**Subject to the provisions of Article 21 of this Agreement (“Unavoidable Delay or Failure to Perform [Force Majeure]”), time is of the essence with regard to each and every requirement of this Article 7.**

## 8. OUR DUTIES

### 8.01 Brand Standards; Policy Statements

We will lend you one copy of our Brand Standards. The Brand Standards may take the form of one or more of the following: one or more loose leaf or bound volumes; bulletins; notices; videos; computer software; online, digital, intranet or other modes of electronic communication; e-mail; and/or electronic communications; facsimiles; or, any other now or hereafter developed medium capable of conveying the Brand Standards' contents.

The Brand Standards will, among other things, set forth our operating systems, procedures, policies, methods, standards, specifications and requirements for operating your Franchised Business. You agree to operate your Business in strict compliance with the Brand Standards.

We have the right to prescribe Supplements to the Brand Standards, all of which will be considered a part of the Brand Standards. All references to the Brand Standards in this Agreement will include the Supplements to the Brand Standards. Supplements to the Brand Standards will become binding on you as if originally set forth in the Brand Standards, upon being delivered to you.

You acknowledge that we are the owner of all proprietary rights in the Brand Standards and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Brand Standards other than a license to use it and comply with it during the term of this Agreement. You agree to ensure at all times that your copy of the Brand Standards is current and up-to-date. If there is any dispute as to your compliance with the provisions of the Brand Standards and any Supplements to the Brand Standards, the master copy of the Brand Standards and any Supplements to the Brand Standards maintained at our principal office will control.

In addition to the Brand Standards, we may issue policy statements designed to provide you with information and/or insight as to our current thinking about various business issues or strategies. Policy statements are not part of the Brand Standards, are not contracts and do not create any contractual or other binding obligation on either you or us.

If you or any of your personnel save or print a hardcopy of the Brand Standards (or any portion thereof), you understand and agree that upon the expiration or termination of this Agreement you must immediately return such electronic and/or hardcopies of said Brand Standards to us and are prevented from using such electronic version or hardcopies for any competitive purpose.

### 8.02 Initial Training Program

You or your Operating Owner (as defined in Section 9.21) and your Designated Manager (as defined in Section 9.11) must attend and successfully complete an initial training program (the "Initial Training Program"), which we will provide at no additional expense to you (except, as provided below, in instances where you ask us to provide our initial training program for additional or replacement personnel). We will determine the date of commencement, location and duration of the Initial Training Program and notify you of them.

A. The Initial Training Program will be comprised of three (3) components, namely:

- (i) two (2) general training sessions with a focus on business development and operations that our training personnel will, in our sole judgment, conduct virtually or within your Designated Territory and at your Premises (each, an "Business Development and Operations Training Module"); and
- (ii) one (1) session of training that will take place at our designated training facility in Tennessee (or other location that we designate, including via the Internet, webinar or other virtual medium we deem appropriate in our business judgment) and focus on the training and assistance in connection with the Proprietary Software and Web Hosting Program (the "Software Module").

For purposes of this Agreement, the foregoing modules will be referred to individually as a "Module" and collectively as the "Modules". Notwithstanding the foregoing, if you are an

existing franchisee entering into this Agreement in connection with the purchase of another Designated Territory, then we may modify the Initial Training Program described depending on the results of our assessment of your current business operations.

- B. Prior to providing any of the Business Development and Operations Training Modules, you will be required to participate in a preliminary training call, which may be conducted via the telephone, Zoom or other medium that we designate, for the purpose of going over some preliminary steps that you must complete before we will send our training personnel to provide training to you: (i) at your Approved Premises or (ii) virtually via the Internet, webinar or other virtual medium we deem appropriate in our business judgment.
- C. You must complete all three Modules of the Initial Training Program before you can commence operations of the Franchised Business and/or otherwise commence servicing any Client. Each Module of the Initial Training Program will be provided at the location or via the virtual medium we designate in our business judgment, subject to the schedules and availability of our personnel, and each particular Module may be provided to you in the chronological order that meets our schedule. If, before the completion of all three Modules of the Initial Training Program, we approve you to solicit any Client or servicing any Out of Market Property or New Unit, then we have the right to supervise the maintenance of such accounts until all three (3) Modules are completed (for a period of time not to exceed ninety (90) days and subject to the availability of our personnel).

If we reasonably conclude in our business judgment that either you (if an individual), your Operating Owner or your Designated Manager has failed to attend or successfully complete our Initial Training Program to our satisfaction in our business judgment, then that person may re-enroll in our next scheduled Initial Training Program at our then-current training fee (currently \$1,500). We will have the right to terminate this Agreement if, following your Initial Training Program (including re-enrollment training), we determine that you (if an individual), your Operating Owner or your Designated Manager has failed to successfully complete our Initial Training Program to our satisfaction, in our business judgement. This failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure. If we terminate the Agreement for this reason, then all funds you paid us will be considered earned by us and you must execute our form of General Release running in favor of us and our Affiliates.

You must pay us our then-current training fee (currently, \$1,500) for providing the Initial Training Program to any additional principal (if Franchisee is a business entity) or additional or replacement personnel. In addition to paying our then-current training fee. Any replacement Designated Manager and/or Operating Owner is required to attend and successfully complete our Initial Training Program.

We reserve the right at all of our training programs to determine the duration of such programs, what subjects are included in the curriculum of our training programs and to train any number of individuals from any number of Businesses, whether franchised or otherwise affiliated with us, at the same time. Under no circumstance will you be compensated for any work your trainees may perform or services your trainees may render in the course of participating in any of our training programs. We reserve the right to furnish our training programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media).

At all times during the term of this Agreement, you agree that you are responsible for and will pay all the expenses incurred by your trainees or attendees in connection with attending our Initial Training Program and any training, conferences, conventions or other meetings they attend, including, but not limited to, their salaries, transportation costs, meals, lodging and other living expenses.

### **8.03 Continuing Assistance**

We may, as we deem appropriate and advisable in our sole business judgment, provide you with continuing advisory assistance in the operation of the Franchised Business. Our determination not to provide any particular service, either initial or continuing, shall not excuse you from any of your obligations under this Agreement.

We may provide such assistance via group webinar, telephone, intranet communication, Zoom or any other communication channel we deem appropriate, subject to the availability and schedules of our personnel.

In the event you request that we provide you with any type of assistance or training on-site at the Approved Premises, you may be required to pay our then-current training tuition fee in connection with such training (in addition to reimbursing us for any costs/expenses that our personnel incur in connection with providing you with such assistance, including, the costs associated with flight or other travel, lodging, meals and local transportation).

#### **8.04 Additional Training**

We may from time to time develop Additional Training and offer and/or require you (if you are an individual), your Operating Owner (if you are a business entity) or your Designated Manager to attend and successfully complete. We will determine the duration, curriculum and location of these future additional training programs. We reserve the right to furnish such programs by means of a company intranet or other electronic means of communication (such as web-based tutorials, video streaming, or through other now or hereafter developed media). You must pay us our Additional Training Fee of \$300 per day for each trainer we provide to conduct the Additional Training. In addition to paying the Additional Training Fee, you also agree to (i) reimburse us for any expenses we and our personnel incur in providing such Additional Training (including our trainer's travel, lodging and meal expenses); and (ii) pay all of the expenses incurred by your trainees or attendees in connection with their attendance at our Additional Training (including, their salaries, travel costs, meals, lodging and other living expenses). We will not require you, your Operating Owner and/or your Designated Manager to attend more than: (i) five days of Additional Training each year, which may take place at our designated training facility in Tennessee (or other location that we designate) and (ii) 24 hours of Additional Training each year via the internet, webinar, or other medium that allows for remote attendance and completion. The Additional Training Fee will not apply to any minor day-to-day assistance that we provide remotely over the phone or via email.

#### **8.05 Annual Conference**

We may from time to time conduct an annual conference for all iTrip franchisees, which you, your Operating Owner and/or your Designated Manager must attend. We will determine the duration, curriculum and location of these. You must pay our then-current registration fee (currently \$600 per person) as well as pay for your attendees' expenses (including travel, lodging, food, other living expenses and employee wages). If we require you, your Operating Owner and/or your Designated Manager to attend our annual conference and no one attends, then such failure will constitute a material breach of this Agreement and you will be responsible for paying us the registration fee for at least one attendee.

#### **8.06 Accounting Software**

We may, but need not, specify the electronic and/or written accounting and management information system, procedures, formats and reporting requirements which you will utilize to account for your Franchised Business; maintain your financial records and Franchised Business data; and, generate reports for both you and us. In addition to operating reports, payroll, cash management and general ledger accounts, these systems may be tailored to provide computerized invoice entry and/or automated "smart phone" rental guest (and other) tracking/payment transactions. You will be solely responsible for performing all bookkeeping, recordkeeping and accounting duties prescribed under this Agreement or in the Brand Standards and for bearing the costs of these activities. You specifically acknowledge that we may require you to use a third-party provider (other than QuickBooks) for bookkeeping services if you (i) fail to timely and accurately provide any and all required reports under this Agreement or (ii) underreport the Total Rental Revenue of the Franchised Business at any time.

#### **8.07 Promotional Pricing; Pricing Guidelines**

Because enhancing iTrip's interbrand competitive position and consumer acceptance for iTrip's Approved Services and Approved Products is a paramount goal of ours and our franchisees, and because this objective is consistent with the long-term interest of the System overall, we may exercise rights with respect to the pricing of Approved Services and Approved Products to the fullest extent permitted by Applicable Law. These rights may include (without limitation) prescribing the maximum and/or minimum prices which you may charge for Approved Services and Approved Products; recommending prices for Approved Services and

Approved Products; advertising specific prices for some or all of the Approved Services and Approved Products, which prices you will be compelled to observe (colloquially referred to as “price point advertising campaigns”); engaging in marketing, systemwide sales, specials, promotional and related campaigns (including without limitation, participating in any seasonal sales/promotions) which you must participate in and which may directly or indirectly impact your prices for the Approved Services and Approved Products; and, otherwise mandating, directly or indirectly, the maximum and/or minimum prices which you may charge for the Approved Services and Approved Products. We may engage in any such activity either periodically or throughout the Initial Term (or Successor Term) of this Agreement. Further, we may, in our discretion, engage in such activity only in certain geographic areas (cities, states, regions) and not others; with respect to certain types of Businesses but not others; or, with regard to certain subsets of franchisees and not others.

To the extent permitted under applicable law, you must use commercially reasonable efforts to follow our general pricing guidelines, including any promotional prices set by us for a particular management service or other Approved Product or Approved Service. You acknowledge and agree that any maximum, minimum or other prices we prescribe or suggest may or may not optimize the revenues or profitability of your Franchised Business and you irrevocably waive any and all claims arising from or related to our prescription or suggestion of your Franchised Business’ retail prices.

#### **8.08 Email Addresses**

We will provide you with two (2) email address(es), which: (i) you are required to use in connection with the Franchised Business; and (ii) must be the only email addresses you use in connection with the Franchised Business. If you request additional email addresses, you will be required to pay a fee of \$100 per year per additional account.

#### **8.09 Call Center**

We reserve the right to establish a Call Center and, if we do so, you will be required to pay related subscription fees at our then-current rate or the then-current rate charged by our Approved Supplier for call center services.

#### **8.10 Nature of Obligations**

All our obligations under this Agreement are to you alone. No other party is entitled to rely on, enforce or obtain relief for breach of any of our obligations hereunder, either directly or by subrogation.

### **9. YOUR DUTIES**

#### **9.01 Opening Date**

You must fulfill all of your pre-opening obligations set forth in this Agreement, the Brand Standards and in other written notices from us. You must open and commence operations of your Franchised Business by actively advertising and soliciting Clients within your Designated Territory no later than ninety (90) days following the Effective Date of this Agreement. Time is of the essence. If you fail to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time we approve in writing), then this Agreement will be deemed terminated upon written notice from us to you.

You will not be allowed to open your Franchised Business without our written approval, which we will not unreasonably withhold or delay. In order to obtain our approval to open, you must: (i) obtain all required state, local and other required government certifications, permits and licenses; (ii) furnish to us copies of all such required permits and licenses; (iii) furnish to us copies of all insurance policies required under this Agreement; (iv) attend and successfully complete our Initial Training Program to our satisfaction (as provided in this Agreement); (v) pay us or our Affiliates any amounts due through the date that you request our approval to open; (vi) not be in default under any agreement with us or any Affiliate of ours; (vii) not be in default under, but instead be current with, all contracts or agreements with your principal vendors, suppliers and other business creditors (including the lessor or sublessor of your Approved Commercial Office), us and our Affiliates; and, (viii) otherwise comply in all respects with the pre-opening obligations set forth in this Agreement, the Brand Standards or other written notices we may furnish to you. In addition to the foregoing, you must submit to us a request to open your Franchised Business. Once we receive your request, we will notify you in writing whether or not the Franchised Business meets our standards and

specifications. If we approve your request to open your Franchised Business, our acceptance is not a representation or warranty, express or implied, that the Franchised Business complies with any licensing, labor, health, building (including, without limitation ADA), fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies.

You must send us a written notice of the Opening Date of the Franchised Business concurrent with such opening.

### **9.02 Manner of Operation**

You must operate your Franchised Business in a professional and dignified manner. Your Franchised Business must comply at all times with every provision of this Agreement, the System and the Brand Standards. You may not use the System or the Proprietary Marks for the benefit of any business other than the Franchised Business. You are expected to operate your Franchised Business from a home office that you represent and warrant meets our standards and specifications to the extent that such standards/specifications have been memorialized and provided to you. If you are leasing or purchasing an Approved Commercial Office for your Franchised Business, then you may not conduct (or permit anyone else to conduct) any business at your Approved Commercial Office other than the Franchised Business embraced by this Agreement without first obtaining our written consent, which we may withhold for any reason or no reason. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Brand Standards are of the essence to this Agreement and are critically important to you, us and all other franchisees, since your failure to adhere to the System, this Agreement and/or the Brand Standards may damage the reputation and goodwill enjoyed by the iTRIP network and the Proprietary Marks.

To the extent that we have furnished to you, or otherwise permitted you to inspect, the Brand Standards prior to your execution of this Agreement, you hereby irrevocably affirm and attest that you have reviewed our Brand Standards in detail and in its entirety; that the Brand Standards are commercially reasonable in all respects; and, that the Brand Standards do not in any fashion exceed our ability to promulgate requirements in same under this Agreement.

### **9.03 Management of Client Information**

At all times that the Franchised Business is in operation, you must prepare and maintain all appropriate and required records and documentation for each Client and its respective properties that are serviced under an Approved Services Agreement (collectively, the "Client Information"). Without limiting the generality of the foregoing, you must (i) maintain a list of all of your current and former Clients, as well as their properties and any Approved Services Agreements associated therewith, at the Approved Premises or Approved Commercial Space (as applicable) and (ii) make such lists and Agreements available to us for our inspection upon request. You agree and acknowledge that all such Client Information is our sole and exclusive property and that all copies of such Client Information, including all Approved Services contracts with such Clients, must be provided to us immediately upon termination or expiration of this Agreement for any reason.

### **9.04 Licenses and Permits for Franchised Business**

Prior to opening, you must obtain and maintain (throughout the Initial Term of this Agreement and any Successor Term) all required licenses, permits and approvals to establish, open and operate the Franchised Business at the Approved Premises and within your Designated Territory, including all required licenses and permits related to the offer and sale of short-term rental/management services and/or other Approved Services.

You agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals required to operate the Franchised Business now or in the future.

### **9.05 Licensing Requirements for Personnel**

You must ensure that the applicable Approved Services provided by the Franchised Business are only conducted by individuals that have the necessary real estate licenses and/or other government certifications or approval, as required by Applicable Law, necessary to offer and provide the Approved Services to the Clients and Client Properties situated within your Designated Territory.

### **9.06 Minimum Performance Requirement**

After you have been operating the Franchised Business for three full years of operation, you will be required to generate at least \$1,000,000 in Total Rental Revenue in each subsequent year of operation or we may, at our option: (i) terminate any of the territorial rights afforded to you in Section 4.01 above or (ii) terminate this Agreement, subject to Applicable Law. We are not required to take either action in the event you fail to generate the Total Rental Revenue described above but we reserve the right to do so.

### **9.07 Modifications to the System**

In the exercise of our sole business judgment, we may from time to time modify any components of the System and requirements applicable to you by means of Supplements to the Brand Standards or otherwise, including, but not limited to, altering the programs, products, services, methods, standards, accounting and computer systems, forms, policies and procedures of the System; adding to, deleting from or modifying the programs, products and services which your Franchised Business is authorized and required to offer; altering System policies, procedures, methods and requirements; modifying or substituting required equipment, technology, signs, trade dress and other Business characteristics that you will be required to adhere to (subject to the limitations set forth in this Agreement); requirements pertaining to capturing and relaying to us rental guest information and data; and, changing, improving, modifying or substituting one or more of the Proprietary Marks. You agree to implement any such System modifications as if they were part of the System at the time you signed this Agreement. We will provide you with a reasonable amount of time to comply with any change or modification to the System once you have been notified of such change/modification in writing (via the Brand Standards or otherwise). You also understand and agree that such modifications may obligate you to invest additional capital or incur higher operating costs. However, any change or modification that we make to the System will not materially alter your fundamental rights under this Agreement.

You acknowledge that because uniformity under many varying conditions may not be possible or practical, we reserve the right to materially vary our standards or franchise agreement terms for any particular franchised business, based on the timing of the grant of the franchise, the peculiarities of the particular market area or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the Franchised Business. You will have no right to require us to disclose any variation or to grant the same or a similar variation to you.

### **9.08 Cobranding**

We may determine from time to time to incorporate in the System programs, products or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which your Business, along with some or all other Businesses, will be required to offer and sell. This activity, referred to as “Cobranding”, may involve changes or additions to the Proprietary Marks and may require you to make modifications to the Approved Premises for your Franchised Business and the furniture, fixtures, equipment, signs and trade dress of your Franchised Business. If we give written notice to you that we are instituting a Cobranding program, you agree promptly to implement that program at your Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fee, iTrip Brand Fund Contribution (if any), or local advertising expenditure obligations under this Agreement.

### **9.09 Compliance with Laws, Rules and Regulations**

You agree to adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and to operate your Business in strict compliance with all Applicable Laws. You also agree to obtain and keep in good standing all licenses, permits and other governmental consents and approvals which are now or hereafter required to operate your Franchised Business now or in the future.

You represent and warrant to us that, as of the date of this Agreement and at all times during the term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director, manager, or management

employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a Specially Designated National or Blocked Person or to an entity in which a Specially Designated National or Blocked Person has an interest.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

You represent and warrant that neither you, nor any entity or individual having an ownership interest in you; nor any affiliate of either yours; nor any officer, director, employee, contractor or servant of any of the foregoing, has in the past, currently does or will in the future support terrorism; provide money or financial services to terrorists; is engaged in terrorism; is on the current United States government list of organizations that support terrorism; has been engaged in or been convicted of fraud, corruption, bribery, money laundering, narcotics trafficking or other crimes; and, that all of the foregoing individuals are eligible under applicable United States Immigration laws to travel to the United States for training or any other purpose.

You are solely responsible for ascertaining what actions you must take to comply with all anti-terrorism and anti-corruption laws, and you specifically acknowledge and agree your indemnification responsibilities as provided in this Agreement pertain to your obligations under this Section 9.09. Any misrepresentation by you under this Section 9.09. or any violation of any anti-terrorism or anti-corruption laws by you, your owners, or employees will constitute grounds for immediate termination of this Agreement and any other agreement you have entered into with us or any of our Affiliates.

#### **9.10 Health, Safety and Cleanliness**

You shall comply with our requirements and specifications concerning the quality, service and cleanliness of your Approved Commercial Office; the programs, products and services sold, offered for sale and/or provided at the Approved Commercial Office for your Franchised Business; and, the operation of the Franchised Business under the System, as those requirements may be specified by us in this Agreement, in the Brand Standards or otherwise in writing. You shall furnish to us, within three (3) days following your receipt thereof, a copy of all inspection reports, warnings, citations, certificates, or ratings resulting from inspections of your Approved Premises conducted by any federal, state, county, local or other governmental agency, commission and/or authority.

You shall at all times maintain the Approved Premises for your Franchised Business in the highest degree of sanitation, repair and condition.

#### **9.11 Your Participation in the Operation of the Business; Designated Manager**

Unless we otherwise permit in writing, you or your Operating Owner (if you are a business entity) agree to personally supervise and participate in the day-to-day operation of the Franchised Business and to devote your time, attention and best efforts to honestly and diligently perform your obligations under this Agreement, all ancillary documents relating to this Agreement and all other agreements which may now or hereafter be in effect between us (or any Affiliate) and you (or any affiliate) and to promote the Franchised Business. If you are licensed to operate more than one iTrip Business, then you agree to devote such amount of your time and attention to the performance of your duties as is necessary for the proper and effective operation of each such Business.

You must designate a "Designated Manager" for the effective operation of your Franchised Business, who we must approve in writing. If your entity's principal owner is an individual, then such individual may serve as the Designated Manager. If your Designated Manager is not your principal owner, then before

designating and engaging the services of the Designated Manager, you must identify such individual to us; furnish information to us regarding the candidate's background, experience, credentials and such additional information that we may require; and, secure our prior written approval of the candidate, which we will not unreasonably withhold or deny. The Designated Manager must attend and successfully complete our Initial Training Program. If you are an individual, then you may serve as the Designated Manager. In addition, the proposed Designated Manager must demonstrate to our satisfaction (both at the time of approval and on a continuing basis thereafter) that he/she satisfies our educational, managerial and business standards, and has the aptitude and ability to conduct, operate and supervise your Franchised Business.

You must immediately notify us within five (5) days upon the death, disability or termination of employment of your Designated Manager, for any cause or reason, or if your Designated Manager no longer qualifies as such. You must designate a successor or acting Designated Manager promptly and, in any event, no later than ten days following the death, disability or termination of the predecessor Designated Manager. The above protocols and procedures governing your proposal and our approval of your initial Designated Manager shall apply to any successor Designated Manager you may propose. Any successor Designated Manager must possess those credentials set forth in our Brand Standards, must attend and successfully complete our next scheduled Initial Training Program and must attend and successfully complete such other reasonable training at such times as we may specify, all at your expense. The failure to employ and train a successor Designated Manager will constitute a material breach of this Agreement.

## **9.12 Requirements Concerning Approved Services and Approved Products**

### ***A. Approved Products and Approved Services You Sell***

We will loan you a list of the Approved Services and the Approved Products that you must offer and sell at (and/or use in connection with the operation of) your Franchised Business. We may provide this list of Approved Services and Approved Products as part of the Brand Standards or otherwise in writing prior to opening and/or during the term of this Agreement. You agree to offer and sell all Approved Products and Approved Services which are part of the System and all other programs, products and services which we in the future incorporate into the System unless, as to any one or more items, sale is prohibited by local law or regulation or we have granted you our advance written approval to exclude certain programs, products, or services. You may not sell any (i) program, product or service which is not a part of the System or (ii) Approved Product and/or Approved Service we delete from the System. If there is a dispute between you and us concerning your right to carry any particular product or to offer any specific service, you will immediately remove the disputed products from inventory, cease offering, selling or providing the disputed service, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

You must maintain in sufficient supply products, materials and supplies as conform to our then-current written standards and specifications (as set forth in the Brand Standards or otherwise) and must refrain from deviating therefrom by the use of any non-conforming items without our prior written consent. Your Franchised Business must refrain from any deviation from our standards and specifications without our prior written consent.

If you desire to offer and sell any program, product, or service which is not a part of the System, then you must obtain our advance written permission, which we may deny for any or no reason. If we grant such advance written approval, then the program, product or service in question will become a part of the System; we may, but will not be required to, authorize the program, product or service for sale at one or more other iTrip Franchised Businesses; we may subsequently revoke our approval for any or no reason; we will own all rights associated with the program, product, or service; and, you will not be entitled to any compensation therefor.

### ***B. Proprietary Programs, Products and Services***

You must purchase or lease any proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services used in conjunction with, offered or sold by your Franchised Business which now comprise, or in the future may comprise, a part of the System and which were developed by, are proprietary to or kept secret by us or our Affiliates, only from us, an Affiliate of ours that we designate or an

independent distributor whom we authorize. We impose this requirement to advance uniformity of the iTrip concept and quality and to protect our trade secrets, which are of the essence to the System and this Agreement. Proprietary products may include our Proprietary Software and Web Hosting Program and any other category of programs, products, services or equipment. We (or our Affiliates or designees) will sell to you all proprietary products under terms we develop and advise you of from time to time. We reserve the right to earn a profit on the sale of proprietary products to you.

### ***C. Sources of Supply and Specifications***

We will loan you a list of (i) all Required Purchases (including, the Approved Vehicle) that you are required to purchase or lease in connection with the establishment and ongoing operation of your Franchised Business; and (ii) all Approved Suppliers. The foregoing lists may be provided as part of the Brand Standards or otherwise in writing prior to opening.

You must purchase certain required non-proprietary programs, products, systems, methods, platforms, supplies, equipment, materials or services, and comply with all specifications for same, from our list of Approved Suppliers or other suppliers we designate in writing; from suppliers you propose and we approve; and/or, in accordance with our written specifications. Such standards and specifications may be specific as to brand name, item/model/catalog number, preparation or manufacturing facility, or other factors we consider relevant. All such designated sources must demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for such items; that they possess adequate quality controls and capacities to supply your Franchised Businesses' needs promptly and reliably; and, must be approved in writing by us (and have not thereafter been disapproved) prior to any purchases by you from any such supplier. All such designated sources and specifications are subject to addition, modification, revocation and/or deletion by us from time to time upon notice given to you. If we revoke or delete any product, supply, equipment, component or approved supplier, then you must cease using any such disapproved item or supplier (or any items purchased from a revoked source of supply) which are inventoried by your Franchised Business within ten (10) days following your receipt of written or electronic notice from us, unless the item or source of supply poses a threat to the health or safety of the public, in which case you must cease using such item or source of supply immediately upon notice from us orally, electronically, or in writing.

We may from time to time provide you with specifications governing the minimum standards of programs, products, services and/or equipment required to be used in or sold by your Franchised Business, for which we do not designate a required source of supply. We will set forth such specifications in our Brand Standards or in other written or electronic notices we transmit to you. We may add to, modify or revoke our specifications in writing from time to time.

You may propose a new or substitute supplier in accordance with the following procedure:

1. You must submit a written request to us for approval of the supplier, and then furnish us with the information, data and samples that we reasonably request;
2. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the program, product, service or equipment to you meeting our specifications;
3. We or our agents must have the right, and must be permitted, to inspect the proposed supplier's facilities and to have samples from the supplier delivered either to us, an independent laboratory or another designee for testing, all at your and/or the proposed supplier's expense;
4. The proposed supplier must demonstrate to our reasonable satisfaction, following our inspection or other review, that it is in good standing in the business community in all respects; that the program, product, supply, equipment, material or service meets or exceeds our specifications and standards for same in all respects; and, that the proposed supplier's manufacturing and distribution capabilities are sufficient to furnish you (and other iTrip Businesses) with the subject program, product, supply, equipment, material or service in a consistently timely, sanitary, hygienic and cost-efficient fashion;

5. We may require that the proposed supplier also agree to comply with such other requirements we may deem appropriate, including our ability to conduct continuing inspections and, in connection therewith, charge reasonable continuing inspection fees and administrative costs; and,
6. You must pay us a \$500 fee when submitting your request, as well as reimburse us for the costs we incur in testing the unapproved product and/or evaluating the proposed supplier.

Nothing in the foregoing shall be deemed to require us to approve any particular supplier or to require us to make available to prospective suppliers any standards, specifications, procedures or protocols that we, in our business judgment, deem confidential.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. If we do not respond within thirty (30) days, the proposed product, service and/or unapproved supplier is deemed disapproved. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product, service or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

We, our Affiliate or our designee may be an approved source of supply for any such non-proprietary program, product, supply, equipment, material or service that you are required to purchase. However, you will not be obligated to purchase any such non-proprietary items solely from us or our Affiliate. We will determine the prices we charge for any such item and will notify you of such prices at the time of sale, in our Brand Standards or otherwise. We reserve the right to earn a profit from selling any and all such non-proprietary items to you and other iTrip franchisees.

We and/or our Affiliates may derive revenue - - in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments - - from suppliers that we designate, approve, or recommend for some or all iTrip Businesses on account of those suppliers' prospective or actual dealings with your Franchised Business and other iTrip Businesses. That revenue may or may not be related to services we or our Affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our Affiliates' exclusive property, which we and our Affiliates may retain and use without restriction for any purposes we and our Affiliates deem appropriate. Any products or services that we or our Affiliates sell you directly may be sold to you at prices exceeding our and their costs.

We also reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid until further notice to the iTrip Brand Fund (to be expended as provided in this Agreement). If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

#### ***D. Systemwide Supply Contracts***

We may, in the exercise of our business judgment, enter into Systemwide Supply Contracts. We may enter into such Systemwide Supply Contracts with one or more vendors for programs, products, supplies, equipment, materials and services that all company-owned and Franchised Businesses in the United States, or company-owned and Franchised Businesses in a designated geographic area, will be required to purchase, use and/or sell. If we do so, then immediately upon notification, you, we and all other Businesses (or, as applicable, those in the designated geographic area) must purchase the specified program, product, supply, equipment, material or service only from the designated supplier. However, if at the time of our notification you are already a party to a non-terminable supply contract with another vendor or supplier for the item in question, then your obligation to purchase from our designated supplier under the Systemwide Supply

Contract will not begin until the scheduled expiration (or earlier termination) of your pre-existing supply contract.

We make no representation that we will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if we do so, that you would not otherwise be able to purchase the same programs, products and/or services at a lower price from another supplier. We may add to, modify, substitute or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of our business judgment.

#### ***E. Technology Requirements; Computer System; Proprietary Software and Web Hosting Program***

You understand and agree that it is vital for the System to feature state-of-the-art digital, e-commerce and other modern capabilities, platforms, “apps” and other now or hereafter developed infrastructure, tools, systems and analytics, and that these capabilities are constantly evolving and require continued focus, investment and innovation, all of which may trigger your need to comply with all current and any hereafter developed hardware and software purchase and utilization requirements we impose, as provided hereafter.

You must purchase, utilize, maintain, retire and replace the technology serving your Franchised Business and as and when we require in the Brand Standards or otherwise in writing. When we direct, you agree to procure and install, at your expense, the Computer System that we specify in our Brand Standards or otherwise. Your Computer System will include, without limitation, (i) a laptop or other computer that meets our standards and specifications and is capable of running our Proprietary Software and Website Hosting Program and other software we may require; (ii) printers and other peripheral hardware/devices; (iii) “plug and play” software components that we designate for use with our Proprietary Software and Website Hosting Program; and (iv) equipment necessary to maintain a physical, electronic or other security system for the Franchised Business. You acknowledge, understand and agree that we may require you to purchase any or all of the elements of the Computer System from one of our Approved Suppliers. You further acknowledge and understand that we must approve all of the foregoing hardware before it is used in connection with your Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Business. You agree to obtain and maintain reliable high-speed broadband communications access or other high-speed capacity that we require for your Computer System. You also agree to exclusively use the e-mail addresses we provide in connection with the operation of your Franchised Business. Despite the fact that you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party’s computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded.

You agree to provide all assistance we require to bring your Computer System online with our computers (including connectivity with our Hub platform) at the earliest possible time and to maintain these connections as we require. You agree to input and maintain in your Computer System all data and information which we prescribe in our Brand Standards, in our proprietary software (if any) and our Brand Standards, and otherwise. We will have independent access to your Computer System and we may retrieve from your Computer System all information that we consider necessary, desirable or appropriate. You must accurately, consistently and completely record and provide through the Computer System all information concerning the operation of the Franchised Business that we require, in the form and at the intervals that we require. We may also from time to time adjust requirements pertaining to capturing and relaying to us rental guest information and data. You acknowledge and agree that all rental guest information and data arising out of or collected in connection with the operation of the Franchised Business is Confidential Information and we are the sole owner of all right, title, and interest in and to such rental guest information and data in accordance with Section 13.01 of this Agreement.

You agree to use our Proprietary Software and Website Hosting Program (or such other proprietary software that we may develop in the future) in connection with the operation of your Franchised Business. You must

sign our standard form Software License Agreement annexed hereto as Exhibit H. We will initially furnish our Proprietary Software and Website Hosting Program and associated Brand Standards and materials to you at our expense. You agree to purchase from us new, upgraded or substitute proprietary software whenever we determine to adopt them system-wide, at the prices and on the terms that we establish. You agree to use any proprietary software and software support services that, in the future, either we develop and provide or which are provided on our behalf by a third-party supplier we designate, and you will execute any standard form software license agreement reasonably necessary to do so. Currently, the Software License Fee you are required to pay pursuant to Section 6.04 covers the maintenance and support associated with our Proprietary Software and Web Hosting Program. You agree to purchase from us or our designee, as applicable, new, upgraded or substitute proprietary software whenever we determine to adopt them systemwide, at the prices and on the terms that we or such third party vendor establish, but you will not be required to do so more than once in any calendar year.

You agree, at your expense, to keep your Computer System in good maintenance and repair. We may mandate that you add memory, ports, accessories, peripheral equipment and additional, new or substitute software. Following our testing and determination that it will prove economically or systemically beneficial to you and to us, you agree to install at your own expense the additions, modifications, substitutions and/or replacements to your Computer System hardware, software, telephone and power lines and other Computer System facilities as we direct, on the dates and within the times we specify in our Brand Standards or otherwise. Although we cannot estimate the future costs of your Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support, which might include fees payable to us and/or our Affiliates. We have no obligation to reimburse you for any Computer System costs.

You understand and agree that modes of computerization and communication are rapidly evolving and that, accordingly, we may require you at your expense to purchase, install and utilize at your Franchised Business and Approved Premises such hereafter developed or modified modes of computerization, hardware, software, equipment, accessories, facilities, capabilities, communication, media and/or interfaces as we, in our sole business judgment, determine to incorporate into the System. You shall do so at such time and in such manner as we designate, in our Brand Standards or other written notices. You may be required to purchase such newly developed modes of computerization, as well as improvements to or modifications of your computer and point-of-sale systems, from us or our Affiliates and, in connection therewith, enter into related license and support agreements requiring you to pay us and/or our Affiliates standard support and maintenance fees. We reserve the right to charge license, support, maintenance and other technology fees separately or in the aggregate and to change the basis of the allocation of any fees from time to time to reflect: (i) any increase or decrease in the costs and expenses of providing the applicable services, or (ii) any change in the competitive needs of the System, including the right to change the basis for charging such fees, so long as the charges are computed on a fair and consistent basis among similarly situated System Businesses receiving the services for utilizing the applicable systems.

You agree, at your expense, to keep your Franchised Business' computer systems and any other technology systems current, supported, and in good maintenance and repair. Without limiting the generality of the foregoing, you acknowledge and agree that you are solely responsible for protecting your Computer System and Franchised Business from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, data-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business, including the Proprietary Software and Web Hosting Program.

Upon termination or expiration of this Agreement, you must return or transfer all software, and other electronic storage media, as well as all data, software licenses, software or hardware access passwords and codes used in conjunction with your operation of your Franchised Business to us in good condition, allowing for normal wear and tear.

You will not install or upload any computer software on the Computer System for your Franchised Business without our prior written consent. You will provide to us all user IDs and passwords (and any modifications

thereto) required to access files and other information stored on your Franchised Business's Computer System. The passwords to access the Computer System located at the Approved Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are our exclusive property and you must provide us with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, you agree and acknowledge that we may have automatic access to your specific passwords/keys/logins through the Computer System components and related software that we require you to use in connection with the Franchised Business.

You will at all times ensure that the only personnel conducting transactions on your Computer System will be those who have been trained and qualified in accordance with the requirements of our Brand Standards.

### **9.13 Web Sites/Social Media**

We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System, including through the use of a page or profile on social media websites such as Facebook, LinkedIn, Instagram, Pinterest, X (formerly Twitter) or YouTube. We may establish one or more websites accessible through one or more uniform resource locators ("URL's") and, if we do, we will design and provide for the benefit of your Franchised Business a "click through" subpage at each such website for the promotion of your Business, so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. If we establish one or more websites or other modes of electronic commerce and if we provide a "click through" subpage at each such website for the promotion of your Business, you agree to routinely provide us with updated copy, photographs, Client and rental guest reviews and news stories about your Franchised Business suitable for posting on your Business's "click through" subpage, the content, frequency and procedure of which will be specified in our Brand Standards. Any websites or other modes of electric commerce that we establish or maintain may – in addition to advertising and promoting the programs, products, or services available at Businesses – also be devoted in part to offering our franchises for sale and be utilized by us to exploit any electronic commerce rights that we may reserve in Section 4.05 above.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any iTRIP website we establish and maintain, including any and all material you may furnish to us as provided above. Ownership of the URL (uniform resource locator) and other identifiers associated with any such website shall vest exclusively in us.

You may not maintain your own website or social media page/profile; otherwise maintain a presence or advertise on the internet, through social media or in any other mode of electronic commerce in connection with your Franchised Business, including through the use of a page or profile on social media websites such as Facebook, LinkedIn, Instagram, Pinterest, X (formerly Twitter) or YouTube; establish a link to any website we establish at or from any other website or page; or at any time establish any other website, social media or electronic commerce presence which in whole or in part incorporates the "iTRIP" name or any name confusingly similar thereto without our prior written consent, which we may without for any reason or no reason. If we permit you to establish a separate website or social media page/profile, you agree to comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such website, and utilize any templates that we provide to you to create and modify such website. You specifically acknowledge and agree that any website, social media page/profile or internet presence owned or maintained by or for your Franchised Business' benefit shall be deemed "Advertising" under this Agreement and will be subject to (among other things) our approval as described in Section 11.02. You further acknowledge and agree that we alone will be, and at times will remain, the sole owner of the copyrights to all material which appears on your website and/or social media page/profile. All content and information which appears on your website and/or social media page/profile or which you gather from visitors to your website or social media page/profile will be considered our Confidential Information.

We may establish and maintain an iTrip Web Portal through which downloads of operations and marketing materials, exchanges of franchisee e-mail or other electronic messages, System discussion forums and systemwide communications (among other activities) can be effected. We may use the iTrip Web Portal to post content that will automatically become part of, and constitute a supplement to, the Brand Standards, all

of which you must strictly comply with promptly after such content is posted or otherwise listed to the iTrip Web Portal.

#### **9.14 Indemnification**

You agree that you will, at your sole cost, at all times defend and hold harmless us, any Affiliate of ours, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (we and all others referenced above being the “Franchisor Indemnitees”), and indemnify, reimburse and hold harmless us and the Franchisor Indemnitees to the fullest extent permitted by law, against all claims, losses, liabilities and costs (as denominated in the following paragraph) incurred in connection with any judicial, administrative or arbitration action or proceeding (including bankruptcy, insolvency, debtor/creditor or similar proceedings), suit, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your entry into this Agreement; your establishment, construction, ownership, opening and operation of your Franchised Business, including any other business operating within or in relation to the Approved Premises (which other business, if any, shall be subsumed within this paragraph’s references to the Approved Premises) and further including (without limitation) any personal, bodily or mental injury, death, property damage or loss, suffered by any Client, rental guest, visitor, manager, operator, supplier, employee, guest of the Franchised Business or the Approved Premises, or any other third parties; crimes committed on or near any of the premises or facilities of your Franchised Business or vehicles used by your Franchised Business; all acts, errors, neglects or omissions engaged in by you, your contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of your Approved Premises, whether or not any of the foregoing was approved by us; defects in any Approved Premises you construct and/or operate, whether or not discoverable by you or by us; product recalls resulting from or related to your acts, errors or omissions; all acts, errors, neglects or omissions of you or the Franchised Business and/or the owners, officers, directors, management, employees, agents, servants, contractors, partners, proprietors, affiliates or representatives of you and/or the Franchised Business and/or the Approved Premises (or any third party acting on your behalf or at your direction), whether in connection with the Franchised Business, the Approved Premises or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any vehicle serving your Franchised Business; any claim, however and wherever asserted, that we or our Affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of any federal, local or state labor and/or wage and hour laws, rules or regulations); third party claims against us arising from or related to your breach of the terms, restrictions and requirements of this Agreement (including, without limitation, your unauthorized use of the Proprietary Marks, violation of any applicable laws, codes, rules or regulations or failure to comply with Privacy Laws); your violation of Privacy Laws; all liabilities arising from your offer, sale and/or delivery of programs, products and/or services as contemplated by this Agreement; your offer, sale and/or delivery of securities, equity interests or other ownership interests in you or the Franchised Business; all activities, conduct and representations which you may engage in connected to any actual or attempted assignment (as defined in Section 15.02) of any interest whatsoever in you or the Franchised Business (or any entity which controls (as defined in Section 15.02) you or the Franchised Business); and, any action by any Client, rental guest of yours or visitor to your Franchised Business or its Approved Premises or any other facility operated in conjunction with your Franchised Business (collectively, an “Indemnification Claim”).

As used herein, the phrase “claims, losses, liabilities and costs” includes all claims; causes of action; fines; penalties; liabilities; losses; employment liabilities; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys’ and experts’ fees and disbursements; settlement amounts; judgments; compensation for damage to our reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Franchisor Indemnitees’ attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred

under this indemnification provision will be chargeable to and paid by you pursuant hereto, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity you give hereby is any liability associated with our or the other Franchisor Indemnitees' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to you).

You agree to give us written notice of any suit, judicial or administrative investigation, proceeding, claim, demand, inquiry or any other event that could be the basis for an Indemnification Claim within three (3) days of your actual or constructive knowledge of it. At our election, you will also defend us and the other Franchisor Indemnitees (including us) against the Indemnification Claim. If you or any of your affiliates and the Franchisor Indemnitees (or any one of them) are named as co-defendants, and there is a conflict of interest between them such that they cannot be represented by common counsel, then the Franchisor Indemnitees may retain separate counsel at your expense and you will promptly reimburse the Franchisor Indemnitees for all costs and attorneys' fees incurred upon request and as they are incurred. We will have the right, at your cost, to control the defense of any Indemnification Claim (including the right to select its counsel or defend or settle any Indemnification Claim at your sole expense) if we determine that such Indemnification Claim may directly or indirectly affect the interests of any of the Franchisor Indemnitees (including us). Our undertaking of defense and/or settlement will in no way diminish your obligation to indemnify the Franchisor Indemnitees and hold them harmless.

We will have the right, at any time we consider appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions we consider expedient with respect to any Indemnification Claim if, in our sole judgment, there are reasonable grounds to do so. You will not settle or compromise any legal action in which any Indemnitee is a defendant without our prior written consent, which we may grant or withhold in our sole business judgment. None of the Franchisor Indemnitees (including us) shall be required to seek recovery from third parties or otherwise mitigate their losses to claim indemnification from you. You agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable from you by any of the Franchisor Indemnitees (including us). The indemnification obligations of this Section 9.14 will survive the expiration or sooner termination of this Agreement. Your indemnification obligation under this Section will not apply to any liability that we agreed to incur in connection with our then-current limited damages waiver program (the "LDW Program"). Unless prohibited by the laws of the state in which the Franchised Business or the Client Property being rented is located, you must offer prospective rental guests 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. As part of our LDW Program, the rental guest will pay an additional amount to cover a portion of the LDW fees payable to us in connection with each LDW Program participation.

### **9.15 Inspection**

We (and any of our authorized agents or representatives, including outside accountants, auditors and/or inspectors) may, as we deem appropriate, conduct inspections and/or audits of the Franchised Business to ensure that you are operating the Franchised Business in compliance with the terms of this Agreement, the Brand Standards and our standards and specifications. Such inspection may include (i) inspections of, upon forty-eight (48) hours' notice to you, the Approved Commercial Office for your Franchised Business and any premises of your Franchised Business; examination of any motor vehicle (including your Approved Vehicle) used in connection with Franchised Business' operations; an inspection and audit of the Franchised Business' books and records; inspection and audit of the products, programs and services provided from or at such locations; an interview of your employees, Clients and rental guests renting the Client Properties; and, assessing your operating systems and compliance with this Agreement and our standards and specifications. Unless otherwise stated, we may conduct such inspections with or without prior notice to you. You shall cooperate with us and/or our representatives conducting such inspections by rendering any assistance we or they may reasonably request. Following any such inspection, you shall take such steps as are necessary to incorporate into your Franchised Business operations any reasonable corrections and modifications we

require to maintain the standards of quality and uniformity we prescribe, as quickly as is reasonably possible and using all resources at your disposal.

#### **9.16 Intellectual Property You Develop**

You agree to promptly disclose to us any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by you or your employees or agents that are in any way related to the establishment or operation of the Franchised Business. You hereby permanently and irrevocably assign to us, in perpetuity throughout the world, any and all rights and interests (including intellectual property rights and interests) to any and all of the following which is developed by you, or on your behalf, if developed in whole or in part in connection with your Franchised Business or Approved Premises: all programs, products or services; all variations, modifications and/or improvements on programs, products or services; your means, manner and style of offering and selling programs, products and services; management techniques or protocols you may develop (or have developed on your behalf); all layout schematics and design elements; all sales, marketing, advertising and promotional programs, campaigns or materials developed by you or on your behalf; and, all other intellectual property developed by you or on behalf of your Franchised Business. Except to the extent prohibited by applicable law, codes, rules or regulations, you waive, and will cause each of your employees or independent contractors who contributed to System modifications and/or improvements to waive, all “moral rights of authors” or any similar rights in such modifications and/or improvements. We may authorize ourselves, our Affiliates and/or other Franchised Businesses to use and exploit any such rights which are assigned to us hereunder. The sole consideration for your assignment to us of all of the foregoing rights shall be our grant of the franchise conferred upon you by this Agreement.

#### **9.17 Adequate Reserves and Working Capital**

We reserve the right to require, in our sole judgment, that you meet certain financial requirements, which may include the requirement to maintain (i) a minimum working capital reserve, (ii) a minimum debt service coverage ratio, (iii) a maximum amount of incurred debt, (iv) a minimum balance in the EFT Account utilized to make payments to us; and (v) any other reasonable financial health metrics required by us. We will provide such requirements to you, in writing, and they will become effective thirty (30) days after we provide written notice of such requirement(s) to you. Without limiting the foregoing, you must at all times maintain adequate reserves and working capital sufficient for you to fulfill all your obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least three (3) months. These reserves may be in the form of cash deposits or lines of credit.

#### **9.18 Credit Cards and Other Modes of Payment**

You must accept credit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American Express, Discover (or their successors) and any other major credit cards which we may specify in our Brand Standards or otherwise. You also agree to use and accept mobile payments from any mobile payment service (including, without limitation, Apple Pay, Google Pay, PayPal, Venmo and Zelle) that we may specify in our Brand Standards or otherwise. Further, you agree to maintain the creditworthiness required of each of these credit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that we and/or the credit card issuer we prescribe (including paying our designated credit card processor(s) their applicable payment processing services fee(s) in connection with the online payment amounts made by rental guests). You may also accept cash and/or checks in connection with the Franchised Business. You must (if we require) use the payment processing service provider that we designate in connection with the launch and/or operation of our iTrip Franchised Business. You must comply with all applicable laws, regulations and rules related to credit card acceptance and processing, including Payment Card Industry (PCI) data security standards.

In addition, you agree that, at your sole expense, you shall at our direction and by the time we specify purchase, install and utilize such equipment, facilities and personnel necessary to enable now or hereafter developed alternative modes of rental guest payments (beyond cash, credit cards and debit cards). Such alternative modes of payment may include, by way of examples only, “smart phone” payment transactions and automated “smart phone” (or other) rental guest (and other) tracking / payment transactions.

You must at all times undertake all reasonable measures to anticipate, detect and prevent fraudulent credit or debit transactions.

### **9.19 Compliance with Security Protocols**

You agree to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit and debit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. You further agree to hold us and the other Franchisor Indemnitees (as defined in Section 9.14) harmless from any and all claims and liabilities related to your failure to do so. In addition, at your cost, you agree to provide us with a written report of verification from a specialist approved by us confirming compliance with the obligations imposed by this Section 9.19 and any other proof of such compliance that we may reasonably require.

### **9.20 Hours of Operation**

You agree to continuously operate your Franchised Business on the days and during the minimum hours that we from time to time may specify in our Brand Standards or otherwise. You may establish hours of operation in addition to the required minimum hours, subject to applicable laws, rules or regulations.

### **9.21 Business Entity Franchisees**

If you are a corporation, limited liability company, limited partnership or any other type of business entity, you must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):

- A. You must designate an individual who either owns a majority interest in the entity franchisee or, where there is no majority owner, who we otherwise approve of in writing (the "Operating Owner"). The Operating Owner, who will have complete decision-making authority regarding your Franchised Business and have authority to in all respects act on your behalf, will be the sole individual with whom we will be required to communicate when we seek to communicate with you. You must inform us in writing of your Operating Owner and any replacement Operating Owner in advance. We must approve your Operating Owner before you appoint him/her.
- B. Furnish us with all of your formation, organizational and governing documents; a schedule of all current owners (indicating as to each its percentage ownership interest) in the form annexed hereto as Exhibit A ("Data Sheet"); any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of your officers, directors and managers (as applicable).
- C. Unless we otherwise consent in writing, your business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the Franchised Business.
- D. You must promptly notify us in writing of any change in any of the information specified, or in any document referred to, herein. Without limiting the generality of the foregoing, you must provide us with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in you or the Franchised Business; and (ii) your partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. You will notify us in writing within ten (10) days after any such change, unless you are required to first notify us and obtain our approval prior to making any such change.
- E. All of your business entity's organizational documents (including any partnership, partnership agreements, incorporation documents, organization/formation documents, bylaws, operating agreements, shareholders agreements, buy/sell or equivalent agreements, and trust instruments) will recite that the issuance or transfer of any Interest in you is restricted by the terms of this Agreement, and that the sole purpose for which you are formed (and the sole activity in which you are or will be engaged) is the conduct of a Franchised Business pursuant to one or more franchise agreements from us and that your activities will be exclusively confined to such purpose. Your organizational documents will also include a "Supremacy of Franchise

Agreement” clause reciting the following: “To the extent any provision of this Agreement conflicts, violates or is inconsistent with any provision of the iTrip, LLC Franchise Agreement, the parties hereto agree that the provisions of such Franchise Agreement shall supersede the same and that the parties hereto shall enter into such amendments to this agreement as are necessary in order to make the relevant provisions consistent with or non-violative of the provisions of the iTrip, LLC Franchise Agreement.”

- F. You will maintain stop instructions against the transfer on your business entity’s corporate records of any securities or other ownership interests, and will not issue securities or other evidences of ownership without the following legend printed legibly and conspicuously on the face of the security or other evidence of ownership:

“The transfer of this certificate and the interests it represents are subject to the terms and conditions of one or more Franchise Agreements with ITRIP, LLC, and to the restrictive provisions of the organizational documents of the issuer. Please refer to those documents for the terms of the restrictions.”

- G. Without our prior written consent (which shall not be unreasonably withheld, delayed or conditioned), you may not permit any mortgage, lien, encumbrance, pledge or other security interest in respect of any of your business entity’s shares, equity interests or other ownership interests. Any violation of this restriction will give us the right to terminate this Agreement immediately upon notice to you.

## **9.22 Staffing Requirements, Qualifications and Training**

You agree to staff your Franchised Business in accordance with the specifications and criteria we set forth in our Brand Standards concerning the selection, qualifications, hiring, training, pre-training and post-training of your personnel. You agree to maintain a competent, conscientious, trained staff in sufficient numbers as we require so that you may promptly, efficiently and effectively service rental guests. You understand, agree, and will never contend otherwise, that the minimum staffing levels we prescribe in our Brand Standards do not reflect our ability to in any fashion control the day-to-day operation of your Franchised Business but, to the contrary, merely reflect those staffing levels necessary to achieve and maintain those standards of quality, uniformity and service which the consuming public has come to associate with the Proprietary Marks and iTrip Businesses.

You agree that you are (and will be) solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time.

You shall take such steps as are necessary to ensure that your employees (i) are competent, conscientious, and properly trained; (ii) preserve good rental guest relations and provide courteous and professional services to rental guests; and (iii) always keep its rental guests’ interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business.

To impart to your management and employees the latest procedures, techniques, policies and standards of the System, you or your Operating Owner agree to conduct the in-house meetings, training sessions, electronic training programs or other programs that we specify in our Brand Standards or otherwise or as you – using your reasonable business judgment – determine are necessary, appropriate or desirable, using any material and programs we may provide for this purpose.

## **9.23 Image**

You shall maintain the image of the Franchised Business at all times in accordance with our standards and specifications, including: (i) ensuring that the Approved Vehicle is maintained in good working condition and kept clean; and (ii) ensuring that all equipment, furniture and fixtures used in connection with the Franchised Business are in good and clean condition.

#### **9.24 Testimonials and Endorsements**

You agree to permit us (or any of our authorized agents or representatives) to communicate in any manner with your Clients and rental guests to procure Client and rental guest testimonials and endorsements of the programs, products or services furnished by your Franchised Business and any related programs, products or services. You agree to cooperate with us in procuring testimonials and endorsements. You agree that we will be free to make whatever use of testimonials and endorsements that we determine, and that we will owe you absolutely no direct or indirect compensation or other duty as a consequence of our use.

#### **9.25 Vendor Accounts**

You agree to maintain your vendor accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If you do not maintain your trade accounts in a current fashion, we may pay any or all of the accounts on your behalf, but we will have no obligation to do so. If we pay any accounts on your behalf, then you agree to immediately repay us as provided by Section 6.07. If you do not keep your trade accounts current or make immediate repayment to us, this will be a material breach of this Agreement entitling us to terminate this Agreement following our giving you notice and an opportunity to cure your breach.

#### **9.26 No Conflicting Agreements**

During the term of this Agreement, you may not be party to any contract, agreement, business entity formation or governance document, mortgage, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.

#### **9.27 Taxes**

You shall promptly pay when due all taxes levied or assessed upon your Franchised Business including, without limitation, all employment, workers' compensation, sales taxes and required lodging taxes. In the event you have any *bona fide* dispute as to your liability for taxes assessed, you may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the premises of your Franchised Business, your Approved Premises (if it is a commercial property) or any improvements thereon.

#### **9.28 Government Actions**

You shall notify us in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of your Franchised Business.

#### **9.29 Privacy and Data Protection**

You will: (i) comply with all applicable international, national, federal, provincial, state, or local laws, codes or regulations that regulate the processing of Personal Information in any way, including, but not limited to, Privacy Laws; (ii) employ Safeguards; and (b) meet or exceed industry standards regarding Safeguards, including PCI standards, norms, requirements and protocols to the extent applicable; (iv) comply with all Safeguards that have been and are in the future developed and compiled by us that relate to Privacy Laws and the privacy and security of Personal Information; (iii) refrain from any action or inaction that could cause us to breach any Privacy Laws; and (iv) do and execute, or arrange to be done and executed, each act, document and thing we deem necessary in our business judgment to keep us in compliance with the Privacy Laws. You are solely responsible for educating yourself as to these regulations and standards and for achieving and maintaining applicable compliance certifications.

You will be fully responsible for any unauthorized collection, access, use and/or disclosure of Personal Information arising from your action or inaction. You further agree that the indemnification of us and the other Franchisor Indemnitees specifically embraces all claims and liabilities sought to be imposed against us arising from or related to (directly or indirectly) your failure to comply with the provisions of this Section 9.29.

You will immediately notify us in writing of any breaches or suspected breaches of security (either electronic or physical) that may result in the unauthorized collection, access, use or disclosure of Personal Information or (ii) if you receive any oral or written notice of inquiry, investigation or review from any individual or

administrative agency (such as the Federal Trade Commission or State Attorneys General offices or other similar agency in countries outside of the U.S.) that arises out of, relates to or affects Personal Information within your control. You will comply with our requests and make all reasonable efforts to assist us in relation to the investigation and remedy of any such breach of security and any claim, allegation, action, suit, proceeding or litigation with respect to the unauthorized access, use or disclosure of the Personal Information.

### **9.30 Complaints; Claims; Safety; Health and Other Violations**

You must process and handle all consumer complaints and requests for refunds and adjustments connected with or relating to the Franchised Business in a manner consistent with our standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by us. You must consider and act promptly with respect to handling of complaints made by Clients and/or rental guests and implement complaint response procedures that we outline in the Brand Standards or otherwise in writing, and you shall, within twenty-four (24) hours, notify us by telephone and in writing of all of the following complaints: (i) safety or health violations, (ii) claims exceeding One Thousand Dollars (\$1,000.00) and (iii) any other material claims against or losses suffered by you.

### **9.31 Crisis Management**

Upon the occurrence of a Crisis Management Event (as defined below):

- A. We may, in our sole and absolute discretion, elect to control the manner in which the Crisis Management Event is handled by the parties, including, without limitation, managing and conducting, ourself or via our designee, all communication with third parties including the news media, temporarily suspending or closing one or more iTrip Businesses suspending or discontinuing certain service offerings at some or all iTrip Businesses and/or taking any remedial measures or making any such other modifications to the iTrip System's policies, procedures, processes and operations as we may deem, in our sole discretion, necessary or prudent in response to the Crisis Management Event. Your and our employees shall cooperate fully with us or our designee in our or our designee's efforts and activities in this regard and shall be bound by all further Crisis Management Event procedures developed by us. You shall not reopen your iTrip Franchised Business or resume suspended or discontinued services until we provide our express written consent to do so.
- B. Upon learning that a non-System wide Crisis Management Event has occurred in or about your iTrip Franchised Business, you shall immediately inform us by telephone or email (or as otherwise instructed in the Brand Standards) upon becoming aware of such Crisis Management Event. You acknowledge that, if we elect to direct the management of any Crisis Management Event, we or our designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as we deem appropriate, and we may require you to reimburse us for all such costs provided, however, that you shall only be required to reimburse us for such costs to the extent the Crisis Management Event (i) arises, directly or indirectly, from the actions or inactions of you or (ii) relates solely to, or solely occurs in or about, your iTrip Franchised Business. Your indemnification obligations as provided in Section 9.14 shall apply to all losses and expenses that may result from our or our designee's exercise of the management rights granted in this Section.
- C. Our rights under this Section 9.31 shall be exercised in our sole business judgment and nothing in this Section 9.31 shall be deemed to require us to act, manage or remediate any Crisis Management Event. Our rights under this Section 9.31 shall continue until we determine that the Crisis Management Event is resolved. We shall have no liability to you for any losses arising from our actions or inactions under this Section 9.31.
- D. "Crisis Management Event" means any event or incident that:
  1. occurs at or about, or impacts, or relates to your iTrip Franchised Business that has caused or may cause, real, alleged or perceived harm or injury to Clients, rental guests

or employees, such as equipment malfunction, matters affecting the health, safety or well-being of any employee or the public (including without limitation, any Client or rental guest) at any Client Property your Franchised Business services, epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may have the actual or potential ability to damage the System, the Proprietary Marks, or the image or reputation of us or our Affiliates; and/or

2. occurs at or about, or impacts (or has the ability to impact regardless of whether such impact so occurs) or relates to one or more iTrip Businesses which event or incident (x) has caused or may cause real, alleged or perceived harm or injury to the System, the Proprietary Marks, or the image or reputation of us or our Affiliates or (y) has or may cause harm or injury to Clients, rental guests, employees or the public, including, but not limited to, incidents or events relating to equipment malfunction, matters affecting the health, safety or well-being of any employee or the public (including without limitation, any Client or rental guest) at Client Properties being serviced by your Franchised Business, epidemics, pandemics or other contagious diseases, natural disasters, criminal or terrorist acts, shootings, or any other circumstances which may damage the System, the Proprietary Marks, or the image or reputation of us or our Affiliates; and/or
3. results in any governmental action, mandate, advisory opinion, declaration of emergency or otherwise that may impact, or may require the suspension, termination, or modification of operations of, your Franchised Business.

### **9.32 Coupons, Certificates and Vouchers**

You must, at your expense, participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty or retention program that we (or our Affiliates) implement for all or part of our franchise system and shall sign the forms and take the other action that we require in order for you to participate in such programs. The mechanics and workings of any such program will be identified in the Brand Standards. Without limitation, you shall honor coupons, gift cards, gift certificates, or vouchers sold or distributed by other iTrip Businesses and will utilize a vendor approved by us for gift card processing. You may not offer any coupon without our prior written approval.

## **10. INSURANCE**

### **10.01 Your Required Insurance Coverage**

- A. Within ten days following our execution of this Agreement, and thereafter at all times throughout the Term of this Agreement, you agree to purchase at your own expense, and maintain in effect at all times, the following categories of insurance coverage in forms and through insurance companies satisfactory to us. You understand and agree that your Lease may require other or greater insurance coverages than those stated in this Section. Such insurance coverage must extend to and embrace your Franchised Business; all activities conducted in, at or from your Business; all facilities which may be situated upon your Business's Approved Premises; and, all activities arising from or related to the construction, operation or occupancy of your Approved Premises and any other facilities situated on your Approved Premises. Your required coverages, policy limits, limitations on deductibles and limitations on self-insured retentions are prescribed by us in our Brand Standards or otherwise in writing and, as noted below, are subject to change:
  1. "All risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Your property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;

2. Workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;
3. Comprehensive General Liability Insurance, Professional Liability Insurance, and Employment Practices Liability Insurance (EPLI) against claims for bodily and personal injury, discrimination, wrongful termination, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or your conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per occurrence or \$2,000,000 in the aggregate for Professional Liability and General Liability or, if higher, the statutory minimum limit required by state law;
4. Automobile liability insurance for the Approved Vehicle and any other vehicles that are utilized in connection with the Franchised Business, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law;
5. Business interruption insurance, as well as any other type of insurance, in the amount that Franchisor designates in the Brand Standards or otherwise in writing;
6. If you are leasing or purchasing a commercial office space, then in connection with the construction, refurbishment, renovation, remodeling or upgrading of the Approved Premises for your Franchised Business, builders' and/or contractor's insurance (as applicable) and performance and completion bonds in forms and amounts acceptable to us.
7. Insurance coverage of such types, nature and scope sufficient to satisfy your indemnification obligations under this Agreement (including, without limitation, insurance coverage to indemnify us from any claims alleging your violation of federal, state or local labor and/or wage and hour laws, rules or regulations).

You must buy insurance only from carriers rated A or better by A.M. Best and Company, Inc. (or similar criteria as we may specify from time to time), unless we designate specific carriers from which you must purchase coverage (in which case you may only purchase from the designated carrier(s)). We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories. You shall make timely delivery of certificates of all required insurance to us, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to us. The procurement and maintenance of such insurance shall not relieve you of any liability to us under any indemnity requirement of this Agreement.

B. The insurance coverage that you acquire and maintain under this Article 10 must:

1. Name us and the other Franchisor Indemnitees identified in Section 9.14 as additional insureds and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for workers' compensation, employer's liability and any other employee-related insurance mandated by any federal, state or local law, rule or regulation).
2. Contain no provision which in any way limits or reduces coverage for you if there is a claim by one or more of the Franchisor Indemnitees.

3. Extend to and provide indemnity for all obligations assumed by you under this Agreement and all other items for which you are required to indemnify us under this Agreement.
4. Contains such endorsements as we may specify from time to time in the Brand Standards.
5. Be primary to and without right of contribution from any other insurance purchased by the Franchisor Indemnitees.
6. Provide, by endorsement, that we are entitled to receive at least 30 days prior written notice of any intent to reduce policy limits, restrict coverage, modify, cancel, not renew or otherwise alter or amend the policy.
7. Contain a waiver of subrogation rights against us, the other Franchisor Indemnitees identified in Section 9.14 and any of our successors and/or assigns.
8. All public liability policies may be required by us to contain a provision that although we are named as an additional insured, we are nevertheless entitled to recover under said policies on any loss occasioned to us or the other Franchisor Indemnitees by reason of your negligence or that of your servants, agents or employees.

C. All liability insurance you are required to maintain will insure against our vicarious or imputed liability for actual and (unless prohibited by applicable law) punitive damages assessed against you, us and/or the other Franchisor Indemnitees.

D. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend any required insurance policy without our specific advance written consent, which may be denied for any or no reason.

E. If there is a claim by any one or more of the Franchisor Indemnitees against you, you must, upon our request, assign to us all rights which you then have or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section 10.01.

F. You agree that we may periodically add to, modify, substitute or delete the types and amounts of insurance coverage which you are required to maintain under this Agreement, and all features and elements thereof, by written notice to you (through a Supplement to our Brand Standards, or otherwise). Upon delivery or attempted delivery of this written notice, you agree to immediately purchase insurance conforming to any such newly established standards and limits.

### **10.02 Certificates of Insurance**

You agree to promptly provide us with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to your commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least thirty (30) days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Brand Standards. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that our insurance (and the insurance of the other Franchisor Indemnitees identified in Section 9.14 above) is applicable only after all limits of your policy(ies) are exhausted.

You agree to renew all insurance policies and documents and to furnish renewal certificates of insurance to us before the expiration date of the expiring policy in question. We may at any time require you to forward to us full copies of all insurance policies.

### **10.03 Purchase of Insurance on Your Behalf**

If you fail to purchase insurance conforming to the standards and limits we prescribe, we may (but we are not required to) obtain on your behalf the insurance necessary to meet these standards, through agents and insurance companies that we choose. If we do this, then you must immediately pay the required premiums or

reimburse us for the premiums we advanced and must also pay us a reasonable fee for the efforts we undertake to obtain such insurance for you. Nothing contained in this Agreement will impose any duty or obligation on us to obtain or maintain any specific forms, kinds or amounts of insurance on your behalf.

#### **10.04 No Undertaking or Representation**

Nothing in this Agreement may be considered our undertaking or representation that the insurance that you are required to obtain or that we may obtain for you will insure you against any or all insurable risks of loss which may arise out of or in connection with the operation of the Franchised Business. We advise you to consult with your insurance agent and other risk advisors regarding any types, amounts or elements of insurance coverage beyond those specified herein which may be prudent to obtain.

#### **10.05 Failure To Purchase Insurance or To Reimburse**

If you fail to purchase or maintain any insurance required by this Agreement or you fail to reimburse us for our purchase of any required insurance on your behalf, your failure will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

### **11. ADVERTISING**

#### **11.01 Administration of the iTrip Brand Fund**

When we determine to form an iTrip Brand Fund, we will notify you. We or our designee will administer the iTrip Brand Fund as follows:

A. As provided in Section 6.03, you agree to pay us an iTrip Brand Fund Contribution which, combined with the contributions made by all other iTrip franchisees will constitute the iTrip Brand Fund (or the "Fund").

B. We will direct all advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the System. You further acknowledge that we and our designees undertake no obligation in administering the Fund to make expenditures for you which are equivalent or proportionate to your contributions, to ensure that any particular franchisee benefits directly or pro rata from the placement of advertising or to ensure that any advertising impacts or penetrates your Designated Territory. The Fund is not a trust and we are not a fiduciary with respect to the Fund.

C. The Fund may be used to meet any and all costs of administering, directing, preparing, placing and paying for national, regional or local advertising (collectively "Advertising"), including (without limitation): television, radio, magazine, newspaper, social media and internet advertising campaigns; other advertising, marketing and public relations materials; point-of-purchase materials; consumer research, interviews and related activities; direct mail advertising, marketing surveys and other public relations activities; the creation, maintenance and periodic modification of the iTrip website; advertising brochures and sponsorships; celebrity endorsements; reviewing any advertising material you propose to use (as provided below); search engine optimization; purchasing promotional items, providing other marketing materials and services to the Designated Territories operating under the System; search engine optimization; establishing a third party facility for customizing local advertising materials; conducting Client and/or rental guest surveys and Client and/or rental guest interviews; accounting for iTrip Brand Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; social media programs; cellular telephone and smartphone media programs; other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof; and, engaging advertising and public relations agencies to assist in any or all of the foregoing activities, including fees to have print, broadcast and/or internet advertising placed by an agency; related retainers; and all other advertising agency fees.

D. We need not maintain the sums paid by franchisees to the iTrip Brand Fund, or income earned from the Fund, in a separate account from our other funds, but we may not use these amounts under any circumstance for any purposes other than those provided for in this Agreement. We may, however,

expend monies from the iTrip Brand Fund for any reasonable administrative costs and overhead that we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees including, without limitation, preparing marketing and advertising materials; working with advertising agencies, advertising placement services and creative talent; preparing an accounting of contributions to the iTrip Brand Fund and the annual statement of Fund contributions and expenditures provided for below; and, otherwise devoting our personnel (including the proportionate salary share of our personnel that devote time and render services for advertising and promotion or the administration of the Fund), resources and/or funds for the benefit of the iTrip Brand Fund. Our right to expend monies from the iTrip Brand Fund to reimburse us for such activities is exclusive of any advertising agency fees which the Fund must expend to secure the services of an advertising agency or to have print, broadcast or internet advertising placed by an agency. We will not use any part of the iTrip Brand Fund to defray any of our general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the iTrip Brand Fund.

E. Within sixty (60) days following the close of our fiscal year, we will prepare (but not audit) a statement detailing iTrip Brand Fund income and expenses for the fiscal year just ended, a copy of which statement will be sent to you upon request.

F. We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. If not all advertising funds are spent in the fiscal year in which they accrue, we will use the remaining amount in the future for the benefit of the franchisees and the System. If franchisees request, we will provide them with an annual accounting of how advertising funds are spent, as stated in paragraph "E" immediately above. In the event our expenditures for the Fund in any one fiscal year shall exceed the total amount contributed to the Fund during such fiscal year and we advance such amount, we shall have the right to: (i) be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund (with interest payable on such advanced sums at the greater rate of 1.5% per month or the maximum commercial contract interest rate permitted by law - - interest accrues the first calendar day following the day on which we advance and expend any such sum) or (ii) use such excess as a credit against our future contributions.

G. We reserve the right to use any media, create any programs and allocate advertising funds to any regions or localities in any manner we consider appropriate in our business judgment. The allocation may include rebates to individual franchisees of some or all of their iTrip Brand Fund contributions for local advertising expenditures if, in our judgment, our national or regional advertising program or campaign cannot effectively advertise or promote in certain regions or communities. If we determine that the total iTrip Brand Fund Contributions collected from all iTrip franchisees is insufficient to sustain a meaningful regional or national advertising campaign, we may rebate all or a portion of the Fund contributions to franchisees on a pro rata basis. Franchisees must expend any rebate on the types of local advertising and media that we determine. All rebate advertising expenditures must be documented to us in a monthly rebate advertising expenditure report form which we will furnish in our Brand Standards or otherwise.

H. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of our Website (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the iTrip brand and the franchise opportunity.

I. Although the iTrip Brand Fund is intended to be perpetual in duration, we maintain the right to terminate the Fund, but will not do so until all of the monies in the Fund have been expended for advertising and promotional purposes.

#### **11.02 Advertising Standards You Must Comply With**

We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the iTrip franchised businesses operating under the System. You must participate in all such advertising and sales promotion programs in accordance with the terms and conditions we establish for each program. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising

agencies, our standards and specifications we establish shall be final and binding upon you. We may also request that you (at your expense) purchase and/or make copies of and subsequently use certain other advertising or promotional materials that we designate for use in connection with the Franchised Business. You must openly and prominently display franchise promotional materials provided or designated by us.

You may only use advertising which we have either furnished or approved in writing in advance. You agree to conduct all advertising which uses the Proprietary Marks or refers in any way to your Franchised Business in a dignified and professional manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement, discrimination or liability of any type or nature accruing to you, us, your Franchised Business, the System, your Franchised Business or other iTrip franchisees or Businesses. You agree to conform all of your advertising to the standards, specifications and requirements specified in writing by us, in our Brand Standards or otherwise.

If we learn that you have breached these requirements, we will notify you in writing and if you do not cure the breach within three (3) days following delivery of our notice, then we may terminate or remove any unauthorized advertising at your expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to you (which we may also do if your breach, by its nature, is incurable).

You agree to submit to us for approval, before use or dissemination, copies of all proposed advertising you intend to use (except for advertising which we furnish to you under this Agreement or advertising you have previously submitted and we have approved), as well as copies of any advertising previously approved by us during the twelve (12) month period immediately preceding their proposed use. Our approval of any of your proposed advertising may be withheld for any or no reason. If we do not provide our specific approval of the proposed materials within fifteen (15) days, then the proposed materials will be deemed disapproved. Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials. Once approved, you may use the proposed materials for a period of ninety (90) days, unless we prescribe a different time period for use or require you to discontinue using the previously-approved materials in writing. Our grant or denial of our approval of your proposed advertising will not give rise to any liability on our part and you will not assert claims against us to the contrary.

You must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from us.

We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to our telephone number and/or website.

### **11.03 Initial Marketing Spend; Local Advertising and Promotion**

A. Initial Marketing Spending. You must spend a designated minimum amount within your Designated Territory to promote and advertise the grand opening of your Franchised Business, which must be expended within (a) the sixty (60) day period following the Effective Date of this Agreement; or (b) other time period we require or approve in writing (the "Initial Marketing Spend"). If your Designated Territory is classified as a Primary Market, then the Initial Marketing Spend will be a minimum of \$1,500. If your Designated Territory is categorized as a Boutique Market, then the Initial Marketing Spend will be a minimum of \$1,000. We will not collect any of these funds unless you and we agree otherwise in writing, but we will have the right to approve and/or designate the type of expenditures that are made as part of your grand opening advertising plan. We may (in our sole judgment) assist you with developing and conducting the grand opening advertising program for your Franchised Business, but we have no obligation to do so. We may require you and you agree to submit proof of your grand opening advertising expenditures to ensure that the amount you spend on your grand opening advertising is at least equal to the Initial Marketing Spend for your Designated Territory.

B. Local Advertising and Promotion. In addition to the Initial Marketing Spend, you agree to expend the following amounts on the local advertisement and promotion of the Franchised Business within your Designated Territory:

1. *Digital Marketing Requirement.* On the fifth of each month (or other date that we designate), you must pay us or the Approved Supplier that we designate, the greater of the following amounts each calendar month that will be utilized on digital marketing campaigns and placement in a manner that we prescribe or approve (collectively, the “Digital Marketing Requirement”). The amount of your monthly Digital Marketing Requirement will be tiered to the growth of the Total Rental Revenue generated for your Designated Territory as follows:
  - (a) The Digital Marketing Requirement will be \$1,185 if your Designated Territory is located in a Primary Market (or \$960 if your Designated Territory is located in a Boutique Market) for so long as your annual Total Rental Revenue for the then-current calendar year does not exceed \$5,000,000. Once your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$5,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,335 for the remainder of the Initial Term (the “Tier 1 Payment”) (whether your Designated Territory is located in a Boutique Market or Primary Market), unless your annual Total Rental Revenue exceeds \$10,000,000.
  - (b) When your annual Total Rental Revenue (as determined at the end of the then-current calendar year) exceeds \$10,000,000, then commencing at the start of the next calendar year, your monthly Digital Marketing Requirement will increase to \$1,670 for the remainder of the Initial Term (the “Tier 2 Payment”) whether your Designated Territory is located in a Boutique Market or Primary Market. This amount is deemed fully earned and non-refundable upon payment.
  - (c) Your monthly Digital Marketing Requirement will not be reduced if your Total Rental Revenue falls below any of the designated revenue thresholds listed above. Your monthly Digital Marketing Requirement will remain at the amount of the Tier 1 Payment or Tier 2 Payment (as applicable) for the remainder of the Initial Term of this Agreement.
2. *Direct Mail Requirement.* You must also expend a total of \$1,000 each calendar month on direct mail advertising to prospective Clients that own properties within your Designated Territory in a manner that, or from a supplier that, we prescribe or approve (the “Direct Mail Requirement”) for the first full eighteen (18) calendar months following the Effective Date of this Agreement. Thereafter, you are permitted to use an Approved Supplier to purchase additional direct mail marketing and other local advertising as you deem appropriate in your reasonable discretion. We may (in our sole business judgment) offer you alternatives to direct mail. The cost of such alternative media would apply towards your \$1,000 Direct Mail Requirement.
3. You agree and acknowledge that: (i) the Digital Marketing Requirement and Direct Mail Requirement (a) will commence in the first full calendar month following the Effective Date of this Agreement, and (b) are just minimums that we have imposed and may not be construed as a representation as to how much you should expend on local advertising and promotion of the Franchised Business; (ii) you may expend additional amounts on local advertising as you deem appropriate, subject to Section 11.02 above; and (iii) the Digital Marketing Requirement and/or Direct Mail Requirement described in this Section 11.03(B) may be increased each year of operations by Franchisor to account for inflation in accordance with the CPI-U.
4. Upon our request, you must provide us with an accurate accounting of all expenditures for local advertising and promotion (including, copies of all invoices or other documentation) of your monthly expenditures to satisfy the Direct Mail Requirement. We may require that the Direct Mail Requirement materials be purchased and/or distributed by an Approved Supplier.
5. You may not advertise and promote the Franchised Business outside of your Designated Territory unless you obtain our prior written approval pursuant to Section 4.04(B).

Nothing in this Section shall prevent or otherwise affect your right to continue servicing and corresponding with any Out of Market Property that we permitted you to service in accordance with the terms of this Agreement.

#### **11.04 Advertising Cooperatives**

We may, from time to time, establish, change, merge or dissolve regional advertising cooperatives for a geographic area which encompasses two or more Businesses (each a “Regional Advertising Cooperative” or “Cooperative”). We will furnish to you written notice of the establishment of any Regional Advertising Cooperative for your Designated Territory. The notice will specify the date you are to begin contributions and the amount of the contributions. All franchisees required to participate in the Cooperative will be required to contribute at the same rate in an amount not to exceed your Direct Mail Requirement each month, i.e., \$1,000 per month. All amounts paid to a Cooperative will be credited towards your Direct Mail Requirement. We will have the right to specify the governing rules, terms and operating procedures of any Cooperative.

Businesses that are owned and operated by us or an Affiliate of ours and are within the geographic area of a Regional Advertising Cooperative will participate in and contribute to the Cooperative on the same basis as required of franchisee members of the Cooperative. All Regional Advertising Cooperatives will be governed by bylaws.

The Regional Advertising Cooperative may expend its funds for any or all of the following purposes: (i) development of advertising ideas and concepts; (ii) development of market research and merchandising programs; (iii) preparation of advertising campaigns; (iv) development of promotional ideas and strategies; (v) preparation of collateral creative materials; (vi) preparation of advertisements; (vii) placing and paying for regional marketing, advertising and social media posts; (viii) planning, negotiating, contracting and trafficking all media programs; (ix) employing advertising agencies to assist in these activities and securing other technical and professional advice in connection with the above; (x) other public relations; and, (xi) administration of the Cooperative, including legal and accounting services to administer the Cooperative. It will not be a requirement that expenditures made by a Regional Advertising Cooperative be proportionate to your contributions or those of any other franchisee. The Cooperative would be required to prepare periodic financial statements which would be available for review by franchisees.

Your failure to make any required payments to any Regional Advertising Cooperative will be a material breach of this Agreement which, unless cured as provided in Section 18.03, may result in this Agreement being terminated.

If we establish a Cooperative, we will have the right to modify, merge and dissolve the Cooperative as we deem appropriate.

#### **11.05 Advertising Council**

We may establish, if and when we deem appropriate in our sole judgment, an Advertising Council. If we establish an Advertising Council, it may serve in only an advisory capacity and may consist of franchisees, personnel from our Affiliate-owned iTrip businesses, or other management/employees that we designate. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by us. The recommendations of the Advertising Council shall not be binding on us. We will have the right to modify or dissolve an Advertising Council (if created) at any time.

#### **11.06 Merchandise Materials; Private Label Products**

A. Merchandise Materials. We may, from time to time and in our sole business judgment, produce and provide to you (or have our third party designated vendor produce and/or provide to you) System Merchandise. We or our third-party vendor will invoice you for these materials and you agree to pay for the materials (including but not limited to the cost of shipping and insurance). Upon reasonable request, we will provide you with documentation of the costs of these materials.

B. Private Label Products. We may directly, or indirectly through our Affiliates or designated vendors, develop and provide you with private label products or other merchandise bearing the Proprietary Marks to

be used by you and/or offered and sold by you as part of the Approved Services that are provided at the Franchised Business. You may be required to purchase these items from us or any other Approved Supplier that we designate.

## 12. RECORDS, AUDITS, REPORTING REQUIREMENTS AND PRIVACY

### 12.01 Financial and Operating Records and Reports

A. Maintenance of Records. You must, in a manner satisfactory to us and in accordance with generally accepted accounting principles, maintain original, full, and complete computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least three (3) years thereafter. Upon our request, you must furnish us with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, you shall compile and provide to us any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that we believe we need to compile or disclose in connection with the sale of franchises or that we may elect to disclose in connection with the sale of franchises. All data provided to us under this Section 12.01 shall belong to us and may be used and published by us in connection with the System (including in our disclosure documents). We may specify, in our Brand Standards or otherwise, the forms and media that you will be required to use in recording your Franchised Business' Total Rental Revenue and expenditures. If you do not maintain the required records, this will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. Computer System for Records; Computer System Files and Passwords. You will record all transactions of the Franchised Business in our Proprietary Software and Web Hosting Program installed on your Computer System. Your Computer System must contain software that allows you to record accumulated sales without turning back, resetting or erasing such sales. We will, at all times and without notice to you, have the right to independently and remotely access and view your Computer System as described in Section 6.07(F) of this Agreement.

C. Required Reports. You must, upon our request, provide us with the following reports and information, all of which must be certified as true and correct by you and in the form and manner prescribed by us:

1. A signed Operational Report, if and as requested by us under Section 6.07(F) of this Agreement;
2. On or before the fifteenth (15th) of each month, a report evidencing:
  - (i) all lodging tax and other applicable payments made to local taxing authorities by you over the preceding calendar month;
  - (ii) all deposits/withdrawals, as well as the ending balance of, any Escrow Account established for use in connection with the Franchised Business for the preceding month; and
  - (iii) all payments made or otherwise distributed to Clients during the preceding calendar month;
3. On or on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month;
4. Within ninety (90) days after the close of each fiscal year, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and
5. No later than thirty (30) days following your filing of the annual tax returns of the Franchised Business, you agree to furnish to us exact copies of the tax returns, including federal, state and any local income tax returns, together with a certificate from an independent certified public

accountant that all Social Security payments, taxes and fees required to be paid by you to any governmental agency or entity have been paid, and that if you are a business entity, there is no reason to believe that your entity's status has been impaired.

6. Any other financial information or performance metrics of the Franchised Business that we may reasonably request.

D. Current Contracts, Listings and Projects. At any time and upon our request, you shall provide us with copies or a summary listing of all current contracts, listings, agreements, and projects related to Clients and/or Client Properties that you are involved in or working with.

#### **12.02 Our Audit of Your Financial and Operational Records**

We, our designated agents (who may be outside accountants and auditors), designees and/or employees shall have the right to examine and audit the Franchised Business' records (including, but not limited to, the following: books of accounts; bank statements; cash or other receipts; checkbooks; bookkeeping and accounting records; payroll records; invoices; sales and income tax returns (federal, state, foreign and, if applicable, city)); accounts (including, Escrow Account); computer files and data, including the Proprietary Software and Web Hosting Program; Rental Guest Data; operating records and reports; rental guest bookings; general business records; your copies of the Brand Standards (as amended); all sources and supporting records used to prepare the reports and forms which you are required to submit to us, including the books or records of any business entity which owns the Franchised Business; and your files relating to programs, services and products sold, business transacted and expenditures relating to the Franchised Business at all reasonable times to ensure that you are complying with the terms of this Agreement. You agree to make any of these materials available for examination at your offices. We may conduct any such audit either at our offices or at the office of a designee of ours and, if we do, you will be required to transmit some or all of the foregoing books and records to us or our designee. In addition to the foregoing, we may require you to scan and electronically transmit to us such volume of the above-referenced records, files and documents as will not unreasonably burden the Franchised Business.

If such audit discloses that you have underreported the Total Rental Revenue of the Franchised Business (or any amount due to us) by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then you must: (i) reimburse us for any costs/expenses incurred in connection with conducting the inspection and audit (including without limitation, travel, lodging, meals, wages, expenses and reasonable legal and accounting fees incurred); and (ii) pay any amount due and owing us as a result of your underreporting, along with any accrued interest on said amounts. If an audit reveals an understatement by you by more than 2% for three (3) times within any 36-month period, or by 5% or more for any week or month within the period of examination or the entire period of examination, then in addition to paying the additional amounts due and the interest calculated as provided in Section 6.07(C) you must also pay us the full cost of the audit for the entire period of examination. Your understatement will be a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

### **13. CONFIDENTIAL INFORMATION AND COVENANTS NOT TO COMPETE**

#### **13.01 Restriction on Use of Confidential Information**

You agree to use and permit the use of our Confidential Information (as defined below) solely in connection with the operation of your Franchised Business. You further agree that you will never – during the Initial Term or any Successor Term of this Agreement, or any time after this or any Successor Agreement expires or terminates, or your rights under this Agreement or any Successor Agreement are assigned or terminated – divulge or use any of our Confidential Information for the benefit of yourself, your owners (if you are a business entity) any third party (including any person, business entity or enterprise of any type or nature), nor will you directly or indirectly aid any such third party to imitate, duplicate or “reverse engineer” any of our Confidential Information.

“Confidential Information” includes (without limitation) all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by us or any of our Affiliates which concerns your or our systems of operation, programs, services, products, rental guests, practices, materials, books,

records, computer files, databases or software (including any and all information and materials covered by copyright or other intellectual property rights associated with our Proprietary Software and Web Hosting Program); all elements of the System; all programs, products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; our Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by us or by you in the offer and sale of programs, products and/or services at or from your Franchised Business; all pricing paradigms established by us or you; all of our and/or your sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); our specifications, and your final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of your Approved Commercial Office ; the identity of, and all information relating to, the Computer System hardware and software utilized by us and you; all information pertaining to our and/your advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; any rental guest data, including the names, contact information, rental preferences and any other information concerning users of the Approved Services, except for credit card numbers, bank information or other financial data related to the transaction of funds between you and Clients (collectively, the “Rental Guest Data”); Client Information (as defined in Section 9.03); our (and, if in the future we permit, your) internet/web protocols, procedures and content (including electronic data, data files, user names and passwords); our training and other instructional programs and materials; all elements of our recommended staffing, staff training and staff certification policies and procedures; all communications between us; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which we employ now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either we or our Affiliates, now or in the future, designate as confidential.

Confidential Information will not, however, include information which you can demonstrate came to your attention before we or our Affiliates disclosed it to you (unless illegally or improperly procured by you or a third party before such disclosure) or which, at or after the time of disclosure, has become a part of the public domain through publication or communication by others, but not through any act of yours.

Except as authorized in this Agreement, you agree never to copy, duplicate, record or otherwise reproduce any of the Confidential Information (which includes the Client Information and Rental Guest Data), in whole or in part; otherwise share it with any other third-party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information (which includes the Client Information and Rental Guest Data) as we request (including rental guest lists and records; all training materials and other instructional content; financial and non-financial books and records; the Brand Standards; and, computer databases, software and Brand Standards) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. You acknowledge and agree that the Confidential Information and any business goodwill of the franchise are our sole and exclusive property and that. It is specifically understood that all Rental Guest Data adduced by your Franchised Business is our property, not yours, and you shall never contend otherwise.

You must only divulge such Confidential Information to your operational personnel as is necessary for each to perform his/her functions and then only on a “need to know” basis. You agree to adopt, implement and take all necessary precautions to that we prescribe from time to time to ensure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement. Your agreement to procure execution of our Confidentiality Agreement (or, where applicable, our Confidentiality/Non-Competition Agreement) from certain of your owners, management and staff is set forth below in Section 13.05.

### **13.02 Covenant Not to Compete**

You agree that (i) at any geographic location whatsoever during the Initial Term and any Successor Term of this Agreement, and (ii) at the Approved Premises or Approved Commercial Office (as applicable), within

your Designated Territory, within fifty (50) miles of the perimeter of your Designated Territory or within fifty (50) miles of the perimeter, or within, the Designated Territory or market area (as applicable) of any other now or hereafter established (or imminently to be established) franchised or company-owned Business in operation or under development (regardless of how established or operated), for a period of two (2) years immediately following the termination, expiration or assignment (as defined in Section 15.02 below) of this Agreement or any Successor Agreement for any reason (the "Restriction Period"), you will not directly or indirectly engage in, aid, assist, serve or participate in any other business that (a "Competitive Business") provides rental property management services similar to those provided by an iTrip franchised business or offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Businesses; which engages in any of the activities which this Agreement contemplates that you will engage in; or, which offers or sells any other program, product, service or component which now or in the future is part of the System, or any confusingly similar program, product or service. The Restriction Period shall be tolled during (and shall be deemed automatically extended by) any period in which you are in violation of the provisions of this Section 13.02.

You are prohibited from directly or indirectly engaging in any Competitive Business as a proprietor, partner, investor, shareholder, member, director, manager, officer, employee, principal, agent, advisor, consultant, lessor, sublessor or any similar capacity. In addition, you agree not to divert any business that should be handled by the Franchised Business to any other person or entity. It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for Competitive Businesses, service as an independent contractor for Competitive Businesses, or any assistance or transmission of information of any kind which would be of any assistance to a Competitive Business. Nothing in this Agreement will prevent you from owning for investment purposes only up to an aggregate of 5% of the capital stock of any Competitive Business you do not control, so long as the Competitive Business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange.

Further, during the Initial or any Successor Term of this Agreement, and for two (2) years following the termination or expiration of same for any reason, you agree not to: (i) solicit for employment or hire our management personnel, the management personnel of any of our Affiliates or the management personnel of any other Franchised Business without first obtaining any written permission from us and the employer(s) of the personnel in question, or (ii) sell, assign, lease, sublease or otherwise grant possession of your Approved Commercial Office to any individual or entity which intends to utilize same to conduct a Competitive Business thereat, and it shall be your affirmative duty in connection with any such sale, assignment or other disposition of your Approved Commercial Office to secure a written memorialization from the purchaser, assignee, lessee, sublessee or permittee that it has no intent to conduct a Competitive Business, as herein defined, following the subject transaction.

It is the intention of these provisions that any person or entity within a legal or beneficial interest in or traceable to, down or through you be bound by the provisions of this covenant, including (without limitation) your spouse, brother, brother-in-law, sister, sister-in-law, parents, parents-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary of yours; and, any other related person or entity, regardless of how many levels or tiers there may be between you and the person or entity.

If you are a business entity, you agree to cause your (as applicable) owners, members, shareholders, directors, officers, partners, general partner, proprietor and or any other beneficial owner to refrain from any of the competitive activities described above in any manner which we reasonably request. In all instances, you shall also cause your Designated Manager and all other key management employees of your Business to refrain of any of the competitive activities described above in any manner which we reasonably request. Your agreement to procure the execution of our Confidentiality/Non-Competition Agreement from certain such individuals is set forth below.

### **13.03 Lesser Included Covenants Enforceable At Law**

If all or any portion of the covenants not to compete set forth in this Article 13 are held unreasonable, void, vague or illegal by any court or agency with competent jurisdiction over the parties and subject matter, the court or agency is hereby empowered to revise and/or construe the covenants to fall within permissible legal limits, and should not by necessity invalidate the entire covenants. You expressly agree to be bound by any

lesser covenants subsumed within the terms of this Article 13 as if the resulting covenants were separately stated in and made a part of this Agreement.

#### **13.04 Enforcement of Covenants Not To Compete**

The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on you, since you have other considerable skills, experience and education which afford you the opportunity to derive income from other endeavors. You agree that such covenants not to compete: (a) are reasonable, including, but not limited to, their term, geographical areas, and scope of activity to be restrained; (b) are designed to preclude competition which would be unfair to us; and (c) do not impose a greater restraint than is necessary to protect our legitimate business interests. You acknowledge that any violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement without any necessity of our posting a bond or other security. You expressly agree that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through your unlawful use of our Confidential Information, know-how, methods and procedures. Further, you expressly agree that any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants not to compete in this Agreement. You agree to pay all costs and expenses, including reasonable attorneys' and experts' fees that we incur in connection with the enforcement of the covenants not to compete set forth in this Agreement.

#### **13.05 Procurement of Additional Covenants**

You agree to require and obtain the execution of our Confidentiality/Non-Competition Agreement substantially in the form of Exhibit F-1 from all of the following persons:

1. Before employment or any promotion, your Designated Manager and all other managerial personnel and
2. If you are a business entity, and as applicable, all of your owners, equity holders, control persons, shareholders, members, partners and general partner(s); all of your officers, directors and managers; and, all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls you. You shall procure all such Confidentiality/Non-Competition Agreements no later than ten days following the Effective Date (or, if any individual or entity attains any status identified above after the Effective Date, within ten days following such individual or entity's attaining such status) and shall furnish to us copies of all executed Confidentiality/Non-Competition Agreements within ten days following their execution.

You agree to require and obtain the execution of our Confidentiality Agreement substantially in the form of Exhibit F-2 from all of your non-managerial personnel before employment (or, in the case of any independent contractors, before engagement) or any promotion.

#### **13.06 Your and Our Enforcement of Confidentiality/Non-Competition Agreements**

You agree to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality/Non-Competition Agreement executed by any of the individuals referenced in Section 13.05, and you acknowledge our right, to be exercised as we alone determine, to ourselves and enforce the terms of any such executed Confidentiality/Non-Competition Agreement. If the substantive provisions of our Confidentiality/Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving your Franchised Business who has not executed a Confidentiality/Non-Competition Agreement, you must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

### **14. CONDITIONS TO AND PROCEDURES GOVERNING SUCCESSOR TERM**

#### **14.01 Conditions to Successor Franchise Agreement**

Your right to enter into a Successor Franchise Agreement will be conditioned on the following:

- A. You must notify us in writing no more than twelve (12) months and no less than six (6) months before the expiration of the Initial Term of this Agreement of your intent to enter into a Successor Franchise Agreement;
- B. We are still offering franchises in the area in which your Designated Territory is located.
- C. Throughout the Initial Term and at the time of entering into a Successor Term you (and your affiliates) must have performed all of your obligations and been, according to our business judgment, in compliance with the terms of this Agreement, the Brand Standards and other agreements between you (or your affiliates) and us or our Affiliates;
- D. At the time of entering into a Successor Term you (and your affiliates) must be current on the payment of all monetary obligations to us, our Affiliates, the lessor or sublessor of your Approved Commercial Office (if you are leasing a commercial office space pursuant to Section 7.04) and any material third party supplier of yours;
- E. Before the commencement of the applicable Successor Term, you must, at your cost and expense, refurbish, redesign and/or remodel your Approved Premises or Approved Commercial Office (as applicable) as we reasonably require to meet our then current standards, requirements and specifications (including, without limitation, refurbishing, repairing or replacing all equipment, Computer System, signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Franchised Business and otherwise upgrading the Approved Premises or Approved Commercial Office (as applicable) as we reasonably require to reflect our then-current standards and specifications and the image of the System);
- F. At our option, you and/or your Designated Manager (as applicable) must attend and successfully complete a prescribed Additional Training course at least thirty (30) days before the expiration of the then-current term of this Agreement. You must pay us the Additional Training Fee for attending such Additional Training. You are also responsible for all expenses we (and your attendees) incur in connection with providing (and attending) such Additional Training;
- G. You must pay us a Successor Term Fee of \$5,000 prior to entering into the Successor Franchise Agreement for the then-current Successor Term;
- H. If you are leasing your Approved Commercial Office, you must present evidence satisfactory to us that you will be able to renew the lease for your Approved Commercial Office on terms acceptable both to you and us, or lease a substitute location acceptable to and approved by us, without any interruption of business in compliance with the terms of Section 7.04;
- I. You must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operation and training programs recommended or provided by us to our satisfaction; and,
- J. You (and if you are a business entity, your owners) must have signed our then-current form of General Release. This General Release will not release us from any future claims related to any Successor Franchise Agreement but will release us, our Affiliates, and our respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities from any and all claims you may have related to this Agreement or under federal, state or local laws, rules, regulations or orders.

If you have satisfied these conditions, then we will provide you with a Successor Franchise Agreement in the manner specified in the following section. If we decide in our sole judgment that you are not eligible to enter into a Success Franchise Agreement, due to your failure to satisfy any of the conditions set forth in this Section 14.01, then we will notify you of same and will provide you with an opportunity to sell your Franchised Business to a qualified assignee (subject to Section 15.04 below) prior to the expiration of this Agreement.

#### **14.02 Successor Franchise Procedures**

You must exercise your conditional right to a Successor Franchise Agreement as stated in this Agreement in the following manner:

- A. You must notify us in writing of your desire to enter into a Successor Franchise Agreement in accordance with Section 14.01(A) above.
- B. Within thirty (30) days after our receipt of your notice, we will deliver to you a copy of our then-current franchise disclosure document (if we are then legally required to do so) and a copy of our then-current franchise agreement (the “Successor Franchise Agreement”) in a form ready to be executed by you (together, the “Successor Franchise Package”). You must acknowledge receipt of the Successor Franchise Package in any fashion that we reasonably specify.
- C. No sooner than fifteen (15) days, but no later than twenty-five (25) days, after you receive our Successor Franchise Package, you must execute the Successor Franchise Agreement and return it to us.
- D. If you have exercised your conditional right to a Successor Franchise Agreement as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term you satisfy all of the conditions to qualify for a Successor Term identified in Section 14.01 of this Agreement, then we will execute the Successor Franchise Agreement previously executed by you and will deliver one fully executed copy of your Successor Franchise Agreement to you.
- E. If you do not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered your conclusive election not to exercise your right to enter into a Successor Franchise Agreement and such right will then automatically lapse and expire without further notice or action by us. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature are intended to survive.
- F. **Time is of the essence with regard to this Section 14.02.**

#### **14.03 Notice of Expiration**

If applicable law requires us to give you notice of expiration of this Agreement at a specified time prior to such expiration, and we have not done so, then the term of this Agreement will be extended to the date following which our notice has been given and the legally required notice period has expired.

### **15. TRANSFER AND ASSIGNMENT**

#### **15.01 Assignment By Us**

We have the right to assign all of our rights and privileges under this Agreement to any person or business entity. If we assign this Agreement, you expressly agree that immediately upon and following such assignment, we will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon “Franchisor” hereunder. Moreover, to the extent that we have arranged for one or more of our Affiliates to perform certain activities on our behalf and at our direction, as contemplated by this Agreement, our Affiliates will similarly have no obligation, contingent or otherwise, to continue to perform such activities following any such assignment of this Agreement by us. Instead, all such duties and obligations will be performed solely by our assignee.

You agree and affirm that we may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring.

You also agree that we may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business’ facilities, and that following such activity we (or our designee) may operate, franchise or license those other businesses and/or facilities under any names or marks, including the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be immediately proximate to your

Designated Territory; *provided, however*, that we will not license any such acquired direct competitive business situated within your Designated Territory to utilize the Proprietary Marks so long as this Agreement is in effect.

We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Section 15.01.

#### **15.02 Transfer (Assignment) By You – General**

You understand and acknowledge that we have entered into this Agreement in reliance on and in consideration of your singular personal skills and qualifications (or, if you are a business entity, the personal skill and qualifications of your owners and managers), and the trust and confidence that we repose in you (or your owners and managers, if you are a business entity), and that this Agreement and the franchise conveyed hereunder is therefore personal to you and is your personal obligation. Accordingly, except as provided below, neither all nor any part of your interest in this Agreement; the franchise conveyed hereby; your rights, privileges or obligations under this Agreement; the Franchised Business; your Approved Commercial Office; the ownership of your Franchised Business; your Lease or Sublease (as applicable); or, your rights to use the System, Proprietary Marks, Confidential Information and/or Brand Standards may in whole or in part be assigned, sold, transferred, pledged, encumbered, shared, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any fashion without first obtaining our written consent in accordance with this Article 15 (which consent shall not be unreasonably withheld) and without first complying with our right of first refusal pursuant to Section 15.06 below.

Any actual or attempted assignment, transfer or sale of this Agreement, the franchise conveyed hereunder, the Franchised Business, any ownership interest in you (if you are a business entity), any of the other interests, rights or privileges identified in the preceding paragraph, or any interest in any of these, in violation of the terms of this Article 15, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately..

If you are a business entity, then for the purposes of this Agreement, “assignment” includes (without limitation) the transfer, issuance or redemption in the aggregate of more than 25% of the voting power or (as applicable) the capital stock, partnership interest, membership interest or any other species of ownership interest in you (or any lesser percentage sufficient to control your business entity or the Franchised Business, as the term “control” is most broadly defined by any United States or state securities and/or corporate and/or partnership law) to any person or entity who is not (i) already a (as applicable) shareholder, member, partner or other category of owner of your Franchised Business; (ii) the spouse of such individual; (iii) a trust controlled by such individual; or, (iv) a business entity owned, controlled and composed solely of such individuals in the same proportionate ownership interest as each such individual had in you before the assignment, as provided below. You agree to immediately report to us all such transfers or assignments of ownership in your business entity, even if less than 25%, in accordance with the procedure set forth in our Brand Standards or otherwise.

#### **15.03 Transfer (Assignment) By You – To A Business Entity You Form**

If you are an individual and would like to transfer your interest in this Agreement to a business entity you form solely for the convenience of business entity ownership, you must obtain our prior written consent. We will not unreasonably withhold consent if all of the following conditions are met:

- A. The business entity must be newly organized and duly formed, and its activities must be confined exclusively to serving as “Franchisee” under this Agreement (unless we otherwise consent in writing).
- B. You must be the sole owner of all ownership interests in the business entity and its principal officer or manager (as applicable) (or the sole owner of 75% or more of all ownership interests in the business entity, with the remaining owners being your spouse and/or adult children).

- C. If more than two individuals serve as “Franchisee” hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the Franchised Business before the transfer.
- D. You and the business entity must execute an agreement with us under which you and the business entity agree to be jointly and severally liable for all duties, responsibilities and obligations to us under this Agreement and expressly agree to be bound by all of the terms, conditions and covenants of this Agreement. Each then-current and future owner of any interest in the business entity must agree in writing to personally guarantee the performance by the business entity of your obligations under this Agreement, and to be individually bound by all of the terms and conditions of this Agreement and any other agreements between you and us, substantially in the form of Exhibit C to this Agreement.
- E. Each present and future owner of any interest in the business entity must execute our Confidentiality and Non-Competition Agreement substantially in the form of Exhibit F-1 to this Agreement.
- F. The name of the business entity formed by you may not include the Proprietary Mark “iTRIP”, any variant thereof or any word confusingly similar thereto.
- G. Your business entity must comply in all respects with the requirements and prohibitions set forth in Section 9.21 of this Agreement (“Business Entity Franchisees”).

Any transfer pursuant to this Section 15.03 will not be subject to our right of first refusal below and will not require you to pay to us a Transfer Fee.

#### **15.04 Transfer (Assignment) By You – Sale To Third Party**

If we do not elect to exercise our right of first refusal (as provided in Section 15.06 below), then we will not unreasonably withhold consent to your sale, transfer or assignment of any interest in you (if you are a business entity), the franchise conveyed by this Agreement, your Business, your Approved Commercial Office, your Lease or Sublease (as applicable) and your right to use the System, or any interest in any of these, to a third party. You agree that it will not be unreasonable for us to impose, among other requirements, the following conditions to granting consent to your proposed sale, assignment or transfer of any of the foregoing:

- A. That the proposed assignee (meaning all individuals and entities which, after the proposed sale, transfer or assignment, will be franchisees under this Agreement or under any successor agreement) applies to us for acceptance as a franchisee and demonstrates to our satisfaction that the proposed assignee (and, if it is a business entity, each and every owner and guarantor of the proposed assignee) possesses the skills, qualifications, financial condition, background and history, reputation, economic resources, education, managerial and business experience, moral character, credit rating and ability to assume your duties and obligations under this Agreement and any successor and related agreement. You must pay the costs of any such investigation conducted by us.
- B. That, upon our request, the proposed assignee (or, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) presents itself for a personal interview at our corporate office, or any other location we designate, at the date and time we reasonably request, without expense to us. We may determine to meet with the proposed assignee at his, her or its principal place of business or residence and, if we do so, you will reimburse us for all travel, lodging, meals and personal expenses related to such meeting.
- C. That the proposed assignee has the organizational, managerial and financial structure, financial resources and capital required to conduct the Franchised Business in accordance with such standards and the satisfaction of such conditions as we indicate from time to time, taking into account such factors (among others) as the number of Businesses and market areas involved and their geographic proximity.

- D. That the proposed assignee complies with our ownership requirements relative to the control of the proposed assignee and the Franchised Business.
- E. That the proposed assignee (and, if the proposed assignee is a business entity, each and every owner or guarantor of the proposed assignee) complies with our restrictions relative to involvement in any business which competes with the Franchised Business.
- F. That the proposed assignee; his, her or its proposed Designated Managers; and, such other post-transaction employees of the Franchised Business attend and successfully complete our Initial Training Program before the assignment, and any other training that we reasonably require, at the assignee's expense (which will include our then-current training fee and the cost of the trainees' transportation, lodging, food and other living expenses). Each individual undergoing such training must first execute the Confidentiality and Non-Competition Agreement or Confidentiality Agreement (as applicable) substantially in the form of Exhibit F-1 and Exhibit F-2, respectively. We may waive these requirements if the proposed assignee is one of our existing franchisees in good standing.
- G. That, if required, the lessor or sublessor of your Approved Commercial Office consents in writing to the assignment to the proposed assignee.
- H. That, as of the date of the assignment, you have cured any existing defaults under any provisions of this Agreement or any other agreement or arrangement with us or our Affiliates, and have fully satisfied in all respects all of your accrued and/or then-current monetary and other obligations to us and our Affiliates (under this Agreement or otherwise), all sources of financing of your Franchised Business and all material sources of supply of your Franchised Business.
- I. That the assignee executes a new Franchise Agreement with us, and all other agreements required of new franchisees, in the form and on the terms and conditions we then offer to new franchisees, which terms and conditions may vary significantly from this Agreement. The assignee will not be obligated to pay another Initial Franchise Fee under the new Agreement but will be required to pay our then-current fees for furnishing our Initial Training Program and any other services we are required to furnish under the new Agreement. The execution of the new Franchise Agreement will terminate this Agreement, except for your guarantees; any of your obligations to us or our Affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, are intended to survive.
- J. That the assignee has acquired, or will be able to immediately acquire following the execution of the new Franchise Agreement, all permits, licenses and other authorizations required by any federal, state or local, rule or regulation to operate the Franchised Business. If applicable law enables you to transfer or assign any of the aforementioned permits, licenses and/or authorizations which you possess to the assignee, then you agree to do so immediately following our execution of the assignee's new Franchise Agreement.
- K. Notwithstanding the foregoing, you understand and agree that you will remain fully liable and responsible for all of your obligations to us and our Affiliates under this Agreement which arose in connection with the operation of your Franchised Business prior to the effective date of the assignee's new Franchise Agreement (specifically including your obligation to indemnify us and the other Franchisor Indemnitees identified in Section 9.14) and you agree to execute any and all documents we reasonably request to further evidence such liability.
- L. That if the proposed assignee is a business entity, we have the absolute right to require any owners or other parties having an interest in the proposed assignee or the Approved Premises to execute the Guarantee substantially in the form of Exhibit C.
- M. That the Total Sales Price of your sale, assignment or transfer is not so excessive (in our business judgment) that it jeopardizes the continued economic viability and future operations of the Franchised Business and/or the assignee. "Total Sales Price" means all consideration of every

kind paid or payable to you or any other person or entity in connection with, arising out of or relating to the assignment or transfer of the franchise, the Franchise Agreement or the Franchised Business, whether money, property or other thing or service of value including consideration received for all or a part of your Business; your rights under this Agreement; contracts; goodwill; restrictive covenants; consulting arrangements; your furniture, fixtures, equipment and trade dress elements; accounts receivable; or, any other fees or arrangements or other form of consideration, whether the consideration is received in the present or promised to be given to you or any other person in the future (including the highest possible value of any contingent future consideration).

- N. That if you or your owners finance any part of the purchase price, you and/or your owners agree in writing that all of the transferee's obligations under promissory notes, loan agreements, or security interests reserved in the Franchised Business are subordinate to the assignee's obligation to pay Royalty Fees, iTrip Brand Fund Contributions, and all other amounts due to us, our Affiliates, and third party vendors and otherwise to comply with this Agreement.
- O. That you and, if you are a business entity, each of your owners and guarantors, and the assignee (and if the assignee is a business entity, each of each owners and guarantors) execute our then-current form of general release of any and all claims, demands and causes of action which you, such owners or the assignee and its owners may or might have against us and/or any of the Franchisor Indemnites through the date of execution of the assignee's new Franchise Agreement.
- P. That if the assignee is a business entity, all of the requirements of its new Franchise Agreement concerning business entities must be complied with before we will execute the new Franchise Agreement and, as applicable, will continue to be complied with thereafter.
- Q. That you furnish us with a copy of any proposed contract of assignment (and any related agreements) for our review and, promptly following execution, furnish to us a copy of the executed contract of assignment (and any related agreements).
- R. That upon our request, either you and/or the proposed assignee, at your/its own expense, renovate, remodel and upgrade your Approved Commercial Office to conform to our then-current standards and specifications and complete such modifications, at our election, either prior to the contemplated assignment or such later time reasonably specified by us.
- S. That you pay us a Transfer Fee of Ten Thousand Dollars (\$10,000), as well as any third-party broker fees (including, without limitation, any referral fee payable to a broker that you used for referral purposes and/or any consultation, whether this broker was found by the you or referred to you by us).
- T. That neither the proposed assignee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with, a Competitive Business (as denominated in Section 13.02 above) of us or any of our Affiliates.
- U. That you pay any broker referral fee resulting from the introduction of the proposed assignee; provided that, (i) you and the proposed assignee consummate the sale, transfer or assignment and (ii) the proposed assignee executes our then-current form of franchise agreement.

You expressly agree that your obligations to indemnify and hold harmless us and the other Franchisor Indemnites under Section 9.14 of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that you may give to or receive from any proposed assignee and/or any claim that you (and, if you are a business entity, your owners, Designated Manager, management or employees) or your assignee engaged in fraud, deceit, violation of franchise laws or other illegality in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

You further understand and agree that our approval of any assignment transaction will not constitute our waiver of any claims against you by us or our Affiliates, under this Agreement or otherwise.

You further understand and agree that our consent to an assignment of this Agreement and the Franchised Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the assignee, a guarantee of the Franchised Business' or assignee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the assignee's full compliance with this Agreement.

The provisions of Section 15.02 through Section 15.04 inclusively pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of your Franchised Business to any third party. Any such agreement must first be approved by us in writing. We will not unreasonably withhold our approval, but our approval may be denied if such agreement is on terms materially different from those which would result from arms-length negotiations or if we determine that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the Franchised Business must meet such standards and conditions as we have put in place at the time you request our consent.

#### **15.05 Assignment By You – Transfer Upon Death or Disability**

If you are a business entity, then upon the death or disability of one or more of your owners (but not the last surviving owner of your business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely sell, assign or transfer the deceased's or disabled's interest in this Agreement and/or its interest in the Franchised Business to any of the following: (i) the spouse of such individual; (ii) any individual or entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of your Franchised Business; or, (iii) the Franchised Business itself. Any other sale, transfer or assignment of the deceased's or disabled's interest in you or your Franchised Business shall be subject to all of the provisions of Section 15.04 of this Agreement ("Assignment By You – Sale To A Third Party"). You agree to immediately report to us all such transfers or assignments of ownership in your business entity in accordance with the procedure set forth in our Brand Standards or otherwise.

Upon your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), that person's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate shall have a reasonable period of time (not to exceed six months) following the death or disability to sell (as applicable) you or the Franchised Business in accordance with the provisions of Section 15.04 and subject to our right of first refusal under Section 15.06. Until such sale, transfer or assignment is consummated, the Estate may continue the operation of your Franchised Business but only if, at all times, one or more approved Designated Manager, as necessary, of your Franchised Business is at all times supervising the operation of your Business and, further, only if all other terms and provisions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

If at any time following your death or disability (if you are an individual), or the death or disability of your last surviving owner (if you are a business entity), the Estate fails to have one or more approved Designated Manager, as necessary, supervising the operation of your Franchised Business on a full time basis, then until the Estate retains one or more approved Designated Manager, as necessary, we may assume (or appoint a third party to assume) full control of and operate your Franchised Business, but will have no obligation to do so. If we do so, then during this period, we will deduct our (or the third party's) expenses for travel, lodging, meals and all other expenses and fees from your Franchised Business's Total Rental Revenues and also pay ourselves (or the third party) a Management Fee equal to the amount set forth in Section 18.10, plus reimburse us for all reasonable costs and overhead that we incur in connection with our (or our designee's) operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. This management fee will be in

addition to the Continuing Royalties due us under this Agreement. We will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay us any deficiency in sums due to us under this Agreement within ten days of our notifying the Estate and such Guarantor of the deficiency. We will not be obligated to operate your Business. If we do so (or appoint a third party to do so), neither we nor the third party will be responsible for any operational losses of the Business, nor will we or the third party be obligated to continue operating the Business. We (or such third party) shall have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Franchised Business incurs, or to any of your creditors for any products, other assets, or services the Franchised Business purchases, while we (or a third party) manage it.

“Disability” means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth in this Agreement for at least ninety consecutive days. Disability will be determined either after this ninety-day period or, if we elect, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by us. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

We will not collect a Transfer Fee if there is an assignment under this Section 15.05 to an immediate family member that we approve pursuant to Section 15.04.

#### **15.06 Right of First Refusal**

Your rights to assign, transfer, redeem or sell any interest in this Agreement or the Franchised Business, voluntarily or by operation of law (as provided above), will be subject to our right of first refusal (except in those instances specified above where no such right will pertain), which right of first refusal we may freely assign to any individual or entity. We will exercise our right of first refusal in the following manner.

- A. You must deliver to us a true and complete copy of the proposed assignee’s offer (the “notice”) including all its terms and furnish to us any additional information concerning the proposed transaction and the proposed assignee that we reasonably request. Your submission of such information must be accompanied by the seller’s representation and warranty that all of the information submitted to us is true, accurate, complete and correct in all respects and, if the seller is a business entity, you must also furnish us with an appropriate resolution of the business entity’s governing body authorizing the proposed sale.
- B. We shall have sixty (60) days following our receipt of the notice (or, if we request additional information, sixty (60) days following our receipt of the additional information) to conduct due diligence into the transaction. Our due diligence will be of the type, nature and scope customary for transactions similar to the proposed transaction at issue and, in connection with our due diligence, you agree to make available to us immediately upon demand all information, data, books, or written or electronic records which we may reasonably request and, as well, shall make available to us for inquiry each owner and Guarantor of your Franchised Business, the Designated Manager of your Business and any other personnel we specify. As well, all of the requirements of your proposed assignee specified above in Section 15.04 of this Agreement must be complied with.
- C. Within sixty (60) days after our receipt of your notice (or, if we request additional information, within sixty (60) days after receipt of the additional information), we may either consent or withhold our consent to the assignment or redemption, in accordance with this Article, or at our option accept the assignment to ourselves or to our designee, on the terms and conditions specified in your notice. If we or our designee accept the assignment, we will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and your contingent and other liabilities affecting the assets. Any dispute regarding the value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to you or any third party in connection with the proposed assignment shall be determined by a reputable independent appraiser we select, and you and we equally share the

expense of, whose determination will be final and binding on us. You expressly understand and agree that nothing in the offer which is the subject of your notice to us may contain any provision or condition the effect of which would be to increase the cost to us, or otherwise change the economic or other terms imposed on us, as a result of our substitution for the offeror, or as a consequence of compliance with the procedures set forth herein regarding our right of first refusal.

- D. If you are a business entity and a partial transfer is proposed through the assignment or redemption of more than 25% of your entity's ownership interests other than to any of your entity's co-owners, then we or our designee will have the option to purchase not only the interests being transferred but also all remaining interests, so that our resulting ownership will be 100% of your business entity. The price of these remaining interests will be proportionate to the price of the interests initially being offered.
- E. Our credit will be considered at least equal to the credit of any proposed purchaser. We may substitute cash for the fair market value of any other form of payment proposed in the offer.
- F. If we give notice of our exercise of our right of first refusal, closing on our purchase must occur within the later of: (i) sixty (60) days following your receipt of our notice to you; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.
- G. If we give notice of our exercise of our right of first refusal, you agree to take all action necessary to assign your Lease with the lessor of your Approved Commercial Office to us.
- H. If we elect not to exercise our right of first refusal and we consent to the proposed assignment or redemption, then you will, subject to the provisions of this Article, be free to assign this Agreement or the Franchised Business to your proposed assignee on the terms and conditions specified in the notice if you satisfy the conditions of Section 15.04 for our approval of an assignment and if you close the transaction within sixty (60) days (or such further time as may be stipulated by law, rule or regulation). If, however, the terms specified in your notice are changed, the changed terms will be considered a new offer, and we will have an identical right of first refusal with respect to this new offer. Further, if you fail to close the assignment transaction within sixty days (or such further period of time as may be stipulated by applicable law, rule or regulation), then our right of first refusal hereunder shall be restored and we may elect to exercise same within thirty days thereafter.
- I. Our election not to exercise our right of first refusal with respect to any offer will not affect our right of first refusal with respect to any later or modified offer. If we do not exercise our right of first refusal, this will not constitute approval of the proposed transferee, assignee, redemption or the transaction itself. You and any proposed assignee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the Franchised Business specified in this Article 15.

If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 13.02 above. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section.

#### **15.07 Security Interest**

You may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in the Franchised Business, your Approved Commercial Office, any ownership interests in you (if you are a business entity), any ownership interests in any business entity which directly or indirectly controls you, your Lease or Sublease (as applicable) or any of the tangible assets material to the operation of your Franchised Business (including, without limitation, the Approved Commercial Office of your Franchised Business), without our prior written consent (which will not be unreasonably withheld, delayed or denied except if you wish to pledge this Agreement). You acknowledge, understand and agree that you may never pledge this Agreement under any circumstance. We may require your compliance with any policy statement which we

adopt and announce regarding such security interests. We reserve the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 15.07, which approval shall be in writing.

#### **15.08 Your Offer and Sale of Securities**

If you are a business entity and intend to offer and sell securities of any type or nature or other ownership interests in you, the Franchised Business, any owner and/or any Guarantor, then you must give us written notice at least sixty days prior to the date of commencement of any such offering. Any such offering shall be subject to our right of first refusal, as set forth above in Section 15.06, and shall comply with any written policies adopted and announced by us from time to time.

You must submit to us for our review and consent, at least thirty days prior to your filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If your offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials you will use in any such exempt offering shall be submitted to us for our review and consent at least thirty days prior to their use. Our review of your offering materials and information included therein will be conducted solely for our benefit and not for the benefit or protection of any other person. All of your offering materials and documents must include legends and statements as we may specify, including legends and statements which disclaim our liability for, or involvement in, your offer and sale of securities or other ownership interests, and must advise all offerees that our review of your offering materials must not be deemed in any fashion our approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Your offer and sale of securities and other ownership interests is specifically embraced by your indemnification of us and the other Franchisor Indemnitees identified in Section 9.14 of this Agreement. Any other participant in your offer of securities or other ownership interests must agree to fully indemnify us in a parallel fashion in that form which we prescribe.

You must pay us a non-refundable fee of Ten Thousand Dollars (\$10,000) or such greater amount as may be necessary to reimburse us for our reasonable costs and expenses in reviewing your proposed offering, including, without limitation, legal and accounting fees.

#### **15.09 Bankruptcy**

If you, your Franchised Business or any owner of you and/or your Franchised Business is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 18.01 below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a *bona fide* offer to accept an assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then you must notify us of any such proposed assignment or assumption within five days after your receipt of such proposed assignee's offer to accept assignment or to assume your rights and obligations under this Agreement. Such notice must be given to us, in any event, no later than ten days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed assignee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to us to assure the proposed assignee's future performance (as defined below) under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 15.04 of this Agreement.

We will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an assignment of this Agreement to ourselves, our Affiliate or another franchisee, upon the same terms and conditions, and for the same consideration (if any), as in the *bona fide* offer made by the proposed assignee, less any brokerage commissions or other expenses which may be saved by you as a result of our exercise of the rights and options granted to us herein. Under no circumstance shall we be liable for the payment of any brokerage commissions or other expenses as a Result of our exercise of our rights and options hereunder unless we otherwise agree in writing.

“Adequate assurance of future performance”, as used above, shall mean that we shall have been furnished with specific evidence that any proposed assignee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a franchisee under: (i) this Agreement; (ii) the standard form Franchise Agreement then being offered to our franchisees; (iii) such other ancillary agreements as we may require; and (iv) any of our policies describing our franchisees’ duties, obligations, conditions, covenants or performance requirements. You understand and agree that adequate assurance of future performance shall mean that any proposed assignee must satisfy the conditions set forth in Section 15.04 above.

#### **15.10 No Waiver of our Rights**

Our consent to any sale, transfer or assignment under this Article 15 shall not constitute a waiver of any claims we may have against you, your Franchised Business, any of your owners and/or any Guarantor, nor shall our consent be deemed a waiver of our right to require exact compliance with any of the terms of this Agreement by any assignee.

### **16. PROPRIETARY MARKS**

#### **16.01 Our Ownership of Proprietary Marks**

You agree that the Proprietary Marks are our (or our Affiliates’) exclusive property. You do not assert and will not in the future assert any claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of your licensed use of the Proprietary Marks, or for any other reason. You agree that you will not do or permit any act or thing to be done in derogation of any of our rights or the rights of our Affiliates in connection with the Proprietary Marks, either during or after the term of this Agreement. You agree not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in your own name. You agree to use the Proprietary Marks only for the uses and in the manner licensed under this Agreement and as provided in this Agreement. If you are a business entity, then you agree that under no circumstance will you incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in your business entity’s name. You may never use the Proprietary Marks in connection with any other business except for the Franchised Business. You agree that you will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, our rights (or those of our Affiliates) to the Proprietary Marks, or the rights of us, our Affiliates, other franchisees of ours or other third parties to whom we may have licensed the Proprietary Marks.

You acknowledge that our rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, you acknowledge and agree that our and our Affiliates’ rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in us as a result of their use by us, our Affiliates and other authorized parties.

#### **16.02 Limitations on Your License to Use the Proprietary Marks**

Nothing in this Agreement will give you any right, title or interest in or to any of our (or our Affiliates’) Proprietary Marks except as a mere privilege and license, during the term of this Agreement, to display and use the Proprietary Marks according to the limitations set forth in this Agreement, in our Brand Standards or in other written notices to you. You understand and agree that your limited license to use the Proprietary Marks granted by this Agreement applies only to the Proprietary Marks shown on Exhibit B (if we do not subsequently designate them as being withdrawn from use), together with those which we may later designate in the Brand Standards or otherwise in writing. In all instances your use of the Proprietary Marks must comply with our directions, limitations, specifications and authorized prescribed uses. You expressly understand and agree that you are bound not to represent in any manner that you have acquired, and you will not assert any claim to, any ownership, goodwill, reputation or equitable rights in any of our Proprietary Marks by virtue of the limited license granted under this Agreement, by virtue of your use of any of the Proprietary Marks or otherwise. All of your uses of the Proprietary Marks, whether as a trademark, service mark, trade name or trade style, will inure to our benefit. Following the expiration or termination of this

Agreement, no monetary amount will be attributable to any goodwill associated with your use of the Proprietary Marks or operation of the Franchised Business, including any “local goodwill”, which, you expressly agree, exclusively vests in us.

### **16.03 Use and Display of Proprietary Marks**

A. You must not use, and must not permit or cause another to use, the Proprietary Marks except in the manner and to the extent specifically licensed to you under this Agreement. You agree that each use you make of any Proprietary Mark will accurately portray the Mark and that the Mark will not be used or portrayed in a manner which jeopardizes the goodwill associated with the Mark or the System. You agree to use the Proprietary Marks in full compliance with rules we prescribe from time to time in our Brand Standards or otherwise. You are prohibited (except as expressly provided in this Agreement) from using any Proprietary Mark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by us to you). You may not use any Proprietary Mark in connection with the sale of any unauthorized service, product or program or in any other manner not explicitly authorized in writing by us. You may use the Proprietary Marks only for the operation of the Franchised Business or in permitted advertising for the Franchised Business. Your right to use the Proprietary Marks is limited to the uses authorized under this Agreement. Any unauthorized use of the Proprietary Marks by you will constitute an infringement of our rights and a material and incurable breach of this Agreement which, unless we waive the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

B. You may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on our behalf. You agree to comply with this Agreement’s and our Brand Standards’ instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

C. You agree to affix our Proprietary Marks on the facilities of your Franchised Business, including your Approved Commercial Office, your Franchised Business’s point-of-sale materials, signs, stationery, advertising, sales, marketing and promotional materials and other objects in the size, color, lettering style and fashion and at the places which we designate in our Brand Standards or otherwise. You also agree to display the Proprietary Marks and relevant trademark and copyright notices pursuant to the requirements set forth in the Brand Standards. No trademarks, logotypes, names, symbols or service marks other than the Proprietary Marks may be used by or in connection with your Franchised Business in any fashion whatsoever except as we may expressly provide in our Brand Standards or as we may approve in writing.

### **16.04 Required Means of Identification; Non-Use of Trade Name**

You must operate and advertise your franchised business under the assumed business name “iTRIP” without prefix or suffix. You agree, at your expense, to perform all filings and procure all required or necessary government approvals or registrations required to do business under that assumed business name; to comply with any instructions we give you regarding the filing or maintenance of any trade name or fictitious business name registrations; to execute any documents we or our counsel deem necessary to protect the Proprietary Marks to maintain their continued validity and enforceability; and, upon request, to furnish to us copies of all such filings, approvals and registrations. You must never identify yourself as an agent of ours. You must conspicuously identify yourself, your Franchised Business and your Approved Commercial Office as an independently owned and operated franchised business in all dealings with your Clients, rental guests, contractors, suppliers, public officials and members of the public, and in all advertising, promotion and marketing related to your Business. You agree to place this notice of independent ownership in your Approved Commercial Office and any other facilities of your Franchised Business, readily visible to employees and members of the public who enter, and on printed materials, business cards, stationery, marketing and advertising materials, signs and other written or electronic modes in the form, size and manner we specify in our Brand Standards or otherwise and in such fashion as we require from time to time.

If you are a business entity, you may not use our Proprietary Marks, any portion or segment of our Proprietary Marks or any confusingly similar words or symbols in your business entity's name. In particular, you may not use the words "iTRIP" or any segment or variant thereof as part of your business entity's name.

You shall require all of your advertising, promotional materials, signs, decorations, and all forms and stationery or letterhead used in or by your Franchised Business, and all other items we may designate, to feature and bear the Proprietary Marks in the form, color, location and manner we prescribe.

#### **16.05 Our Defense of Proprietary Marks and Copyrights**

If you receive notice, are informed of or learn of any claim, suit or demand against you on account of any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or any of our copyrights (each, a "claim"), you agree to promptly notify us. We will then promptly take any action we may consider necessary to protect and defend you against the claim, so long as the claim is based solely on any alleged infringement, unfair competition, or similar matter relating to your use of the Proprietary Marks or copyrights. You may not settle or compromise any claim of a third party without our prior written consent. We will have the right to defend, compromise and settle the claim at our sole cost and expense, using our own counsel. You agree to cooperate fully with us in connection with the defense of the claim and to execute any and all documents, and do any and all things, as our counsel deems necessary, including (but not limited to) becoming a nominal party to any legal action. If you do so, then we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees and we will bear the costs of any judgment or settlement. You grant irrevocable authority to us, and appoint us as your attorney in fact, to defend and/or settle all claims of this type. You may participate at your own expense in the defense or settlement, but our decisions with regard to the defense or settlement will be final.

We will have no obligation to you under this Section 16.05 if the claim arises out of or relates to your use of any of the Proprietary Marks and/or our copyrights in violation of the terms of this Agreement and/or the Brand Standards.

#### **16.06 Prosecution of Infringers**

If you receive notice or are informed or learn that any third party which you believe is not authorized to use the Proprietary Marks is using the Proprietary Marks or any variant of the Proprietary Marks, you agree to promptly notify us. We will then determine whether or not we wish to take any action against the third party on account of the alleged infringement of our Proprietary Marks. You will have no right to make any demand or to prosecute any infringement claim. If we undertake an action against an infringing party, you must execute any and all documents and do such acts and things as, in our counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of your improper use of the Proprietary Marks, we shall reimburse you for your out-of-pocket costs in doing such acts and things, but you will bear the salary costs of your employees.

#### **16.07 Discontinuance or Substitution of Proprietary Marks**

If now or hereafter one or more of the Proprietary Marks can no longer be used, or if we in our sole business judgment determine to adopt and use one or more additional or substitute Proprietary Marks, then you agree to promptly comply with any of our directions or instructions to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. We shall have no obligation to reimburse you for any expenditures you make to comply with such instructions or directions. Nor will we be liable to you for any other expenses, losses or damages sustained by you or your Franchised Business as a result of any Proprietary Mark addition, modification, substitution or discontinuation.

### **17. RELATIONSHIP OF THE PARTIES**

#### **17.01 Relationship of the Parties**

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. You incontestably affirm that you are not and will not be our employee and that none of your employees will be considered to be our employees, and you will never contend otherwise. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly,

expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You must communicate to all employees that you, not us, are their employer and you must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or our name. Each of the parties will file its own tax, regulatory, and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party hereto of and from any liability of any nature whatsoever by virtue thereof. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your Franchised Business does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your Franchised Business and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Brand Standards or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your Franchised Business. Except as otherwise expressly authorized by this agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement.

You promise that you will not avail yourself of any rights or remedies at law or in equity that may arise from an assertion that: (i) you are our agent, legal representative, subsidiary, joint venturer, partner, employee, or servant; or (ii) we are a joint employer of your employees. If such a claim is brought against us, we may use your covenant in this Section 17.01 as an absolute defense against such claim. Further, if any such claim is brought against us or our Affiliates and subsidiaries, and their respective current and former officers, directors, shareholders, partners, employees, predecessors, successors, attorneys, agents, representatives, and assigns, you will indemnify, defend, and hold harmless any such party from and against any such claim.

#### **17.02 You are the Sole and Exclusive Employer of Your Employees**

You hereby irrevocably affirm, attest and covenant your understanding that in no fashion are you, or may you be deemed to be, our employee (under any theory or definition of “employee” or “employment”) and that your employees are employed exclusively by you and in no fashion are you or any such employee either employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under your exclusive dominion and control and never under our direct or indirect control in any fashion whatsoever. You alone hire each of your employees; set their schedules; establish their compensation rates; and, pay all salaries, benefits and employment-related liabilities (workers’ compensation insurance premiums/payroll taxes/Social Security contributions/Affordable Care Act contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which has no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that your Franchised Business is at all times staffed at those levels necessary to operate your Franchised Business in conformity with the System and the products, services, standards of quality and efficiency, and other iTRIP brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff your Franchised Business with as many employees as you desire at any time so

long as our minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your Franchised Business, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with ultimate authority, the various procedures, protocols, systems and operations of a franchised iTrip Business and in no fashion reflects any employment relationship between Franchisor and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of you or any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of you or any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, then should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue (including travel, lodging, meals and *per diem* salary). Pursuant to Section 9.14 above, you will indemnify and hold harmless us and the other Franchisor Indemnitees to the fullest extent permitted by law against all claims, losses, liabilities and costs (as defined in Section 9.14) from any claim, however and wherever asserted, that we or our Affiliates are the employer, joint employer or co-employer of you and/or your employees (including, without limitation, any claims against us for your violation of federal, state or local labor and/or wage and hour laws, rules and regulations). Accordingly, in accordance with Section 10.01) you shall obtain and maintain insurance coverage of such type, nature and scope sufficient to satisfy this indemnification obligation.

## **18. DEFAULT AND TERMINATION**

### **18.01 Termination By Us – Automatic Termination Without Notice**

You will be in default of this Agreement, and all rights granted in this Agreement will immediately and automatically terminate and revert to us without notice to you, if: you become insolvent; you, the Franchised Business, or any Guarantor thereof is adjudicated as bankrupt or insolvent; all or a substantial portion of the assets of your Franchised Business are assigned to or for the benefit of any creditor or creditors; a petition in bankruptcy is filed by or against you, the Franchised Business or any Guarantor thereof and is not immediately contested and thereafter dismissed or vacated within sixty (60) days from filing; you admit in writing your inability to pay your debts when due; you, the Franchised Business and any Guarantor thereof cause, permit or acquiesce in an order for relief under the U.S. Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency, reorganization, receivership or other similar law now or hereafter in effect, or consent to the entry for an order for relief in an involuntary proceeding or to the conversion of an involuntary proceeding to a voluntary proceeding, under any such law; a bill in equity or other proceeding for the appointment of a receiver or other custodian of you, the Franchised Business, or any Guarantor of the Franchised Business, or the assets of any of them, is filed and consented to by you; a receiver or other custodian (permanent or temporary) of all or part of the assets or property of you, the Franchised Business and any Guarantor of the Franchised Business is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any federal or state law are instituted by or against you, the Franchised Business or any Guarantor thereof; you, or any Guarantor are dissolved or liquidated; execution is levied against you, the Franchised Business, any Guarantor thereof and/or the property of any of the foregoing; the property of the Franchised Business or your Approved Premises is sold after levy thereon by any governmental body or agency, sheriff, marshal, constable or other person authorized under federal, state and/or local law; a final court judgment against you remains unsatisfied or of record for thirty (30) days or longer (unless supersede as bond is filed); a judicial or non-judicial action to foreclose any lien or mortgage against any of your Franchised Business' premises or equipment is instituted against you and is not dismissed or settled by the earlier of (i) thirty (30) days from commencement or (ii) consummation of such sale; or, if you are a business entity, your governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

## **18.02 Termination By Us Upon Notice – No Opportunity To Cure**

You will have materially breached this Agreement and, in addition to all other remedies we have at law or in equity, we may, at our option, terminate this Agreement and all rights granted under this Agreement, without giving you any opportunity to cure the breach, effective immediately upon your receipt of notice (which, whether sent by overnight courier, personal physical delivery or any other manner authorized by Section 27.01 below, will be deemed to have been received by you upon delivery or first attempted delivery of the notice to you) upon the occurrence of any of the following events:

1. You do not open your Franchised Business for business to the general public by the date specified in Section 9.01 of this Agreement; cease operating the Franchised Business; abandon the franchise relationship established under this Agreement; or, fail to operate your Franchised Business for more than (2) consecutive business days during which you are required to operate it under this Agreement, unless your failure to operate is due to force majeure (as defined in Section 21.01 of this Agreement) or you otherwise have our prior written consent.
2. You omitted or misrepresented any material fact in the information that you furnished to us in connection with our decision to enter into this Agreement.
3. We and you agree in writing to terminate this Agreement.
4. You lose the right to possession of the Approved Commercial Office.
5. You, your Designated Manager and/or, if you are a business entity, any owner, member, shareholder, director or manager (as applicable) of such entity is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which we reasonably believe is related to your operation of the Franchised Business, or is likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated with the Proprietary Marks or our interest in the System or Proprietary Marks.
6. You purport or, if you are a business entity, any owner or principal of you purports to transfer any rights or obligations under this Agreement, any interest in you, the Franchised Business to any third party in violation of the terms of this Agreement.
7. You do not comply with the covenant not to compete set forth in this Agreement during the term of this Agreement; violate the restrictions pertaining to the use of Confidential Information contained in this Agreement; or, do not obtain the execution of the additional covenants required by this Agreement.
8. You, your Designated Manager and all others required to do so fail to attend or successfully complete our Initial Training Program (after being afforded the opportunity to repeat the training pursuant to Section 8.02 of this Agreement).
9. You knowingly or through gross negligence: conceal revenues; maintain false books or records; falsify information or otherwise defraud or make false representations to us; or, submit any false report to us.
10. You do not maintain the financial records required by Section 12.01 of this Agreement.
11. We or our designee conducts an audit of your Franchised Business which discloses that any monthly report or statement which you submitted to us understated your Total Rental Revenue by more than 2% three times within any 36 month period or 5% or more for any month during the reporting period or during the entire reporting period.
12. You refuse us permission to inspect, or to conduct an operational and/or financial audit of, your Business.
13. You take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the Franchised Business' employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for your own use our

property or funds; systemically fail to deal fairly and honestly with your employees, Clients, rental guests or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against, or to discharge, any agent, servant or employee who has embezzled our funds or property or that of any Clients, rental guests or others.

14. After curing a default which is subject to cure under Section 18.03 below, you commit the same act of default again within six (6) months.
15. You make a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of your Franchised Business and your Approved Premises.
16. You interfere or attempt to interfere in any manner with our or our Affiliates' contractual relations and/or our relationships with other franchisees; any supplier of you, us or other franchisees; any governmental or quasi-governmental authority; our employees or advertising agencies; or, any third parties.
17. You commit any act or default, or engage in any conduct, which materially impairs the goodwill associated with our Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, you fail to cure the default following delivery of written notice to cure at least seventy-two hours in advance.
18. You do not comply, for a period of fifteen (15) days after notification of non-compliance by us or any governmental or quasi-governmental authority, with any federal, state or local law or regulation applicable to the operation of the Franchised Business.
19. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice.
20. You do not purchase or maintain any category of insurance required by this Agreement.
21. You, your Franchised Business, your Designated Manager and/or your Approved Premises violate any law, rule or regulation, and/or engages in any act or practice, which subjects you and/or us to widespread publicity, ridicule or derision.
22. You breach the provisions of this Agreement relating to advertising standards and do not cure this breach within three (3) days following written notice from us.
23. You purchase any proprietary programs, products or services from us or our Affiliates, or purchase from us, our Affiliates or any third party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit such programs, products or services for the benefit of any other individual, entity or business.
24. You operate your Franchised Business and/or your Approved Premises in a fashion that, in our business judgment, in any way jeopardizes the life, health or safety of the general public, your Clients, rental guests and/or your employees. If you do so, then not only may we terminate this Agreement upon notice, but you agree that we may either beforehand or concurrently direct you to immediately close your Approved Commercial Office; you shall immediately comply with such direction (which may be given orally or in writing); and, you shall hold us harmless from and against any claims whatsoever relating to our direction to close your Approved Premises.
25. You make any use of our Confidential Information and/or Proprietary Marks not specifically authorized by this Agreement or our Brand Standards, or you directly or indirectly utilize or devote same for the benefit of any individual or entity other than your Franchised Business.
26. You misuse the Proprietary Software and Website Hosting Program or any other proprietary software that we designate for use in connection with the Franchised Business; or fail to provide us with access to (or otherwise blocks our access) to the Proprietary Software and

Web Hosting Software and/or Computer System as required under this Agreement and fails to remedy this default within forty-eight (48) hours of our notice.

27. You engage in any act or conduct, or fail to engage in any act or conduct, which under this Agreement specifically authorizes us to terminate this Agreement immediately upon notice to you.
28. You default under any agreement between you and any lessor or sublessor of your Approved Commercial Office and you do not cure the default within the period specified in the Lease or Sublease (as applicable) for the Approved Premises.
29. There are insufficient funds in your EFT Account to cover a check or EFT payment due to us or our Affiliates under this Agreement three (3) or more times within any twelve (12) month period.
30. You or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation.
31. A judgment is entered against you involving aggregate liability (in excess of the insurance coverage) of \$100,000 or more, if such judgment remains unpaid or unsatisfied for a period of ten (10) days or more following entry thereof.
32. Our audit reveals that you have not properly obtained and maintained the Escrow Account(s) (including making all deposits and withdrawals when required by applicable law), as required by Section 6.07(E) of this Agreement and does not cure such default within ten (10) days of notice from Franchisor.
33. Per Section 18.06 ("Cross-Default"), you (or any of your owners) fail to cure within the applicable time period any breaches under this Agreement, or any other agreement between you (or any of your affiliates) and us (or any of our Affiliates) including, but not limited to, any other franchise agreement, area development agreement, lease or promissory note.

### **18.03 Termination by Us – Thirty Days to Cure**

Except as provided in Section 18.01, 18.02 or in this Section 18.03, you will have thirty (30) calendar days after we furnish you with a written notice of default, transmitted in accordance with the terms of Section 27.01 of this Agreement, to cure any default under this Agreement (or, if the default cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide us with evidence that you have done so. If you have not cured any default within the applicable cure period specified in this Section 18.03 (or, if the default cannot reasonably be cured within such time, you have not initiated action to cure the default within the applicable cure period and thereafter cure the default within the shortest reasonable time thereafter), or any longer period that applicable law may require, then, in addition to all other remedies we have at law or in equity, this Agreement will terminate immediately upon expiration of the applicable cure period, or any longer period required by applicable law, without further notice to you.

You will be in default of this Agreement for any failure to comply with any of the requirements imposed upon you and, if you are a business entity, your owners and Guarantors by this Agreement, our Brand Standards and/or all Supplements to the Brand Standards or if you and/or your owners or Guarantors otherwise fail to fulfill the terms of this Agreement in good faith. These defaults include the following events, which are set forth as examples only and are not meant to, nor shall they be deemed to, delineate all of the possible defaults which you may commit under this Agreement:

1. You or any of your affiliates fail, refuse or neglect to pay promptly when due any money owed to us, our Affiliates or any lender which has provided financing to your Franchised Business. The cure period for this default shall not be the above-referenced thirty (30) calendar days but, instead, will be five (5) calendar days after we transmit to you a written

notice of default. If you fail to cure any such default within such shortened cure period, then this Agreement will terminate immediately upon expiration of the applicable cure period.

2. You fail, refuse or neglect to submit the financial and non-financial reports and other information required to be submitted to us under this Agreement, our Brand Standards or other written notices we transmit to you, or you make any false statements in connection with any reports or other information required to be submitted to us.
3. Your Franchised Business and/or Approved Premises offers and sells any programs, products or services that we do not authorize under this Agreement or our Brand Standards.
4. You fail to maintain your trade accounts in a current status and/or fail to seek to promptly resolve any disputes with trade suppliers.
5. You engage in any business, or market any program, product or service, under a name or mark which, in our opinion, is confusingly similar to the Proprietary Marks.
6. You fail to pay any taxes due and owing by your Franchised Business (including employee taxes) when due.
7. You do not use our Proprietary Marks and/or trade dress solely in the manner and for the purposes directed by us in this Agreement, our Brand Standards or otherwise.
8. You violate the restrictions pertaining to advertising set forth in Article 11 of this Agreement.
9. You do not indemnify us and/or one of the Franchisor Indemnitees as required by this Agreement.
10. By act or omission, you permit a continued violation in connection with the operation of the Franchised Business of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief.
11. You fail to obtain or maintain any required permit, certificate, license or other governmental approval required either by this Agreement or applicable law, rule or regulation.
12. You employ any individual who is not eligible for employment in the United States under any federal, state, local or other law, rule or regulation.
13. You, your Operating Owner and/or Designated Manager fail to operate your Franchised Business on a full-time basis and/or during the days and hours specified in our Brand Standards without our prior written approval.
14. You fail to maintain and operate your Franchised Business (including the Client Properties you manage) in a good, clean and sound manner and in strict compliance with our standards for speed, service, quality, cleanliness and maintenance as set forth in our Brand Standards or otherwise.
15. Any Guarantor fails to comply with any of the requirements imposed by or pursuant to the Personal Guaranty addressed in Section 32.02 of this Agreement.
16. You do not devote the amount of your time and attention and/or your best efforts to the performance of your duties of this Agreement necessary for the proper and effective operation of your Franchised Business.
17. You fail to implement (and, at your expense, take all steps necessary to implement) and thereafter adhere to any new or changed System requirements.
18. A final judgment not subject to appeal is entered against you or any Guarantor and remains unsatisfied for more than thirty (30) days or, if any such judgment is subject to appeal, you

do not prosecute such appeal within thirty days (or such shorter period as any law, rule or regulation requires).

19. You fail to comply with any other requirement imposed by this Agreement or our Brand Standards, or otherwise fail to carry out the terms of this Agreement in good faith.

#### **18.04 Description of Default**

The description of any default in any notice that we transmit to you will in no way preclude us from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.

#### **18.05 Your Failure to Pay Constitutes Your Termination of This Agreement**

Your failure to timely cure any breach of your obligation to make payments of Continuing Royalties, iTrip Brand Fund Contributions, or any other monies due and owing to us or our Affiliates under this Agreement, or to timely cure any other breach of this Agreement committed by you, in either instance following our notice to you that you have committed a breach of this Agreement and granting you an opportunity to cure said breach (if such activities are required of us prior to our terminating this Agreement), will be irrevocably deemed to constitute your unilateral rejection and termination of this Agreement and all related agreements between you and us or our Affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from us, and you shall never contend or complain otherwise.

#### **18.06 Cross-Default**

Any default or breach by you (or any of your affiliates) of any other agreement between us or our Affiliates and you (or any of your affiliates) will be considered a default under this Agreement, and any default or breach of this Agreement by you will be considered a default or breach under any and all other agreements between us (or any of our Affiliates) and you (or any of your affiliates). If the nature of the default under any other such agreement would have permitted us to terminate this Agreement if the default had occurred under this Agreement, or if the nature of the default under this Agreement permits us to terminate this Agreement, then we (or our Affiliate) will have the right to terminate any or all of the agreements between us (or any of our Affiliates) and you (or any of your affiliates) in the same manner provided for in this Agreement for termination of this Agreement. Your “affiliates” include any persons or entities controlling, controlled by, or under common control with you.

#### **18.07 Continuance of Business Relations**

Any continuance of business relations between you and us after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless you and we agree in writing to any such renewal, extension or continuation.

#### **18.08 Notice Required By Law**

If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits our rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. We will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations. In any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.

#### **18.09 Franchisor’s Right to Send Notifications of Termination**

Before or on the expiration or termination of this Agreement, we may give notice that the Franchised Business is leaving the System and take any other action related to Clients, rental guests, suppliers and all other individuals or entities affected by such expiration or termination or which require or desire an identification of our System Businesses.

#### **18.10 Step-In Rights**

In addition to our right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to your failure to cure any default within the applicable time period (if any), then we have the right, but not the obligation, to enter the Approved

Commercial Office and exercise complete authority with respect to the operation of the Franchised Business until such time that we determine, in our reasonable business judgment, that the default(s) at issue have been cured and that you are otherwise in compliance with the terms of this Agreement and our standards and specifications. In the event we exercise these "step-in rights," you must (a) pay us a management fee amounting to eight percent (8%) of the Total Rental Revenue of the Franchised Business during the time period that our representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse us for all reasonable costs and overhead that we incur in connection with our (or our designee's) operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If we undertake to operate the Franchised Business pursuant to this Section, you must indemnify, defend and hold us (and our representatives and employees) harmless from and against any Claims that may arise out of our operation of the Franchised Business.

## **19. FURTHER OBLIGATIONS AND RIGHTS FOLLOWING THE TERMINATION OR EXPIRATION OF THIS AGREEMENT**

### **19.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement**

If this Agreement expires or terminates for any reason or is assigned by you, you will cease to be one of our authorized franchisees and you will lose all rights to the use of our Proprietary Marks, the System, all Confidential Information and know-how owned by us and any goodwill (including "local" goodwill) engendered by the use of our Proprietary Marks hereunder and/or attributed to your conduct of the Franchised Business.

Upon expiration or earlier termination of this Agreement for whatever reason, you agree to:

1. Immediately pay all royalties, fees, Lease or Sublease payments and other sums due and owing to us or our Affiliates, plus interest, and all sums due and owing to any landlord, suppliers, employees, taxing authorities, advertising agencies, lenders and all other third parties.
2. Discontinue the use of the Proprietary Marks, and not operate or do business under any name or in any manner which might tend to give the general public the impression that you are operating an iTrip Business, or any similar business. You may not use, in any manner or for any purpose, directly or indirectly, any of our Confidential Information, trade secrets, procedures, forms, techniques, know-how or materials acquired by you by virtue of the relationship established by this Agreement. You may never identify yourself to the public in any fashion whatsoever as a current or former iTrip franchisee.
3. Take all necessary action to cancel any assumed name or equivalent registration which contains the Proprietary Mark "iTRIP" or any other Proprietary Mark of ours, or any variant, and furnish us with satisfactory evidence of compliance, within fifteen days following termination or expiration of this Agreement. If you fail or refuse to do so, we may, in your name, on your behalf and at your expense, execute all documents necessary to cause discontinuance of your use of the name "iTRIP" or any related name used under this Agreement. You irrevocably appoint us as your attorney-in-fact to do so.
4. Immediately refrain from engaging in any contacts with Clients, rental guests, suppliers, employees and vendors of the Franchised Business.
5. Take such action as we designate to: (i) provide and assign to us the then-current and up-to-date (a) Client and property lists, and (b) any Approved Services Agreements and other agreements between Clients and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers, social media pages and domain names used in connection with the former Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to us or our designee and cancel any interest which you may have in the same (as we direct in our sole discretion). We agree to execute all

documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit H.

6. Upon any termination of this Agreement by us for cause, we will have the right immediately to enter and take possession of your Approved Commercial Office to maintain continuous operation of the previously franchised business, provide for orderly change of management and disposition of personal property, and otherwise protect our interests. If you dispute the validity of our termination of the franchise, we will nevertheless have the option (which you irrevocably grant) to operate the business pending the final, unappealed determination of the dispute by a court of competent jurisdiction. If a court of competent jurisdiction makes a final, unappealed determination that the termination was not valid, we agree to make a full and complete accounting for the period during which we operated the previously franchised business.
7. If we terminate this Agreement because of your default or you terminate same through failure to make payment following notice and opportunity to cure (pursuant to Section 18.05), you must pay us all losses and expenses we incur as a result of the default or termination, including all damages, costs, expenses, and reasonable attorneys' and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to our Proprietary Marks and reputation, travel and personnel costs and the cost of securing a successor franchised business. This obligation will give rise to and remain, until paid in full, a lien in our favor against any and all of the assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the Franchised Business at the time of termination and against any of your money which we are holding or which is otherwise in our possession.
8. Immediately deliver to us all training or other materials furnished to you (including the Brand Standards and Supplements to the Brand Standards), all Confidential Information, computer software and database material, Client Information, Rental Guests Data, records and files, documents, instructions, display items, advertising and promotional material, any and all materials, signs and related items which bear our Proprietary Marks, slogans, insignias or designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession which relate to the operation of the Franchised Business. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, lists, files, software and other similar items will be considered to be our property for all purposes.
9. Immediately execute all agreements necessary to effectuate the termination in a prompt and timely manner.
10. At our option, either change the telephone numbers utilized by your Franchised Business or, upon our written demand, direct the telephone company to transfer the telephone numbers (and associated listings) listed for the Franchised Business to us or to any other person or location that we direct. If you do not promptly direct the telephone company to do so, you irrevocably appoint us as your attorney-in-fact to direct the telephone company to do so.
11. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article 13 of this Agreement (including those restricting your ability to sell, assign, lease or otherwise grant possessory rights to your Approved Commercial Office to a party intending to conduct a Competitive Business thereat).
12. Continue to abide by those restrictions pertaining to the use of our Confidential Information, trade secrets and know-how set forth in Article 13 of this Agreement.

13. Immediately surrender to us all computer software, data storage disks and other electronic media used in the operation of the Franchised Business, printouts, and other information pertaining to computer operations, codes, procedures and programming. You agree not to destroy, damage, hide or take any steps to prevent us from obtaining any information which you had stored in the computer systems of the Franchised Business. You agree not to retain any printouts or other electronic media containing any of the programs or data stored in the computer systems.
14. If you lease Approved Commercial Office, then, at our option, you must assign to us any interest which you have in the Lease, sublease, right or entry or easement for the Approved Commercial Office, and vacate the Approved Commercial Office promptly and completely, rendering all necessary assistance to us to enable Franchisor to take prompt possession.
15. If you lease your Approved Commercial Office from a third party and we elect not to assume possession of the Approved Commercial Office and/or elect not to exercise our option under Article 20 below, then promptly upon termination or expiration of this Agreement, you agree to “de-identify” the Approved Commercial Office in all respects by performing all redecoration and remodeling, and effecting physical changes to the Approved Commercial Office and the Franchised Business’ décor, trade dress, color combination, signs and other physical characteristics, as we consider necessary in our reasonable business judgment to distinguish the Approved Commercial Office from a duly authorized iTrip Business. If you refuse, neglect or fail to do so, we, in addition to any other remedy we have, have the right to enter upon the Approved Commercial Office and effect such required changes at your sole risk and expense, and you hereby appoint us or our agents as your attorney(s)-in-fact with full authority to do so with no liability for trespass or any other illegality.

## **20. OUR OPTION UPON TERMINATION OR EXPIRATION**

### **20.01 Option to Purchase Your Franchised Business’s Assets, Computers and Computer System**

A. Upon the termination or expiration of this Agreement for any reason, we, any of our Affiliates, and/or any nominee or designee we name are hereby granted an option, exercisable within thirty (30) days after the termination or expiration becomes effective, to purchase as soon as practicable thereafter (including any period necessary for the obtaining of governmental approvals and consents of the concerned lessor) all of your operating assets relating to the Franchised Business. We may exclude from the assets we elect to purchase, cash or its equivalent and any leasehold improvements, equipment, fixtures, furnishings, signs, materials and supplies that are not necessary or appropriate (in function or quality) to the Franchised Business’ operation or that we have not approved as meeting our standards and specifications, and the purchase price will reflect such exclusions. The date on which such purchase is closed will be referred to as the “Closing Date”. The following terms and conditions will apply to the option granted by this Article 20:

1. All leasehold improvements, furniture, fixtures, supplies, equipment, trade dress elements and inventory will be purchased at your original cost or for an amount equal to their fair market value, whichever is less. If you and we cannot agree on “fair market value”, then an appraiser shall determine same in accordance with the procedures set forth in Section 20.02 below.
2. All transferrable permits, licenses and other governmental authorizations will be transferred or assigned to us, our Affiliate, nominee or designee (as applicable) at the soonest possible time, specifically including any alcoholic beverage licensing, permits or authorizations.
3. All printed material, forms and other materials purchased from us under this Agreement will be purchased for an amount equal to their cost (if any).
4. All property, real or personal, sold to us or our Affiliate, nominee or designee (as applicable) under this Article 20 must be free and clear of all liens, debts, claims, liabilities, leases, encroachments, covenants, conditions, restrictions, rights, rights of way and/or other

encumbrances (except for tax liens and special and/or other assessments not delinquent) unless we, in our reasonable opinion (or that of our Affiliate, nominee or designee, as applicable), determine that the existence of same either will not interfere with the proposed use of the property or that the existence of same are merely due to easements of record, zoning ordinances or statutes, use and occupancy restrictions of public record or other limitations which are generally applicable to similar properties in the vicinity.

B. You will convey to us (or our Affiliate, nominee or designee, as applicable) good and merchantable, full, legal, equitable and beneficial title to all of the foregoing assets by means of appropriate deeds, bills of sale and assignments containing warranties of title. You hereby irrevocably designate us as your attorney-in-fact and proxy to execute any and all instruments necessary and appropriate to effect such conveyance and will sign any other documents or agreements necessary for our appointment as such. We (or our Affiliate, nominee or designee, as applicable) will have the right at our option to assume any liabilities encumbering the assets sold under the provisions of this Article or any of the liabilities for which we would otherwise be indemnified by you pursuant to Section 9.14 of this Agreement, and reduce the consideration payable to you accordingly. You will pay all transfer taxes and recording fees, if any.

C. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the Closing Date, will be prorated to the Closing Date on the basis of the most recent rates available, and the prorated amount will be added to or subtracted from, as the case may be, the consideration payable to you.

D. You agree to use your best efforts to assist us (or our Affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Article 20.

#### **20.02 Appraisals**

If you and we cannot agree within a reasonable time on the fair market value of any assets we, our Affiliate, nominee or designee acquire from you pursuant to this Article 20, or the commercially reasonable terms of any lease we require you to enter into for land and facilities owned by you (or any Affiliate) and utilized by the Franchised Business, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within sixty (60) days following your receipt of our notice that we intend to exercise one or more of the options set forth above, you and we cannot agree on the fair market value of the item in question, then you and we within the next seven days shall each select one appraiser and notify the other party of its designee. The two appraisers you and we select will be instructed to meet within thirty (30) days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers you and we select cannot agree on the selection on the third appraiser within fifteen (15) days after the selection of the last of them, then you shall select the third appraiser from a list of three appraisers we propose in writing. In the event our disagreement pertains to the commercially reasonable terms of any lease you are required to enter into with us for the Approved Commercial Office, then each appraiser selected must have received the MAI (Member, Appraisal Institute) designation and must be actively engaged in appraisal work in the county in which the Approved Commercial Office is located. The appraisers' determination of the fair market value of any item(s) we intend to purchase from you, or the commercially reasonable terms of the Lease for your owned Approved Commercial Office (if it is a commercial office space), will be binding on both of us. The parties hereby agree that they will instruct the appraisers to complete their appraisal within thirty (30) days after the third appraiser's appointment. If following the appraisal we exercise any of the options set forth above, then you and we will each pay one half (1/2) of the cost of any and all such appraisals. If we do not elect to exercise any option provided herein following the appraisals then we alone shall bear the cost of all of the appraisal. If we exercise any of the options granted to us above, we will have the right to set off from all amounts due to you any and all amounts which are due and owing by you to us and our Affiliates.

#### **20.03 Timing**

If we exercise our option to purchase (or, with respect to your Approved Commercial Office lease) any of the assets of your Franchised Business as provided in this Article 20, then the Closing Date shall be no later than sixty (60) days after either you and we agree on the fair market value of the assets in question (or, with

respect to the Approved Premises, the commercially reasonable terms for our lease for such Approved Premises) or, if you and we cannot agree on same, no later than sixty days after the determination of such fair market value/commercially reasonable terms furnished by the appraisers provided for in Section 20.02 of this Agreement.

## **21. UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)**

### **21.01 Unavoidable Delay or Failure to Perform (Force Majeure)**

Any delay in our or your performance of any duties under this Agreement, or any non-performance of such duties, that is not your or our fault (as applicable) or within your or our reasonable control – including, but not limited to, fire; floods; natural disasters; Acts of God; war; civil commotion; pandemics; global economic crisis; terrorist acts; any governmental act or regulation; any delays or defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that we or you (as applicable) will take all steps reasonably possible to mitigate damages caused by such failure or delay.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, we will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon thirty (30) days advance written notice to you.

## **22. APPROVALS AND WAIVER**

### **22.01 Approvals**

Whenever this Agreement requires you to secure our prior approval or consent, such approval or consent must be obtained in writing and must be timely sought.

### **22.02 Waiver and Delay**

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement will be construed as a waiver by that party of such breach or any preceding or succeeding breach, or any other term, covenant or condition of this Agreement. Without limiting the foregoing, our acceptance of any payment specified to be paid by you under this Agreement will not be, nor constitute, our waiver of any breach of any term, covenant or condition of this Agreement.

We shall not be required to waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term, condition, and covenant or to terminate this Agreement before its term expires due to a breach) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other iTrip Businesses; the existence of franchise agreements for other Businesses which contain provisions different from those contained in this Agreement; or, our acceptance of any payments due from you after any breach of this Agreement.

### **22.03 Our Withholding of Consent – Your Exclusive Remedy**

In no event may you make any claim for money damages based on any claim or assertion that we have unreasonably withheld or delayed any consent or approval under this Agreement. You waive any such claim for damages. You may not claim any such damages by way of setoff, counterclaim or defense. Your sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.

### **22.04 No Warranty or Guarantee**

If we afford you a waiver, approval, consent or suggestion in connection with this Agreement, we do not thereby make any warranty or guarantee upon which you may rely and by doing so we assume no liability or obligation to you.

## **23. OUR RIGHT TO CURE DEFAULTS**

### **23.01 Our Right to Cure Defaults**

In addition to all other remedies granted pursuant to this Agreement, if you default in the performance of any of your obligations, or breach any term or condition of this Agreement or any related agreement, then we may, at our election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to you, cure the default on your behalf. Our cost of curing the default and all related expenses will be due and payable by you immediately upon demand.

## **24. INJUNCTION**

### **24.01 Injunction**

You explicitly affirm and recognize the unique value and secondary meaning associated with the System and the Proprietary Marks. Accordingly, you agree that any noncompliance by you with the terms of this Agreement, or any unauthorized or improper use of the System or the Proprietary Marks by you, will cause irreparable damage to us and other System franchisees. You therefore agree that if you engage in such noncompliance, or unauthorized and/or improper use of the System Marks (including, without limitation our Confidential Information, Proprietary Software and Web Hosting Program) or Proprietary Marks, during or after the term of this Agreement, we and our Affiliates will be entitled to 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. You consent to the entry of these temporary and permanent injunctions without the requirement that we post a bond of any type or nature, or any other form of security, and without the requirement to prove the adequacy of money damages as a remedy, and without waiving any other rights or remedies at law or in equity. You will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which we and/or our Affiliates may incur in connection with our efforts to secure such injunctive relief.

## **25. INTEGRATION OF AGREEMENT**

### **25.01 Integration of Agreement**

This Agreement, all exhibits to this Agreement, and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, nothing in this or any related agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits and amendments that we provided to you.

## **26. NO ORAL MODIFICATION**

### **26.01 No Oral Modification**

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties.

## **27. NOTICES**

### **27.01 Notices, Requests and Protests**

Any notice, request or protest required or permitted to be given under this Agreement must be in writing; must be delivered to the other party either personally or by a recognized, documented overnight delivery service capable, through "signature capture" or otherwise, of documenting delivery or attempted delivery of the notice, or by electronic mail with third party proof of delivery (including date and time); and, will be effective on the date that delivery either is effected or is documented to have been first attempted. We reserve the right to designate in our Brand Standards a now or hereafter developed mode of electronic communication to facilitate our giving notices to each other, but only if the mode of communication we specify is capable of affording evidence of delivery or attempted delivery.

Notices to us:

iTrip, LLC

2035 Lakeside Centre Way  
Suite 250  
Knoxville, Tennessee 37922-6594  
Attn: Vickie Storm, General Manager

With a contemporaneous copy (which shall not constitute notice) to:

Kaufmann Gildin & Robbins LLP  
675 Third Avenue, Suite 2200  
New York, New York 10017  
Attention: David J. Kaufmann, Esq.

Notices to You:

---

---

---

---

Attention: \_\_\_\_\_

Either party to this Agreement may, in writing, on ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices under this Agreement should be sent. We may provide any notice under this Agreement (including, without limitation, any notice of termination) sufficiently in advance of any event to permit compliance with any notice requirements under state or other laws.

## **28. SEVERABILITY**

### **28.01 Severability**

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future law, rule or regulation which by its terms is applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any part, article, paragraph, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, that provision shall be deemed deleted, and the remaining part of this Agreement shall continue in full force and effect, unless said provision pertains to the payment of monies due to us or our Affiliates under this Agreement of any type or nature whatsoever, in which case we may at our option terminate this Agreement. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement (but not any of its payment provisions) and the parties agree to be bound by and perform this Agreement as so modified.

## **29. NO THIRD PARTY BENEFICIARIES**

### **29.01 No Third Party Beneficiaries**

This Agreement is entered into solely between you and us. Other than our Affiliates or as expressly set forth in this Agreement, there is no intended third-party beneficiary of this Agreement, and you agree that none is to be presumed or deemed to exist.

## **30. EXECUTION, CONSTRUCTION AND INTERPRETATION; FURTHER ACTS**

### **30.01 Execution, Construction and Interpretation; Further Acts**

A. This Agreement may be executed in multiple counterparts, each of which will be considered an original and all of which together will constitute one and the same instrument. Electronic and facsimile signatures will be considered as binding and conclusive as if original.

B. The titles and subtitles of the various Articles and Sections of this Agreement are inserted for convenience and will not affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement. The language of this Agreement will in all cases be construed simply according to its fair and plain meaning and not strictly for or against us or you.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision will have the meaning which renders it valid.

D. The parties agree to execute all other documents and perform all further acts necessary or desirable to carry out the purposes of this Agreement.

E. If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us under this Agreement are joint and several.

F. As used in this Agreement, the words “include”, “includes”, or “including” are used in a non-exclusive sense and shall be construed to mean “including without limitation”.

### **31. LEGAL ACTIONS, GOVERNING LAW AND VENUE**

#### **31.01 Attorneys’ Fees – Direct Actions**

If you are in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between you and us and/or our Affiliates, and we engage an attorney or collection agency to enforce our rights (whether or not formal judicial proceedings are initiated), you must reimburse us for all costs and expenses incurred in connection with enforcing our rights under this Agreement including all reasonable attorneys’ fees, court costs, litigation expenses, collection costs or any fees or costs in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement. If you institute any legal action to interpret or enforce the terms of this Agreement, and your claim in such action is denied or the action is dismissed, we are entitled to recover our reasonable attorneys’ fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

#### **31.02 Attorneys’ Fees – Third Party Actions**

If we become a party to any action or proceeding commenced or instituted against us by a third party arising out of or relating to any claimed or actual act, error or omission of yours and/or any of your officers, directors, shareholders, management, employees, contractors and/or representatives (the “Franchisee Party(ies)”) your Franchised Business and/or Approved Premises by virtue of statutory, “vicarious”, “principal/agent” or other liabilities asserted against or imposed on us as a result of our status as Franchisor; or if we become a party to any litigation or any insolvency proceeding involving you pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse us for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses we incur in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, we will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to our proof of claim in any insolvency or bankruptcy proceeding you file.

#### **31.03 Collection Costs**

You agree that in the event you fail to pay to us any amounts due, or we commence legal action against you due to or in connection with your breach of this Agreement, you will be required to reimburse us for all costs and expenses that we incur in connection with same, including, but not limited to, costs and commissions paid to a collection agency, reasonable attorneys’ fees, costs incurred in creating or replicating reports demonstrating Total Rental Revenue of the Franchised Business, court costs, expert witness fees, discovery costs and reasonable attorneys’ fees and costs on appeal, together with interest charges on all of the foregoing.

#### **31.04 Internal Dispute Resolution**

You must first bring any claim or dispute between you and us to our management, after providing notice as set forth in Section 27.01 of this Agreement and make every effort to resolve the dispute internally. You

must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

### **31.05 Governing Law**

This Agreement; all relations between us; and, any and all disputes between you and/or any other Franchisee Party, on the one hand, and us and/or any other Franchisor Indemnitees, on the other hand, whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Tennessee without recourse to Tennessee (or any other) choice of law or conflicts of law principles. If we move our principal headquarters to another state, we reserve the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to you. If, however, any provision of this Agreement is not enforceable under the laws of Tennessee (or a successor state we designate as provided above), and if your Franchised Business is located outside of Tennessee (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 31.05 is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of Tennessee, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

### **31.06 Venue**

Any action or proceeding brought by us or you (and/or any of our or your respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state or federal district court of competent jurisdiction situated in the state, county and judicial district in which our principal place of business is then located. Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. You (and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. You (and each of your affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agree that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, your Franchised Business, we may bring such an action in any state or federal district court which has jurisdiction. You, on behalf of yourself and your affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens"). The parties agree that this Section 31.06 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

### **31.07 Waiver of Jury Trial and Punitive Damages**

- A. The parties to this Agreement (as denominated in Section 31.06) explicitly waive their respective rights to a jury trial in any litigation between them and hereby stipulate that any such trial shall occur without a jury.
- B. You, your Guarantors and the other Franchisee Parties hereby irrevocably waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other similar damages in any action or proceeding whatsoever between such parties and/or any of their affiliates and us and/or any of our Affiliates, and you and such others covenant never to advance or pursue any such claim for punitive damages. You and such others agree that in the event of a dispute, you and such others shall be limited to the recovery from the Franchisor Indemnitees of any actual damages sustained by you or them. You covenant to secure from any

Franchisee Party which does not execute this Agreement his/her/its execution of a writing specified by us, in the Brand Standards or otherwise, irrevocably confirming the applicability to them of the provisions of this Section 31.07, in such manner and by such time we reasonably specify.

### **31.08 No Consolidated or Class Actions**

You and the other Franchisee Parties may only pursue any claim you have against us or the other Franchisor Indemnites in an individual legal action or proceeding. Neither you nor any other Franchisee Party shall join or combine its/their legal action or proceeding in any manner with any action or claim of any other iTrip franchisee, franchise owner, franchisee guarantor, or other claimant, nor will you or any other Franchisee Party maintain any action or proceeding against us and the other Franchisor Indemnites in a class action, whether as a representative or as a member of a class or purported class, nor will you or any other Franchisee Party seek to consolidate, or consent to the consolidation of, all or part of any action or proceeding by any of them against us or the other Franchisor Indemnites with any other litigation against us or such other Franchisor Indemnites.

### **31.09 Limitation on Actions**

Any and all legal actions or proceedings brought by you against us or the other Franchisor Indemnites arising out of or related to this Agreement or any related agreement; any breach of this Agreement or any related agreement; the relations between such parties; and, any and all disputes between such parties, whether sounding in law or equity, must be commenced within two years from the occurrence of the acts, errors and/or omissions giving rise to such legal action or proceeding or within two years from the date on which you knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to such action or proceeding, whichever occurs first. If not, then you irrevocably covenant and agree that such action or proceeding shall be barred.

### **31.10 Disputes Between iTrip Franchisees and/or iTrip Licensees**

In the event that a dispute arises between you and another iTrip franchisee and/or licensee arising out of, or in any way relating to, the terms of this Agreement or your rights or obligations hereunder (including, without limitation, any dispute pertaining to your rights and obligations with respect to the Out of Market Property takeover procedure set forth in Section 4.04), then you acknowledge and expressly agree to resolve any such dispute in the manner that we may designate in our sole judgment.

## **32. LIABILITY OF “FRANCHISEE”; GUARANTEE**

### **32.01 Liability of “Franchisee”**

The terms “Franchisee” and “you” as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If you are a married couple, both husband and wife executing this Agreement will be liable for all your obligations and duties as Franchisee under this Agreement as if the spouse were the sole Franchisee under this Agreement. If you are a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If you are a trust, each trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If you are a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement as if each such owner were the sole franchisee under this Agreement.

### **32.02 Personal Guaranty**

If you are an individual, then your spouse will also be required to sign this Agreement. If the “you” hereunder will be comprised of two or more individuals, then the individual franchisees and their spouses will sign the franchise agreement; however, only the individual franchisees will be required to sign the Personal Guaranty. If you are a business entity with multiple owners, then each of your Owners must sign the Personal Guaranty (the “Guarantors”) to guarantee all of your duties, requirements and obligations under this Agreement, both financial and nonfinancial, by executing a guarantee substantially in the form of Exhibit C

(the “Personal Guaranty”). If the business entity only has a single Owner, then the Owner’s spouse must also sign the Personal Guaranty. In the event of the death or bankruptcy of any Guarantor, we may require replacement guarantees sufficient in our sole business judgment to provide us with the same protection as we had originally bargained for.

If you are in breach or default under this Agreement, we may proceed directly against each such individual and/or entity Guarantor without first proceeding against you and without proceeding against or naming in the action or proceeding any other such Guarantor. Your obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon you and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of you or any such Guarantor will not relieve you or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

### **33. SURVIVAL**

#### **33.01 Survival**

Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

### **34. OUR BUSINESS JUDGMENT**

#### **34.01 Our Business Judgment**

Whenever this Agreement or any related agreement grants, confers or reserves to us the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, we will have the right to engage in such activity at our option using our business judgment, taking into consideration our assessment of the long term interests of the System overall. You and we recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by our business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for our judgment. When the terms of this Agreement specifically require that we not unreasonably withhold our approval or consent, if you are in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

### **35. YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS**

#### **35.01 Your Representations**

You represent and warrant to us, with the intention that we are relying on your representations and warranties in entering into this Agreement, that:

1. If you are a business entity (including a corporation, limited liability company, general partnership or limited partnership), you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and your business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over your Franchised Business.
2. If you are business entity, you have all requisite power and authority to execute, deliver, consummate and perform all of your obligations under this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.
3. This Agreement has been duly authorized, executed and delivered by you, includes your legal, valid and binding obligations, and will be binding and enforceable upon you and your successors and assigns in accordance with its terms when executed by both parties.

4. You do not have any liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements which you furnished to us before the execution of this Agreement.
5. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, shareholders, partners, members, managers, Guarantors, or any other owner of a direct or indirect, partial or whole interest in you (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business; your right to operate and use your assets, properties or rights to carry on your business; and/or, which affects or could affect your right or ability to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.
6. All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement.

### **35.02 Your Acknowledgments**

You represent, warrant and acknowledge to us that:

1. You understand that we do not represent that you will have the ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for you to carry out the activities contemplated by this Agreement.
2. You acknowledge that you have received a complete copy of this Agreement and all related attachments and agreements at least seven (7) calendar days prior to the date on which this Agreement was executed. You further acknowledge that you have received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" at least fourteen (14) calendar days prior to the date on which this Agreement was executed and at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

## **36. SUBMISSION OF AGREEMENT**

### **36.01 Submission of Agreement**

Our tendering this Agreement to you does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both us and you. The Effective Date will be considered the date first written above in the preamble of this Agreement.

**THIS AGREEMENT WILL NOT BE BINDING ON US UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF OURS.**

**YOU ACCEPT AND AGREE TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE FOREGOING AGREEMENT.**

[Signature page follows.]

**FRANCHISOR:**

**iTRIP, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE:**

**IF ONE OR MORE INDIVIDUALS:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**iTrip, LLC**  
**STATE SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT**

## **ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA**

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

1. The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
2. You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
3. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.
4. In Section 13.02 of the Franchise Agreement (“Covenant Not to Compete”), the “no-poach” clause is removed. The remainder of Section 13.02 remains as is.
5. THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF TENNESSEE AND A FORUM WHERE FRANCHISOR’S HEADQUARTERS IS LOCATED. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.
6. The Franchise Agreement requires non-binding mediation. The mediation will occur at Franchisor’s headquarters, with the prevailing party’s costs and expenses to be borne by the other party. Prospective 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 Mediation Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. With respect to franchises sold in California, upon the termination or nonrenewal of a franchise, a franchisor may offset against the amounts owed to a franchisee under Section 20022 of the California Business and Professions Code any amounts owed by the franchisee to the franchisor, provided the franchisee agrees to the amount owed or the franchisor has received a final adjudication of any amounts owed. Such proviso shall apply notwithstanding the Franchisor’s general right of set-off in Section 20.02 (“Appraisals”) of the Franchise Agreement.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
9. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **HAWAII ADDENDUM TO FRANCHISE AGREEMENT**

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature pages follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT**

1. Illinois law shall apply to and govern the Franchise Agreement.
2. 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.
3. Franchisess' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.
5. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
6. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **INDIANA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement or Tennessee law if such provisions are in conflict with Indiana law. The Franchise Agreement will be governed by Indiana law, rather than Tennessee law, as stated in Section 31.05 of the Franchise Agreement (“Governing Law”).
2. Venue for litigation will not be limited to Tennessee, as specified in Section 31.06 of the Franchise Agreement (“Venue”).
3. 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, will supersede the provisions of Article 18 of the Franchise Agreement (“Default and Termination”) in the State of Indiana to the extent they may be inconsistent with such prohibition.
4. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 13.04 of the Franchise Agreement (“Enforcement of Covenants Not to Compete”) will not apply to franchises offered and sold in the State of Indiana.
6. Section 22.03 of the Franchise Agreement (“Our Withholding of Consent – Your Exclusive Remedy”) will not apply to franchises offered and sold in the State of Indiana.
7. Section 13.02 of the Franchise Agreement (“Covenant Not to Compete”) is revised to limit the geographical extent of the post-term covenant not to compete to Franchisee's Territory for all franchises sold in the State of Indiana.
8. Section 24.01 of the Franchise Agreement (“Injunction”) will not apply to franchises offered and sold in the State of Indiana.
9. Section 31.07(B) (“Waiver of Jury Trial and Punitive Damages”) is deleted from the Franchise Agreement.
10. Notwithstanding the terms of Section 9.14 of the Franchise Agreement (“Indemnification”), Franchisee will not be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor’s negligence.
11. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
12. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM TO THE FRANCHISE AGREEMENT REQUIRED BY  
THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached iTrip, LLC Franchise Agreement agree as follows:

1. Sections 8.02 (“Initial Training Program/Partner Training Program”), 14.01(J) (“Conditions to Successor Term”) and 15.04(O) (“Assignment By You – Sale to Third Party”) of the Franchise Agreement, each of which require the execution of a General Release, are each amended to add the following language:

“The release requirement of this Section is not intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law. The release required under this Section will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.”.

2. Section 31.06 of the Franchise Agreement (“Venue”) is hereby supplemented and amended as follows:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Section 31.09 of the Franchise Agreement (“Limitations on Actions”) is hereby supplemented and amended as follows:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. The Franchise Agreement is hereby supplemented and amended as follows:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

6. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ADDENDUM REQUIRED BY THE STATE OF MINNESOTA**

1. The following language will appear at the end of Section 31.06 of the Franchise Agreement (“Venue”):

“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.”
2. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
3. Minnesota law provides franchisees with certain termination and non-renewal rights. Minnesota Statutes, Section 80C.14, subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement.
4. Franchisor will protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
5. The second sentence of Section 13.04 of the Franchise Agreement (“Enforcement of Covenants Not To Compete”) is amended to read as follows:

“Accordingly, you consent to the seeking of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete set forth in this Agreement.”
6. The third and fourth sentences of Section 24.01 of the Franchise Agreement (“Injunction”) is amended to read as follows:

“You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions.”
7. Any claims arising under Minnesota Statutes, Chapter 80C must be brought within three years after the cause of action accrues.
  1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
  2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ADDENDUM REQUIRED BY THE STATE OF NEW YORK**

1. Notwithstanding any provision of the Franchise Agreement, all rights enjoyed by Franchisee and any causes of action arising in its 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 the General Business Law of the State of New York Sections 687.4 and 687.5 be satisfied.
2. Section 9.14 of the Franchise Agreement (“Indemnification”) is hereby modified by adding the following sentence after the last sentence/subsection thereof: “However, the Franchisee shall not be required to indemnify for any claims to the extent such claims arise out of a breach of this Agreement or other civil wrong of the Franchisor.”
3. No new or different requirements imposed on Franchisee as a result of any changes made by Franchisor to its Manual pursuant to the terms of the Franchise Agreement, and these changes will not otherwise place an unreasonable economic burden on Franchisee.
4. Notwithstanding any provision of the Franchise Agreement to the contrary, no assignment will be made by the franchisor except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the franchise agreement.
5. The third and fourth sentences of Section 24.01 of the Franchise Agreement (“Injunction”) is amended to read as follows:

“You therefore agree that if you engage in this non-compliance, or unauthorized and/or improper use of the System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to seek both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the seeking of these temporary and permanent injunctions.”
6. Notwithstanding Sections 31.04 or 31.05 of the Franchise Agreement, respectively, the choice of law and venue provisions should not be construed as a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York.
7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
8. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Tennessee law if such provisions are in conflict with North Dakota law. The Franchise Agreement will be governed by North Dakota law, rather than Tennessee law, as stated in Section 31.05 of the Franchise Agreement (“Governing Law”).
2. 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 deleted from Franchise Agreements issued in the State of North Dakota. The site of any arbitration will be agreeable to all parties.
3. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Section 5.02 of the Franchise Agreement (“Successor Term and Successor Agreement”) requires the execution of a general release upon renewal. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
5. Section 19 of the Franchise Agreement (“19.01 Further Obligations and Rights Following the Termination or Expiration of this Agreement”) may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
6. Covenants restricting competition in the State of North Dakota, such as those found in Section 13 of the Franchise Agreement (“Covenant Not to Compete”), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
7. Section 31.06 of the Franchise Agreement (“Venue”) requires that the franchisee consent to the jurisdiction of courts in Tennessee. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
8. Section 31.07 of the Franchise Agreement (“Waiver of Jury Trial and Punitive Damages”) requires the franchisee to consent to a waiver of (i) trial by jury and (ii) punitive, incidental, indirect, special, consequential damages or similar damages. These requirements are deleted from all Franchise Agreements used in the State of North Dakota.
9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
10. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND**

1. Notwithstanding Section 31.06 of the Franchise Agreement (“Venue”), Section 19-28.1-14 of the Rhode Island Franchise Investment Act (the “Act”) provides that a provision in these agreements restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.
2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Franchise Agreement, the following provisions will supersede and apply:

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**WASHINGTON ADDENDUM TO THE  
FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE DOCUMENT AND  
RELATED AGREEMENTS**

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is

unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## **ADDENDUM REQUIRED BY THE STATE OF WISCONSIN**

1. Section 18 of the Franchise Agreement (“Default and Termination”) is hereby modified to add the following subsection after the last subsection therein:

Wisconsin Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Wisconsin law, Chapter 135, Wisc. Stats., the Wisconsin Fair Dealership Law.

2. Section 31.05 of the Franchise Agreement (“Governing Law”) is hereby modified by adding the following language after the last sentence thereof:

“The Wisconsin Fair Dealership Law supersedes any provision of this Agreement which is inconsistent with that law.”

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
4. This Addendum may be executed in counterparts, which together shall constitute one and the same instrument. Signatures via DocuSign, .PDF file, facsimile, or other electronic format have the same force and effect as originals.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have duly executed and delivered this Addendum on the date executed by Franchisor as written below.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT A TO THE FRANCHISE AGREEMENT**

**DATA SHEET AND STATEMENT OF OWNERSHIP**

1. INITIAL FRANCHISE FEE

Pursuant to Section 4(A)(1) of the Franchise Agreement, the iTrip Location is classified as a \_\_\_\_\_ [Boutique/Primary] Market. As such, Franchisee shall pay an Initial Franchise Fee equal to: \_\_\_\_\_.

2. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. ITRIP LOCATION

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's iTrip Location will be defined as follows (if identified on a map, please attach map and reference attachment below):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: \_\_\_\_\_

Daytime Telephone No.: \_\_\_\_\_

Evening Telephone No.: \_\_\_\_\_

Cellular Telephone No.: \_\_\_\_\_

Facsimile No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

<u>Name</u>	<u>Position/Title</u>	<u>Interest (%)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.**

**THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.**

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on \_\_\_\_\_.

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## EXHIBIT B TO FRANCHISE AGREEMENT

### PROPRIETARY MARKS

The Proprietary Marks as defined in Section 1.01 of the Franchise Agreement will consist of:

1. ITRIP

2.  **iTrip**

and such other and further Proprietary Marks (as defined in Sections 1.86 and 2.01 of the Franchise Agreement) that we may from time to time license to you in conjunction with and addition to the Proprietary Marks listed above. Any such other and further Proprietary Marks will be deemed a part of this Exhibit B.

## EXHIBIT C TO THE FRANCHISE AGREEMENT

### PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY OWNED BY MULTIPLE INDIVIDUALS AND/OR ENTITIES, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS, MEMBERS, SHAREHOLDERS, MANAGERS, PARTNERS, ETC.) MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY OWNED BY A SINGLE INDIVIDUAL, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS COMPRISED OF MULTIPLE INDIVIDUALS, THEN THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

In consideration of the execution by Franchisor of the Franchise Agreement (the "Franchise Agreement") dated as of \_\_\_\_\_ between iTrip, LLC ("Franchisor") and \_\_\_\_\_ ("Franchisee") and for other good and valuable consideration, each of the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby absolutely and unconditionally guarantee the punctual payment of all amounts and the performance of all of the covenants, terms, conditions, agreements and undertakings contained and set forth in said Franchise Agreement and in any other agreement(s) by and between Franchisee and Franchisor.

If more than one person has executed this Guaranty, the term "the undersigned", as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

The undersigned, individually and jointly, hereby agree to be personally bound by each and every covenant, term, condition, agreement and undertaking (including the noncompetition, confidentiality and transfer requirements) contained and set forth in said Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor, and agree that this Guaranty shall be construed as though the undersigned and each of them executed agreement(s) containing the identical terms and conditions of the Franchise Agreement and any other agreement(s) by and between Franchisee and Franchisor.

The undersigned hereby agree, furthermore, that without the consent of or notice to any of the undersigned and without affecting any of the obligations of the undersigned hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guaranty or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of the undersigned without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned. The undersigned agree to bear any and all Franchisor's costs of collection hereunder, including all court costs and expenses, attorneys' fees, costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before courts or tribunals (including arbitration tribunals), and all other costs of collection.

Notice to or demand upon Franchisee or any of the undersigned shall be deemed notice to or demand upon Franchisee and all of the undersigned, and no notice or demand need be made to or upon any or all of the undersigned. The cessation of or release from liability of Franchisee or any of the undersigned shall not relieve any other guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

Any waiver, extension of time or other indulgence granted by Franchisor or its agents, successors or assigns, with respect to the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable.

It is understood and agreed by the undersigned that the provisions, covenants and conditions of this Guaranty shall inure to the benefit of the Franchisor, its successors and assigns. This Guaranty may be assigned by Franchisor voluntarily or by operation of law without reducing or modifying the liability of the undersigned hereunder.

This Guaranty is to be exclusively construed in accordance with and/or governed by the law of the State of Tennessee without recourse to Tennessee (or any other) choice of law or conflicts of law principles. If, however, any provision of this Guaranty would not be enforceable under the laws of Tennessee, and if the business franchised under the Franchise Agreement is located outside of Tennessee and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Guaranty is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Tennessee or any other state, which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply.

Any litigation arising out of or related to this Guaranty will be instituted exclusively in a court of competent jurisdiction in the state and county where the Franchisor's principal place of business is then located (currently Hennepin County, Minnesota). The undersigned agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county where the Franchisor's principal place of business is then located. The undersigned hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

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

[signature page follows]

**IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.**

**PERSONAL GUARANTORS**

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
Signature of Guarantor

\_\_\_\_\_  
Signature of Spouse

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State Zip Code

\_\_\_\_\_  
City, State Zip Code

**EXHIBIT D TO THE FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE  
(ONLY APPLICABLE IF OPERATING FROM A PREMISES OTHER THAN A HOME OFFICE)**

**THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE** (this “Assignment”) is made, entered into and effective on \_\_\_\_\_ Effective Date,”) by and between: (i) ITRIP, LLC, a Tennessee limited liability company with its principal place of business at 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 (the “Franchisor”); (ii) \_\_\_\_\_, a (resident of) (corporation organized in) (limited liability company organized in) \_\_\_\_\_ with a business address at \_\_\_\_\_ (the “Franchisee”); and (iii) \_\_\_\_\_, a (corporation organized in) (limited liability company organized in) \_\_\_\_\_ with a business address at \_\_\_\_\_ (the “Landlord”).

**BACKGROUND INFORMATION**

The Franchisor entered into that certain Franchise Agreement (the “Franchise Agreement”) dated as of \_\_\_\_\_ with the Franchisee, pursuant to which the Franchisee plans to own and operate an ITRIP franchised business (the “Franchised Business”) located at \_\_\_\_\_ (the “Approved Commercial Office”). In addition, pursuant to that certain Lease Agreement (the “Lease”), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from \_\_\_\_\_ (the “Lessor”). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

**OPERATIVE TERMS**

The Franchisor and the Franchisee agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.
3. **Indemnification of Franchisor:** Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee’s breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Conditional Assignment:** Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Approved Commercial Office and the franchise relating to the Franchised Business, and all of the Franchisee’s rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed

by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Approved Commercial Office and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination:** Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Approved Commercial Office and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Franchisor's Rights Upon Termination of Franchise Agreement.** After (a) the expiration of the Franchise Agreement (so long as Franchisor provides the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the Franchise Agreement for any reason (so long as Franchisor either provides the Landlord with (x) a copy of Franchisor's notice of termination to Franchisee or (y) an agreement regarding the date of termination), Franchisor will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at Franchisor's election, either to assume the obligations of and replace Franchisee as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of Franchisor's assume the obligations of and replace Franchisee as the lessee under the Lease. If Franchisor assumes the obligations of and replaces Franchisee as the lessee under the Lease and then subsequently reassigns the Lease to another franchisee, licensee, joint venture partner or other designee of Franchisor, upon any such reassignment, Franchisor shall be released from all prospective obligations of the lessee.

7. **Franchisee's Default Under Lease; Franchisor's Exercise of Remedies:** Simultaneous with giving notice to Franchisee of any default, the Landlord agrees to furnish to Franchisor written notice specifying such default and the method of curing the default; allow Franchisor 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, Franchisor will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow Franchisor to exercise Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Tenant's interest in the Lease under the same conditions as set forth in Section '6', above. In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Approved Commercial Office, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Approved Commercial Office, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Approved Commercial Office;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Approved Commercial Office or the Approved Commercial Office that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Approved Commercial Office or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Approved Commercial Office, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

8. **Landlord's Acceptance of Franchisor.** The Landlord agrees to accept Franchisor or another franchisee designated by Franchisor as a substitute tenant under the Lease upon notice from Franchisor that Franchisor is exercising Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Franchisor's interest in the Lease and/or to reassign the Lease to another franchisee following Franchisor's assumption of obligations under the Lease, under the same conditions as set forth in Section '6', above.

9. **Power of Attorney:** Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Approved Commercial Office, to rent, lease, manage and operate the Approved Commercial Office to any person, firm or corporation upon

such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Approved Commercial Office pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

10. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof but shall have the irrevocable right to do so.

11. **Landlord's Acknowledgment.** The Landlord acknowledges that Franchisee alone is responsible for all debts, payments and performances under the Lease before Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor takes actual possession of the premises/

12. **Amendment of Lease.** The Lease may not be modified or amended without Franchisor's advance written consent, which Franchisor may not unreasonably withhold. The Landlord will provide Franchisor with copies of all proposed modifications or amendments at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.

13. **Copies of Notices from Landlord.** The Landlord agrees to furnish Franchisor with copies of all letters and notices sent to Franchisee pertaining to the Lease and the premises, at the same time and in the same manner that these letters and notices are sent to Franchisee.

14. **Binding Agreements:** This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

15. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the Lease.

16. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

17. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section

or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

**FRANCHISOR**

**ITRIP, LLC**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Spouse Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Spouse Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Spouse Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Spouse Signature: \_\_\_\_\_  
Spouse Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**LESSOR**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION,  
LIMITED LIABILITY COMPANY OR  
OTHER ENTITY:**

**[NAME OF FRANCHISEE ENTITY]**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT E TO THE FRANCHISE AGREEMENT**  
**EFT AUTHORIZATION FORM**

Bank Name: \_\_\_\_\_  
ABA# : \_\_\_\_\_  
Acct. No.: \_\_\_\_\_  
Acct. Name: \_\_\_\_\_

Effective as of the date of the signature by Franchisor below, \_\_\_\_\_ (the “Franchisee”) hereby authorizes ITRIP, 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 \_\_\_\_\_ (the “Franchise Agreement”) for the franchised business located at: \_\_\_\_\_ (the “Franchised Business”): (i) all Royalty Fees; (ii) Fund Contributions (if a Fund is established); (iii) any amounts due and owing the Franchisor or its affiliates in connection with marketing materials, software licenses and/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. Franchisee shall provide Franchisor, in conjunction with this authorization, a voided check from the above-referenced account.

[Signature page follows.]

**AGREED:**

**FRANCHISOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION, OR  
OTHER ENTITY:**

**NAME OF FRANCHISEE ENTITY**

\_\_\_\_\_  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.**

**EXHIBIT F-1 TO THE FRANCHISE AGREEMENT**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**

**INDIVIDUAL'S NAME:** \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

**HOME ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

**HOME TELEPHONE:** \_\_\_\_\_

**RELATION TO FRANCHISEE:** \_\_\_\_\_

**(Owner, Shareholder, Officer, Director, Corporate  
Manager, Designated Manager, Employee, Etc.)**

\_\_\_\_\_ (“Franchisee”) is a franchisee of iTRIP, LLC (“Franchisor”) pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated as of \_\_\_\_\_ (the "Franchise Agreement") regarding the establishment of a franchised iTrip business. I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, ownership participation in, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by Franchisor and/or Franchisee (or any of their respective affiliates) which concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the offer and sale of programs, products and/or services at or from the franchised Business; all pricing paradigms established by Franchisor or Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Franchisee's Approved Commercial Office (if applicable); the identify of, and all information relating to, the Computer and POS Systems hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the franchised Business; Franchisor's (and, if in the future Franchisor permits, Franchisee's) internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional

programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and Franchisee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make the them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

I further agree that during the term of my employment/service/association/ownership participation, I will not, directly or indirectly, engage or participate in any other business which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service, product or component which now or in the future is part of the System, or any confusingly similar product or service. I agree that I am prohibited from engaging in any competitive business as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, advisor, or consultant.

Unless specifically prohibited by applicable law, for a period of two years immediately following the later of (a) the expiration or termination of my employment/service/association/ownership participation or (b) the date on which I begin to comply with the terms and conditions of this Agreement, I am prohibited from engaging in any competitive business, if the other business is located at the Approved Premises or Approved Commercial Office (as applicable), within Franchisee's Designated Territory, within fifty (50) miles of the perimeter of Franchisee's Designated Territory, or within fifty (50) miles of (or within) the Designated Territory or market area (as applicable) of any other franchised or company-owned Business in operation or under construction (regardless of how established and operated).

It is the intention of these provisions to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for competitive businesses, or any assistance or transmission of information of any kind which would be of any assistance to a competitor. Nothing herein will prevent me from owning for investment purposes up to an aggregate of 5% of the capital stock of any competitive business, so long as the competitive business is a publicly held corporation whose stock is listed and traded on a national or regional stock exchange, or through the National Association of Securities Dealers Automated Quotation System (NASDAQ), and so long as I or Franchisee do not control the company in question.

It is the intention of these provisions that any person or entity having any legal or beneficial interest in or traceable to, down or through me to be bound by the provisions of this covenant, including (without limitation) my spouse, brother, brother-in-law, sister, sister-in-law, parent, parent-in-law, child, son-in-law or daughter-in-law; any direct or indirect beneficiary; any partner (general or limited) or proprietor of mine; and, any other such related person or entity, regardless of how many levels or tiers there may be between any such described person or entity and me. Unless specifically prohibited by applicable law, I further agree that upon the expiration or termination of my term of employment/service/association, I will immediately refrain from any and all contacts with customers, for any purpose whatsoever.

**I acknowledge that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of those covenants not to compete and/or restrictions on the use of confidential information set forth in this agreement. I expressly agree that it may conclusively be presumed in any legal action that any violation of the terms of these covenants not to compete was accomplished by and through my unlawful utilization of Franchisor's Confidential Information. Further, I expressly agree that any**

**claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the covenants not to compete set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.**

If all or any portion of this covenant not to use confidential information and not to compete is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Tennessee without recourse to Tennessee (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Tennessee, and if the franchised Business is located outside of Tennessee and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Tennessee or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the county and state where Franchisor's principal place of business is then located. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the county and state where Franchisor's principal place of business is then located.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

[signature page follows]

I understand that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Franchisee's respective obligations to Franchisor hereunder may not be assigned by me or Franchisee, without the prior written consent of Franchisor.

Witnessed By:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Witness/Date

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

[Signature page to Confidentiality & Non-Compete Agreement]

**EXHIBIT F-2 TO FRANCHISE AGREEMENT**  
**CONFIDENTIALITY AGREEMENT (NON-MANAGERIAL PERSONNEL)**

**CONFIDENTIALITY AGREEMENT**

**NAME OF INDIVIDUAL:** \_\_\_\_\_

**FRANCHISEE:** \_\_\_\_\_

**HOME ADDRESS:** \_\_\_\_\_

**HOME TELEPHONE:** \_\_\_\_\_

**CLASSIFICATION:** \_\_\_\_\_

**(Employee, Independent Contractor, Etc.)**

\_\_\_\_\_ ("Franchisee") is a franchisee of iTrip, LLC ("Franchisor") pursuant to a Franchise Agreement entered into by Franchisee and Franchisor dated \_\_\_\_\_ (the "Franchise Agreement"). I agree that, unless otherwise specified, all terms in this Agreement have those meanings ascribed to them in the Franchise Agreement.

I agree that during the term of my employment by, engagement by, association with or service to Franchisee, or at any time thereafter, I will not communicate, divulge or use for the benefit of any other person, persons, partnership, proprietorship, association, corporation or entity any confidential information, knowledge or know-how concerning the systems of operation, services, products, clients or practices of Franchisee and/or Franchisor which may be communicated to me ("Confidential Information"), and I will not divert any business to competitors of Franchisee and/or Franchisor.

Any and all information, knowledge, know-how, techniques and information which the entities mentioned above or their officers designate as confidential will be Confidential Information for the purposes of this Agreement, except information which I can demonstrate came to my attention before disclosure or which had become or becomes a part of the public domain through publication or communication by others (unless the publication or communication is in violation of a similar confidentiality agreement), but in no event through any act of mine.

I specifically understand that, without limitation, the following constitute Confidential Information of Franchisor: all information, knowledge, trade secrets or know-how utilized or embraced by the System and/or imparted to you by Franchisor and/or Franchisee (or any of their respective affiliates) which concerns Franchisee's or Franchisor's systems of operation, programs, services, products, customers, practices, materials, books, records, manuals, computer files, databases or software; all elements of the System; all programs, products, services, equipment, technologies, recipes, food and beverage preparation techniques, policies, standards, requirements, criteria and procedures that now or in the future are a part of the System; Franchisor's Brand Standards (including Supplements to the Brand Standards); all specifications, procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the offer and sale of programs, products and/or services at or from the franchised Business; all pricing paradigms established by Franchisor or Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, build out, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of Franchisee's Restaurant; the identify of, and all information relating to, the Computer and POS Systems hardware and software utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all customer lists, data and records generated and/or otherwise maintained by the franchised Business; Franchisor's (and, if in the future Franchisor permits, Franchisee's) internet/web protocols, procedures and content (including electronic data, data files, users names and passwords); Franchisor's training and other instructional programs and materials; all elements of Franchisor's recommended staffing, staff training and staff certification policies and procedures; all communications between Franchisor and

Franchisee; additions or improvements to, deletions from and modifications and variations of the components of the System and the other systems and methods of operations which Franchisor employs now or in the future; research, development and test programs for products, services and operations; and, all other information, knowledge and know-how which either Franchisor or its affiliates, now or in the future, designate as confidential.

I will at no time copy, duplicate, record or otherwise reproduce any of the Confidential Information or material containing it, in whole or in part, store them in a computer retrieval or data base, nor otherwise make them available to any unauthorized person. Upon the expiration or other termination for any reason of my employment, association, service or ownership participation, I agree to return to Franchisor or Franchisee, as the case may be, all Confidential Information or material containing it (in whole or in part) in my possession utilized during my employment, association, service or ownership participation.

**I acknowledge that violation of the restrictions on the use of Confidential Information contained in this Agreement would result in immediate and irreparable injury to Franchisor and Franchisee for which no adequate remedy at law will be available. Accordingly, I hereby consent to the entry of an injunction procured by Franchisor or Franchisee (or both) prohibiting any conduct by me in violation of the terms of the restrictions on the use of Confidential Information set forth in this Agreement. Further, I expressly agree that any claims I may have against Franchisor will not constitute a defense to Franchisor's enforcement of the restrictions on the use of Confidential Information set forth in this Agreement. I further agree to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those restrictions on the use of Confidential Information set forth in this Agreement.**

If all or any portion of this covenant not to use confidential information is held unreasonable, void, vague or illegal by any court or agency having valid jurisdiction in an unappealed final decision to which Franchisee and/or Franchisor is a party, the court or agency will be empowered to revise and/or construe the covenant to fall within permissible legal limits, and should not invalidate the entire covenant. I expressly agree to be bound by any lesser covenant subsumed within the terms of this Agreement as if the resulting covenant were separately stated in and made a part of this Agreement.

I agree that this Agreement and all relations and disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, are to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Tennessee without recourse to Tennessee (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Tennessee, and if the franchised Business is located outside of Tennessee and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Agreement is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of Tennessee or any other state, which would not otherwise apply.

I further agree that any litigation arising out of or related to this Agreement; any breach of this Agreement; and, all relations and any and all disputes between myself on the one hand, and Franchisee or Franchisor on the other hand, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a court of competent jurisdiction in the state and county where Franchisor's principal place of business is then located. I agree that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in the state and county where Franchisor's principal place of business is then located.

I hereby waive and covenant never to assert or claim that said venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of forum non conveniens).

[signature page follows]

I understand that the rights and remedies of Franchisor under this Agreement are fully assignable and transferable and will inure to the benefit of its respective affiliates, successors and assigns. I further understand and agree that my and Franchisee's respective obligations to Franchisor hereunder may not be assigned by me or Franchisee, without the prior written consent of Franchisor.

Witnessed By:

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Witness/Date

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

**EXHIBIT G TO THE FRANCHISE AGREEMENT**  
**SOFTWARE LICENSE AGREEMENT**

## TABLE OF CONTENTS

1.	GRANT OF LICENSE.....	1
2.	TERM.....	2
3.	RESTRICTIONS ON LICENSEE .....	2
4.	PROTECTION AND SECURITY .....	3
5.	UNAUTHORIZED ACTS .....	3
6.	INSPECTION.....	4
7.	ASSIGNMENT OF LICENSE RIGHTS .....	4
8.	INJUNCTION .....	4
9.	DEFAULT AND TERMINATION .....	5
10.	BINDING EFFECT.....	5
11.	SECURITY INTEREST .....	6
12.	WAIVER OR DELAY; INTEGRATION; AMENDMENT .....	6
13.	DISCLAIMER .....	6
14.	LIMITATION OF LIABILITY .....	7
15.	SEVERABILITY .....	7
16.	GOVERNING LAW; VENUE .....	8
17.	COSTS OF ENFORCEMENT; ATTORNEYS' FEES.....	8
18.	SUBMISSION OF AGREEMENT.....	9

## SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT (this "Agreement") is made and entered into on \_\_\_\_\_, between ITRIP, LLC, a limited liability company with its principal office 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 ("Licensor") and \_\_\_\_\_ whose principal address is \_\_\_\_\_ ("Licensee").

### 1. GRANT OF LICENSE

#### 1.01 Grant of License

Licensor grants to Licensee a nontransferable, nonexclusive license for the use of those computer programs, system documentation manuals and other materials, including without limitation, Licensor's Proprietary Software and Website Hosting Program (as defined in that certain Franchise Agreement between Licensor and Licensee dated \_\_\_\_\_) (hereinafter collectively referred to as "iTrip Software" or the "Software") supplied by Licensor to Licensee during the term of this Agreement, for use only for purposes of the single iTrip "Franchised Business" defined in and the subject of that Franchise Agreement.

#### 1.02 Revisions, Additions and Deletions

Licensor may, from time to time, revise the iTrip Software or any part of the Software. In doing so, Licensor will furnish said revisions to the iTrip franchise network. Licensor reserves the right to add and/or delete, at its sole option, computer programs and/or features to the iTrip Software. If Licensor furnishes Licensee with revisions or additions to the iTrip Software, Licensor specifically reserves the right to charge Licensee for them if they constitute an entirely new program(s) (including but not limited to a hub) that materially change the functions or manner with which iTrip Franchised Businesses use iTrip Software, at the prices and on the terms that Licensor determines at its sole option, including, without limitation, any costs associated with development, setup, installation of computer hardware, equipment, connections, data systems, software, etc.; provided, however, that such charges by Licensor shall not exceed \$10,000 in any 12-month period. Any updates, replacements, revisions, enhancements, additions or conversions to the iTrip Software furnished by Licensor to Licensee will become part of the "Software" under this Agreement and subject to this Agreement.

#### 1.03 Rights of Licensor

Licensee recognizes that Licensor is supplying the iTrip Software and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor's proprietary rights. Licensee agrees with Licensor that the iTrip Software and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor embodying substantial creative efforts and confidential information, ideas, and expressions, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled. Accordingly, Licensee agrees to treat (and take precautions to ensure that its employees treat) the Software as confidential in accordance with the confidentiality requirements and conditions set forth in this Agreement. Licensor is not obligated to provide and Licensee acquires no right of any kind under this Agreement with respect to any source code for the Software.

#### 1.04 Title

Licensor retains title to the iTrip Software, the system documentation manuals, any additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

### **1.05 No Other Rights Granted**

Apart from the license rights specifically enumerated in this Agreement, this Agreement does not include a grant to Licensee of any ownership right, title or interest, nor any security interest or other interest, in any Intellectual Property Rights (as defined in the following sentence) relating to the Software or any part of the Software. "Intellectual Property Rights" means any and all rights to exclude under patent law, copyright law, oral rights law, trade-secret law, semiconductor chip protection law, trademark law, unfair competition law or other similar rights.

## **2. TERM**

### **2.01 Term**

This License Agreement is effective from the date of execution by Licensor and will remain in full force so long as Licensee remains a Franchisee in good standing under to the iTrip, LLC Franchise Agreement entered into between iTrip, LLC and Licensee, dated \_\_\_\_\_ (the "Franchise Agreement"). The Franchise Agreement is incorporated in this Agreement as though set forth in full.

## **3. RESTRICTIONS ON LICENSEE**

### **3.01 Single iTrip Franchised Business Use**

The iTrip Software and other materials provided under this Agreement may be used only on computerized devices with (where required for certain functions) a connection to the internet (each such device, referred to as the "Accessing Device") and their associated networked peripheral units (such as printers, scanners, and the like) used by the same iTrip Franchised Business and its staff, owners/clients, guests of properties managed by the Franchised Business, and vendors of the Franchised Business. "Use" of a program will consist either of copying, streaming or downloading any portion of the data made available through the program into the Accessing Device(s), or the processing, streaming or uploading of data from or through the Accessing Device(s) with the program, or both. Licensee agrees to keep its granting of access to individuals to use all programs, documentation and materials in any form (including but not limited to object, machine-readable and/or printed form) supplied under this license in compliance with access and use restrictions satisfactory to Licensor, and not less strict than those applied to Licensee's most valuable and sensitive programs.

As between the parties hereto, Licensee shall be exclusively responsible for the supervision, management and control of the use of the Software by Licensee (including its employees, agents and other personnel), including, but not limited to: (i) assuring proper audit controls and operating methods (such as choosing account passwords that are not easy to guess, and only allowing access to those employees of Licensee whom Licensee has authorized to access the Software for proper purposes in connection with the Franchised Business); (ii) [reserved]; (iii) implementing sufficient procedures and checkpoints to satisfy its requirements for security (such as limiting communication of personally sensitive information by means of the Software unless required) and accuracy of information that is input into the Software by Licensee; and (iv) maintaining the proper operating environment for the Software (e.g., an environment where private or proprietary information displayed through the Software is not put on public view). For clarity, throughout this agreement, all references to "agents", "representatives", or "other personnel", are expressly understood to exclude service providers working for or on behalf of Licensee.

### **3.02 Copies and Use of Output from Software**

Licensee agrees that while this license is in effect, or while Licensee has custody or possession of any property of Licensor, Licensee will not, except in the ordinary course of Licensee's iTrip Franchised Business, copy or duplicate, or permit its employees to copy or duplicate, any version of the iTrip Software or other information furnished by Licensor through the Software (such as information about clients, properties, or guests) in any form (including but not limited to digital and/or printed form).

Licensee agrees to respect and not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on any of the Software or output generated by the Software (such as information on clients, properties, or guests and, to the extent that Licensee can do so, to

reproduce and include same on each copy of output generated by the Software that is intended to show to any third party). For the avoidance of doubt, Licensee shall not be required to add copyright, trademark, confidentiality or other proprietary notice, mark or legend on texts or emails generated by the Software for communications with vendors, employees, homeowner clients or prospective or actual rental guests of the iTrip Franchised Business.

### **3.03 No Reverse Engineering or Modification**

Licensee agrees that while this license is in effect, or while Licensor has custody or possession of any property of Licensor, Licensee will not modify, translate, enhance, merge, reverse engineer, reverse assemble, disassemble, or decompile the Software or any portion of the Software, derive the source code or the underlying ideas, algorithms, structure or organization form of the Software or any portion thereof or otherwise reduce the Software or any portion of the Software to human-readable form. Licensee may not, and may not attempt to, defeat, avoid, by-pass, remove, deactivate or otherwise circumvent any software protection mechanisms in the Software including, without limitation, any such mechanism used to restrict or control the functionality of the Software.

### **3.04 Transfer of Software**

If Licensee transfers possession of any copy, modification, translation or merged portion of the iTrip Software to another party, the attempt at transfer is void and this license is automatically terminated.

## **4. PROTECTION AND SECURITY**

### **4.01 Non-Disclosure**

Licensee agrees not to disclose, publish, display, translate, release, transfer or otherwise make available the iTrip Software, any part of the Software or any other materials furnished by Licensor in any form (or any copy of any of the foregoing) to any person, without the written consent of Licensor, which may be withheld with or without cause, except for use of the Software in the ordinary course of its iTrip Franchised Business to disclose, publish, display and make available the Software as needed to its employees, clients (homeowners), guests of properties managed by Licensee, vendors, referring homeowners to the owners portal in the Software, setting up a vendor on the work order system, or creating a new listing for a newly onboarded home. Licensee agrees that it will take all necessary action to assure Licensee's compliance with its obligations under this Agreement. Licensee shall use its best efforts to assist Licensor in identifying and preventing any unauthorized use, copying or disclosure of the Software or any portions thereof. Without limitation of the foregoing, Licensee shall advise Licensor immediately in the event Licensee learns or has reason to believe that any person who Licensee has given access to the Software, or any portion thereof, has violated or intends to violate the terms of this Agreement. The provisions of this Section 4.01 will survive the termination of this Agreement. Licensee shall not rent, lease, loan, distribute, sell, sublicense or encumber the Software.

Licensee shall not create any derivative works from the Software. Licensee agrees that any derivative works created by Licensee from the Software, including, but not limited to, software or other electronic works, are considered derivative works under U.S. law and that use of the derivative work is subject to the terms and conditions of this License Agreement. Derivative works may not be sublicensed, sold, leased, rented, lent, or given away without written permission from Licensor. Licensor will not be responsible for unauthorized, modified and/or regenerated software or derivative works.

Licensee understands and agrees that Licensor may from time to time adopt whatever mechanical or other electronic methods that Licensor deems necessary (in its sole and exclusive judgment) to prevent the unauthorized use and/or distribution of the iTrip Software.

## **5. UNAUTHORIZED ACTS**

### **5.01 Unauthorized Acts**

Licensee agrees to notify Licensor immediately of the unauthorized possession, use or knowledge of any item supplied through this license and of other information made available, to Licensee under this Agreement, by any person or organization not authorized by this Agreement to have such possession, use or knowledge.

Licensee agrees to promptly furnish full details of the possession, use or knowledge to Licensor, to assist in preventing the recurrence of the possession, use or knowledge, and to cooperate with Licensor in any litigation against third parties deemed necessary by Licensor to protect its proprietary rights. Licensee's compliance with this paragraph will not be construed in any way as a waiver of Licensor's rights to recover damages or obtain other relief against Licensee for its grossly negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

#### **5.02 Export Law Assurances.**

Licensee may not use or otherwise export or reexport the Software except as authorized by United States law and the laws of the jurisdiction in which the Software was obtained. Licensee represents and warrants that Licensee is not located or domiciled in, under control of, or a national or resident of any such country or on any such list.

### **6. INSPECTION**

#### **6.01 Inspection of Use**

To assist Licensor in the protection of its proprietary rights and compliance with this Agreement, Licensee agrees to permit representatives of Licensor to inspect, at all reasonable times, how the Software supplied under this Agreement is being used by Licensee and its employees, and what types of data and information the Software is being used to transmit or process.

### **7. ASSIGNMENT OF LICENSE RIGHTS**

#### **7.01 Assignment by Licensor**

Licensor will have the right to assign this Agreement, and all of its rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

#### **7.02 Assignment by Licensee**

With respect to Licensee's obligations under this Agreement, this License Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Licensee, and the trust and confidentiality reposed in Licensee by Licensor. Therefore, neither Licensee's interest in this Agreement nor any of Licensee's rights or privileges under this Agreement, may be assigned, sold, transferred, shared, redeemed, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Licensor. Any actual or attempted assignment, transfer or sale of this Agreement, or any interest in this Agreement, or of the franchised business, made or accomplished in violation of the terms of this Article will be null and void and will constitute an incurable breach of this Agreement by Licensee, and, if this occurs, this Agreement will automatically terminate without further notice.

### **8. INJUNCTION**

#### **8.01 Injunction**

Licensee acknowledges that the unauthorized use, modification, transfer or disclosure of the Software or copies thereof will (i) substantially diminish the value to Licensor of the trade secrets and other proprietary interests that are the subject of this Agreement; (ii) render Licensor's remedy at law for such unauthorized use, disclosure or transfer inadequate; and (iii) cause irreparable injury in a short period of time. If Licensee breaches any of its obligations with respect to the use or confidentiality of the Software or if Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), then Licensor shall

be entitled to equitable relief to protect its interests therein, including, but not limited to, preliminary and permanent injunctive relief, without having to post bond or other security.

Licensor acknowledges that irreparable harm could be caused to Licensee by Licensor's violation of this Agreement, and, as such, in addition to any other relief available at law or equity, Licensee shall be entitled to obtain in any court of competent jurisdiction restraining orders or temporary or permanent injunctions (all without posting a bond) in order to enforce, among other items, the provisions of this Agreement.

## **9. DEFAULT AND TERMINATION**

### **9.01 Termination**

If the Franchise Agreement is terminated by either party for any reason or expires, then upon the effective date of the termination or expiration of the Franchise Agreement, this Agreement will automatically terminate without notice to Licensee.

Licensor reserves the right to immediately terminate this License Agreement, at Licensor's sole and exclusive option, if Licensee breached any term of this Agreement or of the Franchise Agreement - - provided, that in the case of a breach of this Agreement which is curable, Licensee shall have 30 days to fully cure such breach after being given notice by Licensor; and further provided, however, that in any event if the Franchise Agreement is earlier terminated or expires by its terms before the end of such 30-day period, then the term of this Agreement shall automatically end as of the same date as the Franchise Agreement. This termination will be without prejudice to any right or claims Licensor may have and all rights granted under this Agreement will immediately revert to Licensor. If Licensor terminates this Agreement, Licensee agrees to return to Licensor all property of and/or materials supplied by Licensor immediately after the termination, and if applicable, delete the Software from Licensee's own Accessing Devices and require its staff to do the same.

The termination or expiration of this Agreement or of the Franchise Agreement for any reason whatsoever will not relieve Licensee of its obligations of confidentiality, protection and security under this Agreement, or of the restriction on copying and use as provided in this Agreement, with respect to the iTrip Software.

Upon termination or expiration of this Agreement or of the Franchise Agreement for any reason, Licensee agrees to immediately return to Licensor the iTrip Software, including, without limitation, all computer software and return or delete any off-line copies the Licensee has of data that is proprietary to the Licensor, whether saved on memory drives, online or via other storage media (and any future technological substitutions for any of them).

### **9.02 Cross-Default**

Any breach or default by Licensee of any of the breaches identified in Section 15(A) of the Franchise Agreement or any of the uncured defaults identified in Section 15(B) of the Franchise Agreement between Licensor and Licensee will be deemed a default under this Agreement, and any default or breach of this Agreement by Licensee (or any of its affiliates) will be deemed a default or breach under the Franchise Agreement. If the nature of such default under the Franchise Agreement would have permitted Licensor to terminate this Agreement if default had occurred under this Agreement, then Licensor (or its Affiliates) will have the right to the Franchise Agreement between Licensor (or its Affiliates) and Licensee (or any of its affiliates) in the same manner provided for in this Agreement for termination of this Agreement.

## **10. BINDING EFFECT**

### **10.01 Binding Effect**

Licensee agrees that this Agreement binds the named Licensee and each of its employees, agents, representatives and other personnel. This Agreement further binds each affiliated and subsidiary firm, corporation, or other organization and any person, firm, corporation or other organization with which the Licensee may enter a joint venture or other cooperative enterprise.

## **11. SECURITY INTEREST**

### **11.01 Security Interest**

Licensee hereby gives to Licensor a security interest in and to any proprietary data of Licensor that is generated by or obtained via the Software, and other materials furnished under this Agreement as security for Licensee's performance of all its obligations under this Agreement, together with the right, without liability, to cease permitting access to the iTrip Software and other materials licensed under this Agreement, with or without notice, in the event of an uncured default in any of Licensee's obligations under this Agreement.

## **12. WAIVER OR DELAY; INTEGRATION; AMENDMENT**

### **12.01 Waiver or Delay**

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Licensee under this Agreement shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

### **12.02 Integration**

This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that, and that this Agreement is not to limit any rights that Licensor may have under trade secret, copyright, patent, or other laws that may be available to it. Licensee acknowledges that the Agreement does not include any other prior or contemporaneous promises, representations, or descriptions regarding the Software, or that if any such promises, representations, or descriptions were made, Licensee is not relying on them. Notwithstanding the foregoing however, nothing in this Section is intended to disclaim the representations Licensor made in the Franchise Disclosure Document that it provided to Licensee.

### **12.03 Amendment**

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties hereto.

## **13. DISCLAIMER**

### **13.01 DISCLAIMER**

LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF, AND LICENSOR HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE); WARRANTIES OF QUALITY OR PRODUCTIVENESS, CAPACITY, ACCURACY OR SYSTEM INTEGRATION; IMPLIED WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; AND, WARRANTIES AGAINST INTERFERENCE WITH LICENSEE'S ENJOYMENT OF THE LICENSED INFORMATION OR LICENSED INFORMATIONAL RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSED SOFTWARE AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH LICENSEE. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE

DAMAGES, LOST DATA, DOWNTIME COSTS, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED SOFTWARE, MATERIALS OR INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, BUSINESS INTERRUPTION OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY (WHETHER TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE), EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH THE SOFTWARE OR ANY EQUIPMENT USED WITH THE SOFTWARE. LICENSOR DOES NOT REPRESENT OR WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE OR MEET ANY SPECIFIC REQUIREMENTS, THAT THE SOFTWARE WILL BE FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS OR OTHER PROGRAM LIMITATIONS OR THAT ANY DEFECTS OR ERRORS IN THE SOFTWARE WILL BE CORRECTED. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. NO AGENT OF LICENSOR IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF LICENSOR AS SET FORTH HEREIN. NO USE OF THE PRODUCT IS AUTHORIZED HEREUNDER EXCEPT UNDER THIS DISCLAIMER; PROVIDED, HOWEVER, THAT SOME STATES OR JURISDICTIONS DO NOT ALLOW EXCLUSIONS OF AN IMPLIED WARRANTY AND SOME STATES OR JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THAT THIS DISCLAIMER MAY NOT APPLY TO LICENSEE. TO THE EXTENT THAT LICENSOR MAY NOT, AS A MATTER OF APPLICABLE LAW, DISCLAIM ANY WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE THE MINIMUM PERMITTED UNDER APPLICABLE LAW.

#### **14. LIMITATION OF LIABILITY**

##### **14.01 LIMITATION OF LIABILITY**

LICENSOR'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE LEGAL THEORY, WILL NOT EXCEED THE COST OF REPLACEMENT OF THE SOFTWARE LICENSED UNDER THIS AGREEMENT. THIS WILL BE LICENSEE'S SOLE AND EXCLUSIVE REMEDY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF ANY PARTY'S OBLIGATIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED, EXCEPT THAT AN ACTION FOR NONPAYMENT MAY BE BROUGHT WITHIN ONE YEAR OF THE DATE OF LAST PAYMENT.

#### **15. SEVERABILITY**

##### **15.01 Severability**

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

## **16. GOVERNING LAW; VENUE**

### **16.01 Governing Law**

This Agreement; all relations between the parties; and, any and all disputes between the parties whether such dispute sounds in law, equity or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Tennessee without recourse to Tennessee (or any other) choice of law or conflicts of law principles. If Licensor moves its principal headquarters to another state, Licensor reserves the right to designate that state's law as governing, again without recourse to that successor state's (or any other) choice of law or conflicts of law principles, upon written notice to Licensee. If, however, any provision of this Agreement would not be enforceable under the laws of Tennessee, and if the franchised business is located outside of Tennessee and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of the State of Tennessee or any other state, or any successor state we designate (as provided above), which would not otherwise apply by its terms jurisdictionally or otherwise but for the within designation of governing law or which, by virtue of its denominated geographic or subject matter scope, would not by its terms otherwise apply which would not otherwise apply.

### **16.02 Venue**

Any action or proceeding brought by Licensor or Licensee (and/or any of Licensor's or Licensee's respective affiliates, and their respective owners, members, officers, directors or managers) against any such other party, whether sounding in law or equity, will be instituted, litigated through conclusion and, if necessary, appealed through final, irrevocable judgment exclusively in a state court of general jurisdiction closest to Licensor's then-current corporate headquarters or, if appropriate, the United States District Court for the Middle District of Tennessee. Any such action or proceeding shall be brought in federal court if federal court jurisdiction exists and, if it does not exist, then in state court. Licensee (and Licensee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing) hereby irrevocably submit themselves to the jurisdiction of any such court and waive all questions of personal jurisdiction for the purpose of carrying out this provision. Licensee (and each of Licensee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing) agrees that any dispute as to the venue for litigation will be submitted to and resolved exclusively by such aforementioned court. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, iTrip's Software or any part of the Software, Licensor may bring such an action in any state or federal district court which has jurisdiction. Licensee, on behalf of Licensee and Licensee's affiliates, and the owners, members, officers, directors or managers of each of the foregoing, hereby waive and covenant never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "*forum non conveniens*"). The parties agree that this Section 16.02 shall not be construed as preventing either party from removing an action or proceeding from state to federal court.

## **17. COSTS OF ENFORCEMENT; ATTORNEYS' FEES**

### **17.01 Costs of Enforcement**

Licensor will be entitled to recover from Licensee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensor prevails in any action instituted against Licensee in order to secure or protect those rights inuring to Licensor under this Agreement, or to enforce the terms of this Agreement.

Licensee will be entitled to recover from Licensor reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensee prevails in any action instituted against Licensor in order to secure or protect those rights inuring to Licensee under this Agreement, or to enforce the terms of this Agreement.

## **17.02 Attorneys' Fees**

If Licensor becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensee or Licensee's authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor's authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys' fees, experts' fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Licensee.

If Licensee becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensor or Licensor's authorized representatives and not by any act or omission of Licensee or any act or omission of Licensee's authorized representatives, Licensor will be liable to Licensee for reasonable attorneys' fees, experts' fees and court costs incurred by Licensee in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment.

## **18. SUBMISSION OF AGREEMENT**

### **18.01 Submission of Agreement**

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon execution of this Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this Agreement.

[Signature page follows.]

THIS AGREEMENT WILL NOT BE BINDING ON LICENSOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF LICENSOR. LICENSEE HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF.

Dated: \_\_\_\_\_

LICENSEE:

**If a corporation, limited liability company, partnership or other business entity:**

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**If one or more individuals:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

LICENSOR:

iTrip, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ILLINOIS ADDENDUM TO SOFTWARE LICENSE AGREEMENT**

The provisions of the Software License Agreement concerning governing law, jurisdiction and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. Consequently, Sections 16.01 (“Governing Law”) and 16.02 (“Venue”) of the Software License Agreement will be deleted for all Illinois franchisees.

Dated: \_\_\_\_\_

LICENSEE:

If a corporation or other entity:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

If an individual:

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

LICENSOR:

iTrip, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **INDIANA ADDENDUM TO SOFTWARE LICENSE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Software License Agreement, the following provisions will supersede and apply:

1. Article 8 of the Software License Agreement (“Injunction”) will not apply to franchises offered and sold in the State of Indiana.
2. Section 16.01 of the Software License Agreement will not relieve the Franchisor 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 such provision or Tennessee law if such provision is in conflict with Indiana law.
3. The third sentence of Article 14 of the Software License Agreement ("Limitation of Liability") will not apply to franchises offered and sold in the State of Indiana.

Signature page follows.

Dated: \_\_\_\_\_

LICENSEE:

If a corporation or other entity:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

If an individual:

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

LICENSOR:

iTrip, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MARYLAND ADDENDUM TO SOFTWARE LICENSE AGREEMENT**

The following provisions will supersede anything to the contrary in the Software License Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Section 16.02 of the Software License Agreement (“Venue”) requires venue to be limited to Tennessee. This section is amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Dated: \_\_\_\_\_

LICENSEE:

If a corporation or other entity:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

If an individual:

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

LICENSOR:

iTrip, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## WASHINGTON SOFTWARE LICENSE AGREEMENT ADDENDUM

The following provisions will supersede anything to the contrary in the Software License Agreement and will apply to all franchises offered and sold under the laws of the State of Washington:

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the Software License Agreement in your relationship with the franchisor including the areas of termination and renewal of the Software License Agreement. There may also be court decisions which may supersede the Software License Agreement in your relationship with the franchisor including the areas of termination and renewal of the Software License Agreement.
3. 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 Software License Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. 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.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. 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.
7. 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.

Signature page follows.

Dated: \_\_\_\_\_

LICENSEE:

If a corporation or other entity:

\_\_\_\_\_  
(Name of Corporation or Other Entity)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

If an individual:

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

iTrip, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT H TO THE FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES**

1. \_\_\_\_\_, doing business as iTrip Location (the “Assignor”), in exchange for valuable consideration provided by iTRIP, LLC (the “Assignee”), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its iTRIP franchised business located at \_\_\_\_\_ (collectively, the “Assigned Property”). The Assigned Property includes the following:

Telephone Number(s): \_\_\_\_\_  
Facsimile Number(s): \_\_\_\_\_  
Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): \_\_\_\_\_  
\_\_\_\_\_.

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

Signature page follows.

**ASSIGNOR:**

**ITRIP, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ASSIGNEE:**

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**IF A PARTNERSHIP, CORPORATION, OR  
OTHER ENTITY:**

**NAME OF FRANCHISEE ENTITY**

\_\_\_\_\_  
By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT B TO DISCLOSURE DOCUMENT**

**iTRIP, LLC**  
**FINANCIAL STATEMENTS**

**ITRIP, LLC**  
**(a wholly owned subsidiary of iTrip HoldCo, LLC)**

**Financial Statements**

**December 31, 2024 and 2023**

**(With Independent Auditors' Report Thereon)**



**ITRIP, LLC**

**Table of Contents**

	<u>Page</u>
<b>Independent Auditors' Report</b>	<b>1 - 2</b>
<b>Financial Statements:</b>	
<b>Balance Sheets</b>	<b>3</b>
<b>Statements of Operations and Members' Equity</b>	<b>4</b>
<b>Statements of Cash Flows</b>	<b>5</b>
<b>Notes to the Financial Statements</b>	<b>6 - 12</b>



## INDEPENDENT AUDITORS' REPORT

**The Stockholders**

**iTrip, LLC:**

### **Opinion**

We have audited the accompanying financial statements of iTrip, LLC (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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 matters that we identified during the audit.

*LBMC, PC*

Brentwood, Tennessee

April 9, 2025

**ITRIP, LLC**

**Balance Sheets**

**December 31, 2024 and 2023**

Assets

	<u>2024</u>	<u>2023</u>
<b>Current assets:</b>		
Cash	\$ 72,115	\$ 419,368
Receivables, net, less provision for credit losses of \$161,667 and \$33,727 at December 31, 2024 and 2023, respectively	1,347,750	1,249,264
Prepaid expenses	20,999	142,031
Contract costs	162,977	170,395
Refundable state income tax	<u>109,821</u>	<u>19,512</u>
<b>Total current assets</b>	<b>1,713,662</b>	<b>2,000,570</b>
Equipment, net	812	3,671
Goodwill, net of accumulated amortization	29,078,774	35,602,336
Other intangible assets, net of accumulated amortization	2,134,308	2,545,165
Contract costs, less current portion	865,203	1,000,366
Deferred state income tax	<u>175,000</u>	<u>192,453</u>
<b>Total assets</b>	<b><u>\$ 33,967,759</u></b>	<b><u>\$ 41,344,561</u></b>

Liabilities and Members' Equity

<b>Current liabilities:</b>		
Accounts payable	\$ 74,548	\$ 69,550
Accrued expenses	66,361	124,182
Deferred revenue	<u>273,570</u>	<u>328,589</u>
<b>Total current liabilities</b>	<b>414,479</b>	<b>522,321</b>
Deferred revenue, less current portion	<u>1,380,488</u>	<u>1,740,171</u>
<b>Total liabilities</b>	<b>1,794,967</b>	<b>2,262,492</b>
Members' equity	<u>32,172,792</u>	<u>39,082,069</u>
<b>Total liabilities and members' equity</b>	<b><u>\$ 33,967,759</u></b>	<b><u>\$ 41,344,561</u></b>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Operations and Members' Equity

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net revenues	\$ <u>15,541,625</u>	\$ <u>15,178,334</u>
Operating expenses:		
Advertising and promotion	955,979	980,752
Payroll and benefits	2,381,145	2,843,768
Commissions and fees	213,512	243,179
Travel	135,113	85,707
Legal and professional	142,433	167,966
Depreciation of equipment	2,859	4,279
Amortization of goodwill	6,523,562	6,523,562
Amortization of other intangible assets	410,857	410,857
Other expenses	<u>1,098,257</u>	<u>937,676</u>
Total operating expenses	<u>11,863,717</u>	<u>12,197,746</u>
Earnings before income taxes	3,677,908	2,980,588
Income tax expense	<u>140,608</u>	<u>99,871</u>
Net earnings	3,537,300	2,880,717
Members' equity at beginning of year	39,082,069	48,337,802
Member draws	<u>(10,446,577)</u>	<u>(12,136,450)</u>
Members' equity at end of year	<u>\$ 32,172,792</u>	<u>\$ 39,082,069</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Cash Flows

Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net earnings	\$ <u>3,537,300</u>	\$ <u>2,880,717</u>
Adjustments to reconcile net earnings to cash flows provided by operating activities:		
Amortization of goodwill	6,523,562	6,523,562
Amortization of other intangible assets	410,857	410,857
Provision for credit losses	127,940	24,462
Depreciation of equipment	2,859	4,279
Provision for deferred state income tax	17,453	(50,793)
(Increase) decrease in operating assets:		
Receivables	(226,426)	(295,282)
Prepaid expenses	121,032	(54,881)
Contract costs	142,581	(68,016)
Refundable state income tax	(90,309)	(19,512)
Increase (decrease) in operating liabilities:		
Accounts payable	4,998	69,550
Accrued expenses	(57,821)	17,262
State income tax payable	-	(35,825)
Deferred revenue	<u>(414,702)</u>	<u>(68,370)</u>
Total adjustments	<u>6,562,024</u>	<u>6,457,293</u>
Net cash provided by operating activities	10,099,324	9,338,010
Cash flows from financing activities:		
Member draws	<u>(10,446,577)</u>	<u>(12,136,450)</u>
Change in cash	(347,253)	(2,798,440)
Cash at beginning of year	<u>419,368</u>	<u>3,217,808</u>
Cash at end of year	\$ <u>72,115</u>	\$ <u>419,368</u>

See accompanying notes to the financial statements.

# ITRIP, LLC

## Notes to the Financial Statements

December 31, 2024 and 2023

(1) Nature of operations

iTrip, LLC (the "Company") grants franchises for the right to independently own and operate iTrip locations throughout the United States that offer and provide property management for vacation or other rental properties on behalf of the property owner.

iTrip HoldCo, LLC ("HoldCo") was formed on May 28, 2019 whereby the owners contributed all of the outstanding membership interests of iTrip, LLC, and nine additional iTrip affiliated companies, to HoldCo. On June 17, 2019, all of the outstanding membership interests of HoldCo were contributed to LTK Enterprises, LLC ("LTK") and its wholly owned subsidiary, iTrip Blocker, Inc ("Blocker"). Contemporaneous with the contribution of membership interests to LTK and Blocker, Vacation Brands Purchaser, Inc. ("Vacation Brands") acquired the outstanding membership interests from LTK. After the acquisition, Vacation Brands and Blocker own 76.98% and 23.02% of the Company, respectively. The Company will continue in perpetuity unless dissolved by the members.

(2) Summary of significant accounting policies

(a) Allocation of earnings and losses

Earnings and losses of the Company are allocated to the members in proportion to their ownership percentages as provided in the Limited Liability Company Agreement.

(b) Receivables and credit policies

Receivables are uncollateralized obligations due from franchisees under normal trade terms requiring payment within 30 days from invoice date. Certain franchisees have been granted extended payment terms based on business volume. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a provision for credit losses which reflects management's best estimate of the amounts that will not be collected. The provision for credit losses is estimated based on management's knowledge of its franchisees, historical loss experience, current credit, existing economic conditions, reasonable and supportable forecasts regarding future economic events, and any other factors deemed relevant to the Company.

(c) Equipment

Equipment consists of computer and video equipment and is stated at cost reduced by accumulated depreciation of \$8,153 and \$16,827 at December 31, 2024 and 2023, respectively. Depreciation is provided over the assets' estimated useful lives of three to five years using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

Notes to the Financial Statements

December 31, 2024 and 2023

(d) Goodwill

The Company's goodwill represents the excess of the purchase price over the fair value of the assets acquired in business combinations. Effective June 17, 2019, the Company elected to adopt the alternative accounting for goodwill under the provisions of ASU 2014-02 available to private companies. Under these provisions, goodwill is amortized over a period of 10 years using the straight-line method from the date goodwill is generated. Management has elected to perform impairment testing at the entity-level which is required only when impairment indicators are identified.

(e) Other intangible assets

The trademarks are amortized over its useful life of 20 years and internally developed software is amortized over its useful life of 7 years. Both are reviewed for impairment on an annual basis, or more frequently, as impairment indicators arise.

(f) Income taxes

The amount provided for income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws.

All federal taxable income and losses are allocated to the members of the Company for inclusion in their respective income tax returns, and the Company recognizes only state income taxes in the financial statements.

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company had no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

As of December 31, 2024 and 2023, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and various state income tax returns.

(g) Revenue recognition

Revenues consist primarily of franchise fees, royalty revenue, and digital marketing revenue and are recognized in amounts that reflects the consideration the Company expects to be entitled in exchange for those services.

Notes to the Financial Statements

December 31, 2024 and 2023

*Franchise fees*

Franchise fees consist of an initial franchise fee, proprietary software and web hosting fee, initial training fee, and operational support fee. These fees are paid at the execution of the franchise agreement.

The initial franchise fee covers the franchise licenses to operate in the designated territory and a related broker fee associated with executing the franchise agreement. The proprietary software and web hosting fee are related to initial programs specifically for first time franchisees to train on the Company's software and application of the brand on their territory. The Company has determined these services are highly interrelated, and the Company does not consider them to be individually distinct performance obligations from the franchise agreement, and therefore account for them under "*Revenue from Contracts with Customers (Topic 606)*" as a single performance obligation under the franchise agreement. Revenue is recognized on a straight-line basis over the term of the franchise agreement. Revenue recognized for the initial franchise and proprietary software and web hosting fees totaled approximately \$440,000 and \$415,000 during 2024 and 2023, respectively.

The initial training fee covers the cost of onsite training that is completed during the first two months after execution of the franchise agreement. Training is not highly interrelated to the iTrip brand, and therefore, revenue for the initial training fee is recognized when the franchise agreement is executed.

The operational support fee is charged as an additional service to provide new franchisees operational assistance and support during the first 12 months under the franchise agreement. Revenue is recognized on a straight-line basis over 12 months. Revenue recognized for the initial operational support revenue totaled approximately \$59,000 and \$74,000 during 2024 and 2023, respectively.

*Royalty revenues*

Royalty revenues represent sales-based royalties that are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to the performance obligation to franchisees to maintain intellectual property being licensed.

*Digital marketing revenue*

Digital marketing revenue are marketing campaigns and services that are designed to market and promote the franchise. Revenue for these fees is recognized monthly as services are performed.

Notes to the Financial Statements

December 31, 2024 and 2023

*Commission revenue*

Commission revenue is earned on a non-refundable limited damage waiver fee and selling activity passes through the franchise agreement. The franchisee pays the Company a percentage of the commission earned on these sales. The damage waiver fee is offered to renters to cover damages up to \$5,000 of unintentional damage in-lieu of paying large security deposits at booking. The Company received 40% of the fee earned, and any costs from damages are shared just that the franchisee pays up to 40% of the damage limit purchased and the balance, if the expense exceeds the 40% threshold, is paid by the Company. Revenue on commissions are recognized at a point in time when the property stay is completed.

*Deferred revenue*

Deferred revenue consists of the initial franchise fee and proprietary software and web hosting fee and is recognized on a straight-line basis over the term of the franchise agreement. Operational support revenue is recognized on a straight-line basis over 12 months.

*Contract costs*

Contract costs consist of broker fees and bonuses paid to acquire new franchisees that are paid prior or at the start of the franchise agreement. These costs are amortized on a straight-line basis over the term of the franchise agreement.

(h) Advertising and promotion costs

Advertising and promotion costs are expensed as incurred and totaled \$955,979 and \$980,752 for the years ended December 31, 2024 and 2023, respectively.

(i) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

(j) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2024 and April 9, 2025, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2024 and 2023

(3) Credit risk and other concentrations

The Company generally maintains cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

(4) Goodwill

A summary of goodwill as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Goodwill	\$ 65,235,624	\$ 65,235,624
Accumulated amortization	<u>(36,156,850)</u>	<u>(29,633,288)</u>
	<u>\$ 29,078,774</u>	<u>\$ 35,602,336</u>

Amortization expense for goodwill totaled \$6,523,562 for the years ended December 31, 2024 and 2023.

A summary of expected future amortization expense for goodwill as of December 31, 2024 is as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 6,523,562
2026	6,523,562
2027	6,523,562
2028	6,523,562
2029	<u>2,984,526</u>
	<u>\$ 29,078,774</u>

(5) Intangible assets

A summary of the intangible assets as of December 31, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Software development costs, net of accumulated amortization of \$1,622,103 and \$1,329,246 in 2024 and 2023, respectively.	\$ 427,897	\$ 720,754
Trademarks, net of accumulated amortization of \$653,589 and \$535,589 in 2024 and 2023, respectively.	<u>1,706,411</u>	<u>1,824,411</u>
	<u>\$ 2,134,308</u>	<u>\$ 2,545,165</u>

Amortization expense totaled \$410,857 for the years ended December 31, 2024 and 2023.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2024 and 2023

A summary of expected amortization expense following December 31, 2024 is as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 410,857
2026	258,203
2027	124,211
2028	124,211
2029	124,211
2030 and later years	<u>1,092,615</u>
	<u>\$ 2,134,308</u>

(6) Members' equity

The Company has a single class of common stock, with 16,000,000 shares authorized, issued and outstanding as of December 31, 2024 and 2023. Each member is entitled to cast the number of votes equal to the percentage governance interest held by such member.

(7) Income taxes

The provision for state income taxes during 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Current tax expense	\$ 123,155	\$ 150,664
Deferred tax expense (benefit)	<u>17,453</u>	<u>(50,793)</u>
Total state tax expense	<u>\$ 140,608</u>	<u>\$ 99,871</u>

The actual income tax expense differs from the expected income tax benefit due to the Company having non-deductible goodwill and due to the apportionment of income to states with varying rates of tax.

Net deferred state income taxes in the balance sheets as of December 31, 2024 and 2023 include the following amounts of deferred income tax assets and liabilities:

	<u>2024</u>	<u>2023</u>
Deferred income tax assets	\$ 197,240	\$ 226,191
Deferred income tax liabilities	<u>(22,240)</u>	<u>(33,738)</u>
Net deferred income taxes	<u>\$ 175,000</u>	<u>\$ 192,453</u>

Deferred income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. The deferred income tax assets result primarily from the Company's goodwill and deferred revenue. The deferred income tax liabilities result primarily from capitalized assets related to initial franchise costs amortized over the life of the franchise agreement.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2024 and 2023

(8) Supplemental disclosure of cash flow statement information

	<u>2024</u>	<u>2023</u>
Income taxes paid	\$ <u>213,464</u>	\$ <u>206,001</u>

(9) Subsequent event

On January 10, 2025, InhabitIQ Parent, LLC, the Company's parent company, underwent an equity-backed minority recapitalization. As a result of the sale, the constituents of the Company's board of directors and its governance structure was altered significantly. Management of the Company is currently assessing the allocation of the purchase price to the Company's assets acquired and liabilities assumed.

**ITRIP, LLC**  
(a wholly owned subsidiary of iTrip HoldCo, LLC)

**Financial Statements**

**December 31, 2023 and 2022**

**(With Independent Auditors' Report Thereon)**



ITRIP, LLC

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements:	
Balance Sheets	3
Statements of Operations and Members' Equity	4
Statements of Cash Flows	5
Notes to the Financial Statements	6 - 13



## INDEPENDENT AUDITORS' REPORT

The Stockholders  
iTrip, LLC:

### Opinion

We have audited the accompanying financial statements of iTrip, LLC (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and members' equity, and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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 the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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 matters that we identified during the audit.

*LBMC, PC*

Brentwood, Tennessee  
March 28, 2024

ITRIP, LLC

Balance Sheets

December 31, 2023 and 2022

Assets

	<u>2023</u>	<u>2022</u>
Current assets:		
Cash	\$ 419,368	\$ 3,217,808
Receivables, net, less provision for credit losses of \$33,727 and \$9,265 at December 31, 2023 and 2022, respectively	1,249,264	978,444
Prepaid expenses	142,031	87,150
Contract costs	170,395	159,284
Refundable state income tax	<u>19,512</u>	<u>-</u>
Total current assets	2,000,570	4,442,686
Equipment, net	3,671	7,950
Goodwill, net of accumulated amortization	35,602,336	42,125,899
Other intangible assets, net of accumulated amortization	2,545,165	2,956,022
Contract costs, less current portion	1,000,366	943,461
Deferred state income tax	<u>192,453</u>	<u>141,660</u>
Total assets	<u>\$ 41,344,561</u>	<u>\$ 50,617,678</u>

Liabilities and Members' Equity

Current liabilities:		
Accounts payable	\$ 69,550	\$ -
Accrued expenses	124,182	106,921
State income tax payable	-	35,825
Deferred revenue	<u>328,589</u>	<u>350,537</u>
Total current liabilities	522,321	493,283
Deferred revenue, less current portion	<u>1,740,171</u>	<u>1,786,593</u>
Total liabilities	2,262,492	2,279,876
Members' equity	<u>39,082,069</u>	<u>48,337,802</u>
Total liabilities and members' equity	<u>\$ 41,344,561</u>	<u>\$ 50,617,678</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Operations and Members' Equity

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Net revenues	\$ <u>15,178,334</u>	\$ <u>14,799,536</u>
Operating expenses:		
Advertising and promotion	980,752	948,672
Payroll and benefits	2,843,768	2,328,045
Commissions and fees	243,179	241,526
Travel	85,707	130,268
Legal and professional	167,966	87,635
Depreciation of equipment	4,279	4,280
Amortization of goodwill	6,523,562	6,523,562
Amortization of other intangible assets	410,857	410,857
Other expenses	<u>937,676</u>	<u>733,222</u>
Total operating expenses	<u>12,197,746</u>	<u>11,408,067</u>
Earnings before income taxes	2,980,588	3,391,469
Income tax expense	<u>99,871</u>	<u>130,681</u>
Net earnings	2,880,717	3,260,788
Members' equity at beginning of year	48,337,802	56,155,985
Member draws	<u>(12,136,450)</u>	<u>(11,078,971)</u>
Members' equity at end of year	<u>\$ 39,082,069</u>	<u>48,337,802</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net earnings	\$ <u>2,880,717</u>	\$ <u>3,260,788</u>
Adjustments to reconcile net earnings to cash flows provided by operating activities:		
Amortization of goodwill	6,523,562	6,523,562
Amortization of other intangible assets	410,857	410,857
Provision for (recoveries of) credit losses	24,462	(24,890)
Depreciation of equipment	4,279	4,280
Provision for deferred state income tax	(50,793)	(30,114)
(Increase) decrease in operating assets:		
Receivables	(295,282)	(7,214)
Prepaid expenses	(54,881)	(14,507)
Contract costs	(68,016)	(164,892)
Refundable state income tax	(19,512)	124,970
Increase (decrease) in operating liabilities:		
Accounts payable	69,550	(40,811)
Accrued expenses	17,262	5,716
State income tax payable	(35,825)	35,825
Deferred revenue	<u>(68,370)</u>	<u>557,592</u>
Total adjustments	<u>6,457,293</u>	<u>7,380,374</u>
Net cash provided by operating activities	9,338,010	10,641,162
Cash flows from financing activities -		
Member draws	<u>(12,136,450)</u>	<u>(11,078,971)</u>
Change in cash	(2,798,440)	(437,809)
Cash at beginning of year	<u>3,217,808</u>	<u>3,655,617</u>
Cash at end of year	<u>\$ 419,368</u>	<u>\$ 3,217,808</u>

See accompanying notes to the financial statements.

# ITRIP, LLC

## Notes to the Financial Statements

December 31, 2023 and 2022

(1) Nature of operations

iTrip, LLC (the "Company") grants franchises for the right to independently own and operate iTrip locations throughout the United States that offer and provide property management for vacation or other rental properties on behalf of the property owner.

iTrip HoldCo, LLC ("HoldCo") was formed on May 28, 2019 whereby the owners contributed all of the outstanding membership interests of iTrip, LLC, and nine additional iTrip affiliated companies, to HoldCo. On June 17, 2019, all of the outstanding membership interests of HoldCo were contributed to LTK Enterprises, LLC ("LTK") and its wholly owned subsidiary, iTrip Blocker, Inc ("Blocker"). Contemporaneous with the contribution of membership interests to LTK and Blocker, Vacation Brands Purchaser, Inc. ("Vacation Brands") acquired the outstanding membership interests from LTK. After the acquisition, Vacation Brands and Blocker own 76.98% and 23.02% of the Company, respectively. The Company will continue in perpetuity unless dissolved by the members.

(2) Summary of significant accounting policies

(a) Recently adopted accounting standard

In June 2016, the Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") issued guidance *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASC 326")* which could change how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net earnings. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under ASC 326, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in ASC 326 are trade accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not material to the financial statements.

(b) Allocation of earnings and losses

Earnings and losses of the Company are allocated to the members in proportion to their ownership percentages as provided in the Limited Liability Company Agreement.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2023 and 2022

(c) Receivables and credit policies

Receivables are uncollateralized obligations due from franchisees under normal trade terms requiring payment within 30 days from invoice date. Certain franchisees have been granted extended payment terms based on business volume. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a provision for credit losses which reflects management's best estimate of the amounts that will not be collected. The provision for credit losses is estimated based on management's knowledge of its franchisees, historical loss experience, current credit, and economic conditions.

(d) Equipment

Equipment consists of computer and video equipment and is stated at cost reduced by accumulated depreciation of \$16,827 and \$12,548 at December 31, 2023 and 2022, respectively. Depreciation is provided over the assets' estimated useful lives of three to five years using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(e) Goodwill

The Company's goodwill represents the excess of the purchase price over the fair value of the assets acquired in business combinations. Effective June 17, 2019, the Company elected to adopt the alternative accounting for goodwill under the provisions of ASU 2014-02 available to private companies. Under these provisions, goodwill is amortized over a period of 10 years using the straight-line method from the date goodwill is generated. Management has elected to perform impairment testing at the entity-level which is required only when impairment indicators are identified.

(f) Other intangible assets

The trademarks are amortized over its useful life of 20 years and internally developed software is amortized over its useful life of 7 years. Both are reviewed for impairment on an annual basis, or more frequently, as impairment indicators arise.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2023 and 2022

(g) Income taxes

The amount provided for income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws.

All federal taxable income and losses are allocated to the members of the Company for inclusion in their respective income tax returns, and the Company recognizes only state income taxes in the financial statements, which management has determined was not significant at December 31, 2023 and 2022.

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company had no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

As of December 31, 2023 and 2022, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and various state income tax returns.

(h) Revenue recognition

Revenues consist primarily of franchise fees, royalty revenue, and digital marketing revenue and are recognized in amounts that reflects the consideration the Company expects to be entitled in exchange for those services.

*Franchise fees*

Franchise fees consist of an initial franchise fee, proprietary software and web hosting fee, initial training fee, and operational support fee. These fees are paid at the execution of the franchise agreement.

# ITRIP, LLC

## Notes to the Financial Statements

December 31, 2023 and 2022

The initial franchise fee covers the franchise licenses to operate in the designated territory, and a related broker fee associated with executing the franchise agreement. The proprietary software and web hosting fee are related to initial programs specifically for first time franchisees to train on the Company's software and application of the brand on their territory. The Company has determined these services are highly interrelated and the Company does not consider them to be individually distinct performance obligations from the franchise agreement, and therefore account for them under "*Revenue from Contracts with Customers (Topic 606)*" as a single performance obligation under the franchise agreement. Revenue is recognized on a straight-line basis over the term of the franchise agreement. Revenue recognized for the initial franchise and proprietary software and web hosting fees totaled approximately \$415,000 and \$378,000 during 2023 and 2022, respectively.

The initial training fee covers the cost of onsite training that is completed during the first two months after execution of the franchise agreement. Training is not highly interrelated to the iTrip brand, and therefore, revenue for the initial training fee is recognized when the franchise agreement is executed.

The operational support fee is charged as an additional service to provide new franchisees operational assistance and support during the first 12 months under the franchise agreement. Revenue is recognized on a straight-line basis over 12 months. Revenue recognized for the initial operational support revenue totaled approximately \$74,000 and \$148,000 during 2023 and 2022, respectively.

### *Royalty revenues*

Royalty revenues represent sales-based royalties that are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to the performance obligation to franchisees to maintain intellectual property being licensed. Royalty revenue is recognized in the month they are billed to the franchisee.

### *Digital marketing revenue*

Digital marketing revenue are marketing campaigns and services that are designed to market and promote the franchise. Revenue for these fees is recognized in the month they are billed to the franchisee.

# ITRIP, LLC

## Notes to the Financial Statements

December 31, 2023 and 2022

### *Commission revenue*

Commission revenue is earned on a non-refundable limited damage waiver fee and selling activity passes through the franchise agreement. The franchisee pays the Company a percentage of the commission earned on these sales. The damage waiver fee is offered to renters to cover damages up to \$5,000 of unintentional damage in-lieu of paying large security deposits at booking. The Company received 40% of the fee earned and any costs from damages are shared just that the franchisee pays up to 40% of the damage limit purchased and the balance, if the expense exceeds the 40% threshold is paid by the Company. Revenue on commissions are recognized at a point in time when the property stay is completed.

### *Deferred revenue*

Deferred revenue consists of the initial franchise fee and proprietary software and web hosting fee and is recognized on a straight-line basis over the term of the franchise agreement. Operational support revenue is recognized on a straight-line basis over 12 months.

### *Contract costs*

Contract costs consist of broker fees and bonuses paid to acquire new franchisees that are paid prior or at the start of the franchise agreement. These costs are amortized on a straight-line basis over the term of the franchise agreement.

#### (i) Advertising and promotion costs

Advertising and promotion costs are expensed as incurred and totaled \$980,752 and \$948,672 for the years ended December 31, 2023 and 2022, respectively.

#### (j) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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.

#### (k) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2023 and March 28, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2023 and 2022

(3) Credit risk and other concentrations

The Company generally maintains cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

(4) Goodwill

A summary of goodwill as of December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Goodwill	\$ 65,235,624	\$ 65,235,624
Accumulated amortization	<u>(29,633,288)</u>	<u>(23,109,725)</u>
	<u>\$ 35,602,336</u>	<u>\$ 42,125,899</u>

Amortization expense for goodwill totaled \$6,523,562 for the years ended December 31, 2023 and 2022.

A summary of expected future amortization expense for goodwill as of December 31, 2023 is as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 6,523,562
2025	6,523,562
2026	6,523,562
2027	6,523,562
2028	6,523,562
2029	<u>2,984,526</u>
	<u>\$ 35,602,336</u>

ITRIP, LLC

Notes to the Financial Statements

December 31, 2023 and 2022

(5) Intangible assets

A summary of the intangible assets as of December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Software development costs, net of accumulated amortization of \$1,329,246 and \$1,036,389 in 2023 and 2022, respectively.	\$ 720,754	\$ 1,013,611
Trademarks, net of accumulated amortization of \$535,589 and \$417,589 in 2023 and 2022, respectively.	<u>1,824,411</u>	<u>1,942,411</u>
	<u>\$ 2,545,165</u>	<u>\$ 2,956,022</u>

Amortization expense totaled \$410,857 for the years ended December 31, 2023 and 2022.

A summary of expected amortization expense following December 31, 2023 is as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 410,857
2025	410,857
2026	258,203
2027	124,211
2028	124,211
2029 and later years	<u>1,216,826</u>
	<u>\$ 2,545,165</u>

(6) Members' equity

The company has a single class of common stock, with 16,000,000 shares authorized, issued and outstanding as of December 31, 2023 and 2022. Each member is entitled to cast the number of votes equal to the percentage governance interest held by such member.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2023 and 2022

(7) Income taxes

The provision for state income taxes during 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense	\$ 150,664	\$ 160,795
Deferred tax benefit	<u>(50,793)</u>	<u>(30,114)</u>
Total state tax expense	\$ <u>99,871</u>	<u>130,681</u>

The actual income tax expense differs from the expected income tax benefit due to the Company having non-deductible goodwill and due to the apportionment of income to states with varying rates of tax.

Net deferred state income taxes in the balance sheet as of December 31, 2023 and 2022 include the following amounts of deferred income tax assets and liabilities:

	<u>2023</u>	<u>2022</u>
Deferred income tax assets	\$ 226,191	\$ 178,147
Deferred income tax liabilities	<u>(33,738)</u>	<u>(36,487)</u>
Net deferred income taxes	\$ <u>192,453</u>	<u>141,660</u>

Deferred income taxes are provided for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. The deferred income tax assets result primarily from the Company's goodwill and deferred revenue. The deferred income tax liabilities result primarily from capitalized assets related to initial franchise costs amortized over the life of the franchise agreement.

(8) Supplemental disclosure of cash flow statement information

	<u>2023</u>	<u>2022</u>
Income taxes paid	\$ <u>206,001</u>	\$ <u>-</u>

**EXHIBIT C TO DISCLOSURE DOCUMENT**

**iTRIP, LLC**

**STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT**

**STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT**

**ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

**ITEM 6                    OTHER FEES**

1.        The highest interest rate permitted under California law is 10%.

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

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

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

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION PRIOR TO A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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.

Neither we nor any person or franchise broker identified in Item 2 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. 78a et seq., suspending or expelling these persons from membership in that association or exchange.

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

You must sign a general release if you renew or transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The Franchise Agreement contains provisions that limit franchisee's rights, including, but not limited to, a waiver of jury trials, waiver of punitive damages, and a waiver of class actions. These provisions may not be enforceable under California law.

**THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF TENNESSEE AND A FORUM OF THE LOCATION WHERE FRANCHISOR'S HEADQUARTERS ARE LOCATED. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.**

The Franchise Agreement requires the parties to resolve their disputes through non-binding mediation and, if necessary, litigation. The mediation and litigation will be conducted at a venue close to Franchisor's headquarters, and you must reimburse Franchisor for its costs if it prevails in any litigation proceeding. Prospective 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.

#### **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

In Part II of Item 19, the earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

#### **OTHER**

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

## HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES 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, OR SUBFRANCHISOR, 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, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS 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 THE FRANCHISEE.**

- A. This proposed registration is exempt from the registration requirements of the states of Connecticut, Florida, Iowa, Kentucky, Maine, Nebraska, North Carolina, Ohio, Oklahoma, South Carolina, Texas and Utah.
- B. This proposed registration is or will be shortly on file in the states of States of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, Rhode Island, Virginia, Washington and Wisconsin.
- C. No states have refused, by order or otherwise, to register these franchises.
- D. No states have revoked or suspended the right to offer these franchises.
- E. The proposed registration of these franchises has not been withdrawn in any state.
- F. No release language set forth in the Franchise Agreement will relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Hawaii.
- G. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ILLINOIS ADDENDUM TO ITRIP, LLC**  
**FRANCHISE DISCLOSURE DOCUMENT**

Illinois law shall apply to and govern the Franchise Agreement.

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.

Franchisess' 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 Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.

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

## **INDIANA ADDENDUM TO DISCLOSURE DOCUMENT**

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 Indiana:

1. The Franchise Agreement and Software License Agreement will be governed by Indiana law, rather than Tennessee law, as stated in Section 22(A) of the Franchise Agreement (“Governing Law”), and Section 16.01 of the Software License Agreement (“Governing Law”), respectively.
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 the provisions of Article 15 of the Franchise Agreement (“Default and Termination”) 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 shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
4. The third paragraph in Section 14(B) of the Franchise Agreement (“Intent and Enforcement”), Section 20(A) of the Franchise Agreement (“Injunctive Relief”) and Article VIII of the Software License Agreement (“Injunction”) shall not apply to franchises offered and sold in the State of Indiana.
5. Article 19(C) of the Franchise Agreement (“Franchisor’s Withholding of Consent – Franchisee’s Exclusive Remedy”) shall not apply to franchises or area franchises offered and sold in the State of Indiana.
6. Section 22(H) of the Franchise Agreement (“Limitation on Actions”) and the third sentence of Article 14 of the Software License Agreement (“Limitation of Liability”) shall not apply to franchises offered and sold in the State of Indiana.
7. Section 22(I) (“Waiver Punitive Damages”) and Section 22(K) (“Waiver of Jury Trial”) of the Franchise Agreement is deleted from all Franchise Agreements used in the State of Indiana.
8. Notwithstanding the terms of Section 11 (E) of the Franchise Agreement (“Indemnification”), neither Franchisee nor Area Developer will be required to indemnify Franchisor and the other Indemnitees for any liability caused by Franchisee’s proper reliance on or use of procedures or materials provided by Franchisor or caused by Franchisor’s negligence.
9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO ITRIP, LLC.  
FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisee subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces, supplements and/or otherwise amends, as the case may be, the corresponding disclosures in the main body of the text of the ITRIP, LLC Franchise Disclosure Document:

Item 17.

The general release required as a condition to renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

With respect to this Item's discussion of our right to terminate you upon your bankruptcy, this provision in the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of a franchise.

OTHER

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

## **ADDENDUM REQUIRED BY THE STATE OF MICHIGAN**

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 OF 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 PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE EACH 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, MATERIALS, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS

SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED ASSIGNEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATION OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED ASSIGNEE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED ASSIGNEE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED ASSIGNEE 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.

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

## **ADDENDUM REQUIRED BY THE STATE OF MINNESOTA**

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

### **ITEM 13 TRADEMARKS**

In an Addendum to the Franchise Agreement, we agree to indemnify you against losses and liabilities for which you are held liable in any proceeding arising out of your use of the marks, "iTRIP" "iTRIPVACATIONS" or any other trademark, service mark or logotype that you are authorized by us to use with the iTrip franchise. This indemnification is contingent upon you using the marks or logotypes in accordance with the provisions of the Franchise Agreement.

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

We will comply with Minnesota Statute Section 80C.14 subdivisions 3, 4 and 5 which require, except in certain specific 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.

Minn. Stat. Sec. 80C.21 and Minnesota Rule Part 2860.4400J, prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of your rights provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Minn. Rule Part 2869.4400(d) prohibits us from requiring that you assent to a general release as set forth in Item 17 of this Disclosure Document.

Nothing in the Disclosure Document or Franchise Agreement shall affect your rights under Minnesota Statute Section 80C.17, Subd. 5.

### **OTHER**

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

## **ADDENDUM REQUIRED BY THE STATE OF NEW YORK**

All references to “Disclosure Document” shall be deemed to include the term “Disclosure Document” as used under New York law.

The State Cover Page is amended to include the following additional Risk Factors:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT P OR YOUR PUBLIC LIBRARY FOR SOURCES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY, INCLUDING THE NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 PROSPECTUS.

THE FRANCHISOR REPRESENTS THAT THE PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

Item 3 of this Disclosure Document is supplemented with the following: “Neither franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

- A. 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. In addition, neither the franchisor, its predecessor, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark has any pending actions against them, 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.
- B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of a 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.
- C. 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.

Item 17, Renewal, Termination, section d, is hereby amended to provide:

The franchisee may terminate the agreement on any grounds available by law.

Item 17, Renewal, Termination, etc., section j, Assignment, is hereby amended to provide:

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.

Item 17, Renewal, Termination, section w, is hereby amended to provide:

The forgoing 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.

Modifications that we make to the Manuals as permitted by the Franchise Agreement will not impose an unreasonable economic burden on you.

Provisions of general releases are mentioned in the Disclosure Document and specified in the Franchise Agreement. These releases are limited by the following: all rights enjoyed by you 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 under this law shall remain in force, it being the intent that the non-waiver provisions of the General Business Law of the State of New York Sections 687.4 and 687.5 be satisfied.

## **OTHER**

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

Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

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 North Dakota:

1. The laws of the State of North Dakota supersede any provisions of the Franchise Agreement or Tennessee law if such provisions are in conflict with North Dakota law. The Franchise Agreement and Area Development Agreement will be governed by North Dakota law, rather than Tennessee law, as stated in Item 17(w) of the Franchise Disclosure Document, Section 22(A) of the Franchise Agreement (“Governing Law”).
2. 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 deleted from Franchise Agreements issued in the State of North Dakota.
3. No release language set forth in the Franchise Agreement shall relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of North Dakota.
4. Item 17(c) of the Franchise Disclosure Document and Section 3(B) of the Franchise Agreement (“Successor Term”) each require the execution of a general release upon renewal. This requirement is deleted from all Franchise Disclosure Documents and Franchise Agreements used in the State of North Dakota.
5. Item 17(i) of the Franchise Disclosure Document, Section 16 of the Franchise Agreement (“Post-Term Obligations”) may require franchisees to consent to termination or liquidated damages. This requirement is deleted from all Franchise Disclosure Documents and agreements used in the State of North Dakota.
6. Covenants restricting competition in the State of North Dakota, such as those found in Item 17(r) of the Franchise Disclosure Document, Section 14 of the Franchise Agreement (“Covenants”), may be subject to Section 9-08-06 of the North Dakota Century Code. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.
7. Item 17(v) of the Franchise Disclosure Document and Section 22(D) of the Franchise Agreement (“Venue”) require that the franchisee consent to the jurisdiction of courts in Tennessee. This requirement is deleted from all Franchise Disclosure Documents and agreements used in the State of North Dakota.
8. Section 22(I) of the Franchise Agreement (“Waiver of Punitive Damages”) requires the franchisee consent to a waiver of exemplary and punitive damages. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
9. Section 22(K) of the Franchise Agreement (“Waiver of Jury Trial”) requires the franchisee to consent to a waiver of trial by jury. This requirement is deleted from all Franchise Agreements used in the State of North Dakota.
10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND**

Even though our Franchise Agreement provides that the laws of Tennessee apply, the Rhode Island Franchise Investment Law may supersede these agreements because the Rhode Island Franchise Investment Law provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under the Act.”

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

## **ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

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

1. With respect to disclosures in Item 6 of the Disclosure Document regarding a franchisee securing funds by selling securities in the franchise, be advised that any securities offered or sold by an Investor Franchisee as part of its iTrip franchise must be either registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.
2. Additional Disclosure: The following statements are added to Item 17h:

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 ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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

**WASHINGTON ADDENDUM TO THE  
FRANCHISE AGREEMENT, FRANCHISE DISCLOSURE DOCUMENT AND  
RELATED AGREEMENTS**

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

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** 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.
16. **Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

## **WISCONSIN ADDENDUM TO DISCLOSURE DOCUMENT**

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 Wisconsin:

1. **REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.**
2. The following shall apply to Franchise Agreements in the State of Wisconsin:
  - a. The Wisconsin Fair Dealership Act, Wisconsin Statutes, Chapter 135 shall apply to and govern the provisions of Franchise Agreements issued in the State of Wisconsin.
  - b. That Act's requirement, including the requirements that, in certain circumstances, a franchisee receives ninety (90) days' notice of termination, cancellation, non-renewal or substantial change in competitive circumstances, and sixty (60) days to remedy claimed deficiencies, shall supersede the requirements of Article 15 of the Franchise Agreement ("Default and Termination") to the extent they may be inconsistent with the Act's requirements.
3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**EXHIBIT D TO DISCLOSURE DOCUMENT  
iTRIP, LLC  
LIST OF CURRENT AND FORMER FRANCHISEES**

**EXHIBIT D****LIST OF ACTIVE FRANCHISEES AS OF DECEMBER 31, 2024**

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
Kristy Doggett	4830 Main St Suite G-209 Orange Beach, AL 36561	Alabama	(251) 974-1404	1
Berne & Cindy Fleming	18209 W North Ct., Waddell, AZ 85355	Arizona	(602) 647-6712	3
Megan Rodriguez	1351 W Obispo Ave., Mesa, AZ 85202	Arizona	(480) 660-6469	1
Peter South	2825 E Glenhaven Drive Phoenix, AZ 85048	Arizona	(480) 440-3161	1
Grant & Martha Blodgett	21 Inverness Cir, Little Rock, AR 72212	Arkansas	(501) 241-4065	1
Scott Carpenter	220 Newport Center Drive, Ste #11-516, Newport Beach, CA 92660	California	(949) 610-0842	1
Gemma Hentrich	38300 Mesa Rd. Temecula, CA 92592	California	(951) 294-5116	1
Bryan Fisher	910 E Palm Canyon Dr Unit 101, Palm Springs, CA 92264	California	(323) 359-2726	1
Rozet Ghazalian	75211 La Sierra Dr. Palm Desert, CA 92211	California	(760) 808-2364	1
Carla Moore	17 Northgrove, #15, Irvine, CA 92604	California	(949) 689-5629	1
Boris Stark	44489 Town Center Way, Ste D #443 Palm Desert, CA 92260	California	(760) 895-1427	2
Danny Rood & Lilly Zabat	1123 N Myers St Burbank, CA 91506	California	(818)-646-4983	1
Kim Allen & Kim Estock	309 AABC, Suite K, Aspen, Colorado 81611	Colorado	(888) 653-1025	1
Mike Hannabass	347 Darlington Way, Colorado Springs, CO 80906	Colorado	(719) 357-2591	1

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
Steve Hatley	2111 N Frontage Rd. W, Suite H Vail, CO 81657	Colorado	(970) 390-5390	2
Vina Legault	265 Dillon Ridge Road, Suite C, Dillon, CO 80435	Colorado	(970) 409-3370	1
Mat & Penni Levine	15568 Valentia St. Thornton, CO 80602	Colorado	(970) 455-1015	1
Jason Loeb	1585 Mid Valley Drive #8, Steamboat Springs, CO 80487	Colorado	(970) 833-1399	1
Bryan Looney	13861 W. 64th Dr. Arvada, CO 80004	Colorado	(303) 835-0729	1
Jaimi & Mark Groothuis	543 Park Ave., Pagosa Springs, CO 81147	Colorado	(949) 395-5765	1
Chris Reap	323 Adams Ranch Road #2B Telluride, CO 81435	Colorado	(970) 708-7551	1
Sandy Steadman	400 North Park Avenue #10B Breckenridge, CO 80424	Colorado	(970) 389-3737	1
Tony & Jenna Petiprin	90 Fieldcrest Dr Trumbull, CT 06611	Connecticut	(203) 590-1068	1
Jeremy Swerling	3406 Janellen Dr. Baltimore, MD 21208	Delaware	(410) 653-5900	1
Chris Adams & Kevin Allard	2338 Tall Oak Dr. Cantonment, FL 32533	Florida	(850) 516-9222	1
Chris Adams, Kevin Allard, & Kenneth Erdberg	2338 Tall Oak Dr. Cantonment, FL 32533	Florida	(850) 516-9222	1
Randy Anthony & Sarah Wilson	1607 Oakhall Dr Brentwood, TN 37027	Florida	(615) 714-3465	1
Chris & Wendy Benson	23175 Rountree Avenue, Port Charlotte, FL 33980	Florida	(919) 696-7791	2
Garren & Brittany Burton	4613 N. University Dr, Unit #474 Coral Springs, FL 33067	Florida	(954) 363-2376	1
Travis & Karin Burton	5926 NW Ketona Circle, Port St Lucie, FL 34986	Florida	(561) 449-2066	1
Brett Crume	15629 Alton Dr Ft Myers, FL 33908	Florida	(239) 989-3117	2

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
Dan & Patty Cummings	10447 Sorrento Rd, Suite 100 PMB184 Pensacola, FL 32507	Florida	(850) 898-8583	1
Anthony Dighton	1648 Taylor Road 231, Port Orange, FL 32128	Florida	(407) 670-4712	1
Kenneth Erdberg	33 Oregon Dr Ft Walton Beach, FL 32548	Florida	(850) 200-0986	1
Chip & Leslie Fowler	1076 Paseo Del Rio NE St Petersburg, FL 33702	Florida	(727) 458-5947	1
Jason & Valarie Fromm	712 S Ocean Shore Blvd Flagler Beach, FL 32136	Florida	(386) 663-3373	1
Charles & Kim Gauthier	5336 Sand Crane Ct., Zephyrhills, FL 33543	Florida	(813) 576-9144	1
Daniel & Liz Hadaway	7830 Lake Wilson Road, #1009, Davenport, FL 33896	Florida	(407) 946-2546	1
David & Robyn Ingoldsby	2220 County Road 210 West, Ste 108, St. Johns, FL 32259	Florida	(800) 307-7117	1
Kevin Jenkins	140 Island Way #265 Clearwater, FL 33767	Florida	(727) 742-8961	1
Sue Kowalewski & Bart Whaley	115 W 2nd St. Apt 5 Jacksonville, FL 32206	Florida	(904) 347-5880	2
Mike Marando	5774 S Tamiami Trail Sarasota, FL 34231	Florida	(941) 225-2145	1
John McDonald	19474 Forest Garden Court Brooksville, FL 34601	Florida	(813) 299-4856	1
Sharon McKnight	108 Essex Road Hollywood, FL 33024	Florida	(954) 854-2356	1
Mark Morze	664 Bimini Avenue Marco Island, FL 34145	Florida	(239) 321-5889	1
Neil & Tammy Novak	4960 Traynor Ct. Naples, FL 34112	Florida	(239) 219-9999	1
Charles & Liz Park	13999 Gulf Blvd C-4 Madeira Beach, FL 33708	Florida	(888) 944-8747	1

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
Tim & Andrea Price	35246 US Hwy 19 N, #328 Palm Harbor, FL 34684	Florida	(727) 807-2474	1
Scott & Tina Reichard	23059 Bonito Ln Cudjoe Key, FL 33042	Florida	(305) 946-1543	1
Rene Grajales & Maria Soler	2529 Jardin Dr. Weston, FL 33327	Florida	(954) 635-0099	1
Dennis Stark	316 S. County Highway 83, Building E, Unit A/B Santa Rosa Beach, FL 32459	Florida	(850) 775-3282	1
Todd & Nicole Wahl	4901 Lansing St NE, Saint Petersburg FL 33703	Florida	(813) 789-1215	1
Kathie Wild	355 Davison Ave NE St Pete, FL 33703	Florida	(813) 524-5188	1
Tim Wilson	1750 N. Florida Mango Road, Suite 103, West Palm Beach, FL 33409	Florida	(561) 351-1262	1
Ralph Auriemmo	1000 Whitlock Ave, Suite 320-269, Marietta, GA 30064	Georgia	(770) 428-2592	1
Matt & Flip Harris	22 Folly Field Road 1B Hilton Head Island, SC 29928	Georgia	(843) 473-3668	1
Ben & Holly Kinsey	139 Harrison Pointe, St Simons Island, GA 31522	Georgia	(912) 380-6045	1
Donna Morgan	558 Alston Drive Chattanooga, TN 37419	Georgia	(423) 693-6211	1
Lora Clemens & Kellie Simpson	2893 Salmon Avenue, Atlanta, GA 30317	Georgia	(678) 365-0434	1
Mic Zoodsma & Rosanne Nitti	4975 Lower Honoapiilani Road Lahaina, HI 96761	Hawaii	(808) 283-7387	1
Tim & Darlene Power	2766 W. Good Court, Boise, ID 83702	Idaho	(208) 991-4991	1
Aaron & Diane Heinen	1404 W Idaho St Suite 104, Boise, ID 83702	Idaho	(208) 691-3767	1

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
Kenneth Farrell & Mike Corelli	430 Cambridge Place, Prince Frederick, MD 20678	Maryland	(301) 752-6445	1
Sean & Jennifer Degnan	69 Franklin Street Annapolis, MD 21401	Maryland	(410) 571-4076	1
Liann DiMare	36 Lake Street Wilmington, MA 01887	Massachusetts	(978) 930-1954	1
Claudia Silva & Fernando Zoccante	30 Cit Ave, #18, Hyannis, MA 02601	Massachusetts	(774) 313-9823	1
James Wood	35 Thomas Dr Marlborough, MA 01752	Massachusetts	(508) 331-4554	1
Paul McAnaw	409 North Bonda Way Nixa MO 65714	Missouri	(417) 693-1030	1
Liann DiMare	36 Lake Street Wilmington, MA 01887	New Hampshire	(978) 930-1954	1
Martinez Livingston	237 Elm Ave NW Concord, NC 28025	North Carolina	(803) 556-5317	1
Hugh & Lisa Fosbury	8821 E Oak Island Dr. Suite 4 Oak Island, NC 28465	North Carolina	(910)-250-3016	1
Dave & Helen Gentry	31 Wheeler Road, Weaverville, NC 28787	North Carolina	(828) 421-5197	1
Greg & Elisa Roels	8200 River Road, Wilmington, NC 28412	North Carolina	(910) 398-8453	1
Jim Donohue	1780 W 20th Street Florence, OR 97439	Oregon	(541) 961-6581	2
Corey Tigner & Ryan Tigner	6655 SW Hampton Street Tigard, OR 97223	Oregon	(503) 799-7341	6
Sarah & Steven Goodwin	427 Johnnie Dodds Blvd. Mt. Pleasant, SC 29464	South Carolina	(843) 303-9225	3
Robbie Branham	4020 Highway 17 South, North Myrtle Beach, SC 29582	South Carolina	(877) 384-0701	1

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
John & Jay Dail	2156 Highway 17 Business Garden City, SC 29576	South Carolina	(888) 505-1618	1
Barry & Pamela Fitzgerald	1701 Longfield Dr, Saint Helena Island, SC 29920	South Carolina	(843) 790-8973	1
Donna Broom Morgan	558 Alston Drive Chattanooga, TN 37419	Tennessee	(423) 693-6211	1
Kevin & Kelly Copeland	5016 Centennial Blvd, #200, Nashville, TN 37209	Tennessee	(615) 488-0500	2
Rock Hurst	6405 Old Valley Road, Knoxville, TN 37920	Tennessee	(865) 740-8823	1
Joseph & Andrew Langsdon	2325 Clare Park Dr, Franklin, TN 37069	Tennessee	(615) 456-7882	1
Dennis Stark	3404 Householder Street Pigeon Forge, TN 37863	Tennessee	(865) 366-3200	2
Dustin & Alison Braune	2255 Oak Run Pkwy, New Braunfels, TX 78132	Texas	(830)-837-4011	1
Winter & Lonnie Bush	661 Stewart Rd #108 Galveston, TX 77550	Texas	(409) 515-1973	1
Jennifer Elmore	2750 S Preston Rd #116263 Celina, TX 75009	Texas	(650) 804-0312	1
Josh Meisel	5317 Mandevilla Dr. Austin, TX 78739	Texas	(512) 522-7458	1
Jeff & Deanna Reed	2305 Granbury Dr. Mesquite, TX 75150	Texas	(469) 258-3170	1
Amy Rogers	218 Selado Creek Dr., Conroe, TX 77304	Texas	(832) 610-1185	1
Cristi Sliter	8500 Mesa Verde Drive Plano, TX 75025	Texas	(214) 422-0970	1
Jeff & Delese Bettinson	1914 E. 9400 South, Suite 247, Sandy, UT 84093	Utah	(833) 817-7001	1
John Kennedy	6300 N Sagewood Dr., Suite H521 Park City, UT 84098	Utah	(435) 729-9701	1

<b>Name</b>	<b>Address</b>	<b>State (for location of franchise)</b>	<b>Phone Number</b>	<b>Number of Territories</b>
Karen & Ken Hunt	2212 Queen Anne Avenue N, #503, Seattle, WA 98109	Washington	(206) 805-8398	1

**LIST OF FRANCHISEES THAT SIGNED FRANCHISE AGREEMENTS BUT HAD NOT YET LAUNCHED FRANCHISED BUSINESS AS OF DECEMBER 31, 2024**

<b>Name</b>	<b>State</b>	<b>Address</b>	<b>Phone Number</b>

**FORMER FRANCHISEES THAT LEFT OUR SYSTEM IN THE PAST FISCAL YEAR ENDING DECEMBER 31, 2024**

<b>Franchisee</b>	<b>Last Known Business Address</b>	<b>Phone</b>	
Yvonne Fedee	1333 Old Spanish Trail Ste G #116 Houston, TX 77054	(281) 691-1522	
Dave & Whitney Meek	891 Cheyenne Ln. Missoula, MT 59802	(406) 241-5829	
Karthik Pradeep & Ben Hedden	1901 16th Ave S Apt B, Birmingham AL 35205	(615) 714-8399	
Peter Moerson	10 Muirfield Road Hilton Head, SC 29928	(843) 715-3231	
Mary & Marco Ceccarelli	1239 Brecken Ct Kannapolis, NC 28081	(704) 497-0861	

**EXHIBIT E TO DISCLOSURE DOCUMENT**

**iTRIP, LLC**

**OPERATIONS MANUAL TABLE OF CONTENTS**



# Franchise Operations and Policies Manual

*April 2025*

# **Franchise Operations and Policies Manual**

## **Table of Contents**

### **1. Introduction**

- A. Welcome Letter**
- B. Notice of Proprietary and Confidential Information**
- C. Acknowledgement of Receipt**
- D. Using the Confidential Operation and Policies Manual**
- E. Our Mission and Objectives**
- F. Our History**
- G. Industry Overview & Competition**
- H. Our Management Team**
- I. Our Responsibilities to Franchisees**
- J. Your Responsibilities to iTrip**

### **2. Pre-Opening**

- A. Forming Your Franchise Business Legal Entity**
- B. Use of Trademarks and Trade Names**
- C. Insurance Requirements**
- D. Establishing Your Bank Account, Escrow Account & Merchant Account Services**
  - 1. Bank Account**
  - 2. Merchant Account Services**
- E. Establishing Phone, Internet and Utility Services**
- F. Establishing Vendor Accounts**
- G. Licenses & Permits**
- H. Your Franchise Email Address and Website**

## **I. Registering Your Franchise Business With Travel Portals & Online Travel Agencies**

### **J. Franchise Extranet Systems**

- 1. iTrip Administration Software ([www.Admin.iTrip.net](http://www.Admin.iTrip.net))**
- 2. Support Forum ([www.iTripSupport.com](http://www.iTripSupport.com))**
- 3. Demo Site ([www.Demo-Admin.iTrip.net](http://www.Demo-Admin.iTrip.net) / [www.Demo.iTrip.net](http://www.Demo.iTrip.net))**
- 4. iTrip Technical Support**
  - a. Researching the Help Solution**
  - b. Submitting a Support Ticket (correct format, method, etc.)**
  - c. Two-Day Software Training Module**

### **3. Establishing Your Franchise Business & Office (52 pages)**

#### **A. Franchise Business Development Checklist**

#### **B. Selecting Your Office**

- 1. Home Office**
- 2. Executive (Shared) Office Space**
- 3. Commercial Office Space**

#### **C. Your Lease (Commercial Office Space)**

#### **D. Office Design (Commercial Office Space)**

- 1. Office Design & Layout**
- 2. Signage**

#### **E. Computer Systems**

- 1. Hardware and Software Specifications**
  - a. Apple Laptop**
  - b. Apple iPad**
  - c. Windows Compatible PC**
  - d. Software**

**2. Ordering and Installing the Computer System**

**3. Hardware and Software Upgrades / Maintenance**

**F. iTrip Software Training**

**1. Software Features**

**2. Hub Back Office Setup**

**3. Creating Areas and Adding Properties**

**4. Adding Fees & Taxes to Properties**

**5. Creating Seasons and Rates**

**6. Creating Quotes and Bookings**

**7. Creating Help Center Topics**

**8. Creating and Editing Templates**

**9. Creating Business and Property Referrers**

**10. Managing the CRM System, Calendar and Drip-Marketing Campaigns**

**11. Creating Promotions**

**12. Creating Maintenance Items**

**13. Creating System Reports**

**14. Month End Closing**

**15. Creating and Distributing Owner Statements**

**H. Initial Setup**

**1. Hiring Cleaning Companies**

**2. Hiring Maintenance Contractors**

**3. Hiring a Photography Service**

**4. Setup CRM**

**5. Setup Direct Mail**

**6. Writing Ads for Search Engines & Advanced SEO for Property Listings**

- 7. Competitor Analysis & Research**
- 8. Comparable Rental Rate Analysis**
- 9. Identify & Create a Value Proposition**
- 10. Structure & Review with Legal Counsel**
- 11. Identify Applicable Taxes & Rates with Local Tax Authorities**
- 12. High-Rise Complex & Managed Community Analysis**
- 13. Obtaining Property & Area Photos**
- 14. Writing Descriptions of Properties & Areas**
- 15. Adding Properties & Property Setup**
- 16. Join Local Chamber of Commerce & Networking Groups**
- 17. Local STR Advocacy Efforts**

#### **4. Administration and Financial**

##### **A. Accounting and Bookkeeping**

- 1. Policies and Procedures**
- 2. Accounting Software**
- 3. Rental Fees Payment Options**
- 4. Guest Refunds & Credits**
- 5. Owner Statements & Payments**
- 6. Paying Broker/Realtor Commissions**
- 7. Paying Cleaning, Maintenance & Concierge Fees**
- 8. Paying Marketing Fees to Travel Websites**
- 9. Tax Liabilities**

##### **B. Submitting Financial Information & Reports**

##### **C. Fees, Royalties & Other Payments**

##### **D. Rental & New Unit Fees**

**1. Rental Fee Considerations & Recommended Fees**

- a. Reservation/Processing Fee**
- b. Rental Fee**
- c. Cleaning Fee**
- d. Maintenance Fee**
- e. Limited Damage Waiver (LDW) Fee**
- f. RentalGuardian Travel Protection & Commission**

**2. New Unit Setup Fee Considerations & Recommended Fees**

- a. Marketing Fee**
- b. Digital Lock Installation Fee**

**3. Discounts and Promotions**

**E. Unit Owner Commissions Paid to iTrip Franchisees**

**F. Realtor Compensation**

**G. Ordering Products and Supplies**

**H. Approved & Designated Vendors and Suppliers**

**I. Using Alternative Vendors and Suppliers**

**5. Franchise Operations (106 pages)**

**A. Business Development**

**B. Daily Operations / 90-Day Fast Start**

- 1. Daily Operations Schedule**
- 2. Postcard Campaign**
- 3. Email Campaign**
- 4. Networking with Real Estate Professionals**
- 5. Networking with Mortgage Professionals**
- 6. Networking with Insurance Professionals**

- 7. Networking with Homeowner Associations (HOA)**
- 8. Networking with Resort Developers**
- 9. Current Client Referrals**
- 10. Local & Regional Newspapers**
- 11. Distributing Flyers for Local Visitor Centers**
- 12. Visiting Chambers of Commerce**

**C. Selling Your Services – Unit Owners**

- 1. Unit & Owner Profiles**
- 2. Identifying Core Properties & Newer Properties on the Market**
- 3. Contacting Unit Owners**
- 4. iTrip Unit Owner Presentation**
- 5. Unit Owner Agreement**

**D. New Unit Setup Procedures**

- 1. Condos & Single Family Homes**
- 2. Owner Portal**
  - a. Inviting Owners**
  - b. Owner Portal Training**
- 3. Adding Units to the iTrip System**

**E. Check-in and Check-out Inspections**

**F. Selling Your Services – Realtors**

- 1. Identifying Realtors**
- 2. Contacting Realtors**
- 3. iTrip Realtor Presentation**
- 4. Realtor Compensation**
- 5. Realtor Portal Setup**

## **6. Realtor Portal Training**

### **G. Selling Your Services – Homeowner Associations (HOA)**

#### **1. Identifying HOAs**

#### **2. Contacting HOAs**

#### **3. iTrip HOA Presentation**

### **H. Selling Your Services – Referring Professionals**

#### **1. Overview**

##### **a. Mortgage Brokers**

##### **b. Insurance Agents**

### **I. Property Listings**

#### **1. Creating a Property Listing**

##### **a. Headline**

##### **b. Thumbnail Photo**

##### **c. Photos d. Photo Captions**

##### **e. Property Description**

##### **f. Location Description**

##### **g. Area Destination Page**

##### **h. Availability Calendar**

##### **i. Rental Rates Table**

##### **j. Amenities Table**

##### **k. Reviews**

##### **l. Further Details m. Contact Info**

#### **2. Creating Unique Content for Property Listings**

##### **a. Why Differentiate Your Listings?**

##### **b. Headlines**

**c. Property Descriptions Franchise**

**d. Location Information**

**e. Photo Captions**

**f. Amenities**

**J. Selling Your Services – Guests**

**1. Booking Agent Procedures**

**2. Call Scripts**

**3. Customer Care**

**6. Cleaning, Maintenance, Photography, Home Watch & Concierge Services**

**A. Cleaning Companies**

**B. Maintenance Contractors**

**C. Photography Services**

**D. Home Watch Contractors**

**E. Concierge Service Contractors**

**7. Employees**

**A. Office Staff**

**1. Overview**

**2. Job Descriptions and Responsibilities**

**a. Booking Agent**

**b. Operations Manager**

**c. Business Development Manager**

**d. Property Inspector**

**3. Adding an Employee to Your Account Directory**

**4. Employee Training**

## **8. Advertising and Marketing**

### **A. Guidelines & Brand Identity Standards**

### **B. Marketing Analysis & Strategy**

### **C. Advertising**

#### **1. Advertising Programs**

##### **a. Direct Mail**

#### **2. Advertising Materials**

##### **a. Realtor Brochure**

##### **b. Unit Owner Brochure**

##### **c. Visitor Center Rack Cards**

### **D. Marketing and Promotion**

#### **1. Marketing and Promotional Programs**

##### **a. CRM Drip-Marketing Campaigns**

##### **b. Board of Realtors Sponsored Events**

##### **c. 90-Day Fast Start Marketing Action Items**

#### **2. Social Media**

##### **a. Corporate Support**

###### **i. Overview**

###### **ii. Sharing Special Offers, Discounts and Local Media**

##### **b. Submitting Information**

###### **i. Area Events**

###### **ii. Current Promotions**

### **E. Grand Opening Advertising and Marketing**

### **F. The Creative Brand Fund**

### **G. Requesting Approval for Alternative Advertising and Marketing**

## **9. Resources, Forms, and Materials**

**A. iTrip Admin Software Manual**

**B. Limited Damage Waiver Program Rider to Franchise Agreement**

**EXHIBIT F TO DISCLOSURE DOCUMENT**

**SAMPLE GENERAL RELEASE**

**SAMPLE GENERAL RELEASE - TERMINATION**

To all to whom these Presents shall come or may Concern, Know That

[a corporation/limited liability company organized under the laws of the State of \_\_\_\_\_][an individual domiciled in the State of \_\_\_\_\_] as RELEASOR, in consideration of ITRIP, LLC's furnishing of certain confidential information in connection with the Franchise Agreement between RELEASOR and ITRIP, LLC (the "Franchise Agreement"), but such Franchise Agreement terminating in accordance with its terms and provisions, and other good and valuable consideration, hereby releases and discharges ITRIP, LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law, and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a corporation) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on \_\_\_\_\_, \_\_\_\_\_.

RELEASOR

[FRANCHISEE NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[SEAL]

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.:

On \_\_\_\_\_, 20\_\_\_\_ before me \_\_\_\_\_,  
(Name of Notary)  
personally came \_\_\_\_\_, to me known, who, by me duly sworn,  
did depose and say that deponent resides at \_\_\_\_\_,  
that deponent is the \_\_\_\_\_ of \_\_\_\_\_,  
the limited liability company/corporation/other business entity described in the foregoing RELEASE, and  
which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to  
the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation;  
and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me \_\_\_\_\_,  
(Name of Notary)  
the undersigned officer, personally appeared \_\_\_\_\_, to me personally  
known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and  
acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

**SAMPLE GENERAL RELEASE - ASSIGNMENT**

To all to whom these Presents shall come or may Concern, Know That

[a corporation/limited liability company organized under the laws of the State of \_\_\_\_\_][an individual domiciled in the State of \_\_\_\_\_] as RELEASOR, in consideration of the consent of ITRIP, LLC to the Assignment of the Franchise Agreement between RELEASOR and ITRIP, LLC (the "Franchise Agreement") to \_\_\_\_\_, and other good and valuable consideration, hereby releases and discharges ITRIP, LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law, and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

**IN WITNESS WHEREOF**, the RELEASOR (if an individual) has executed this RELEASE, and (if a corporation) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on \_\_\_\_\_, \_\_\_\_\_.

RELEASOR

[FRANCHISEE NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[SEAL]

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.:

On \_\_\_\_\_, 20\_\_\_\_ before me \_\_\_\_\_,  
(Name of Notary)  
personally came \_\_\_\_\_, to me known, who, by me duly sworn,  
did depose and say that deponent resides at \_\_\_\_\_,  
that deponent is the \_\_\_\_\_ of \_\_\_\_\_,  
the limited liability company/corporation/other business entity described in the foregoing RELEASE, and  
which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to  
the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation;  
and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me \_\_\_\_\_,  
(Name of Notary)  
the undersigned officer, personally appeared \_\_\_\_\_, to me personally  
known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and  
acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

**SAMPLE GENERAL RELEASE - RENEWAL**

To all to whom these Presents shall come or may Concern, Know That

[a corporation/limited liability company organized under the laws of the State of \_\_\_\_\_][an individual domiciled in the State of \_\_\_\_\_] as RELEASOR, in consideration of the execution by ITRIP, LLC of a Renewal Agreement renewing the franchise between RELEASOR and ITRIP, LLC (the "Franchise Agreement"), and other good and valuable consideration, hereby releases and discharges ITRIP, LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7, the Maryland Franchise Registration and Disclosure Law, and the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

**IN WITNESS WHEREOF**, the RELEASOR (if an individual) has executed this RELEASE, and (if a corporation) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on \_\_\_\_\_, \_\_\_\_\_.

RELEASOR

[FRANCHISEE NAME]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[SEAL]

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.:

On \_\_\_\_\_, 20\_\_\_\_ before me \_\_\_\_\_,  
(Name of Notary)  
personally came \_\_\_\_\_, to me known, who, by me duly sworn,  
did depose and say that deponent resides at \_\_\_\_\_,  
that deponent is the \_\_\_\_\_ of \_\_\_\_\_,  
the limited liability company/corporation/other business entity described in the foregoing RELEASE, and  
which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to  
the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation;  
and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_ ss.:

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me \_\_\_\_\_,  
(Name of Notary)  
the undersigned officer, personally appeared \_\_\_\_\_, to me personally  
known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and  
acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

\_\_\_\_\_  
Notary Public  
My Commission expires: \_\_\_\_\_

(NOTARIAL SEAL)

## EXHIBIT G TO DISCLOSURE DOCUMENT

### FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

As you know, iTRIP, LLC (“we”, “us”), and you are preparing to enter into a Franchise Agreement for the right to open and operate one (1) or more iTRIP franchises (each, a “Franchised Business”). **Do not sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document. You must sign and date it the same day you sign the Franchise Agreement, and pay us the appropriate franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

- Yes \_\_\_ No \_\_\_ 7. Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?
- Yes \_\_\_ No \_\_\_ 8. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the iTrip mark or any other mark at any location outside your Designated Territory under the Franchise Agreement without regard to the proximity of these activities to the premises of your Franchised Business(es)?
- Yes \_\_\_ No \_\_\_ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, in Nashville, Tennessee?
- Yes \_\_\_ No \_\_\_ 10. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?
- Yes \_\_\_ No \_\_\_ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?
- Yes \_\_\_ No \_\_\_ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?
- Yes \_\_\_ No \_\_\_ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?
- Yes \_\_\_ No \_\_\_ 15. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?
- Yes \_\_\_ No \_\_\_ 16. Do you understand that we will not approve your purchase of an iTrip franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

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

**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.**

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Signature of Franchise Applicant

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Name (please print)

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**PLEASE GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON THE BACK OF THIS PAGE (REFER TO THE QUESTION NUMBER TO WHICH YOUR EXPLANATION CORRESPONDS).**

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.

**EXHIBIT H TO DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS AND  
AGENTS FOR SERVICE OF PROCESS**

**LIST OF STATE ADMINISTRATORS**

California Commissioner of the Department of  
Financial Protection and Innovation  
TOLL FREE 1-(866) 275-2677  
LA Office  
320 West 4th Street, Suite 750  
Los Angeles, CA 90013-2344  
(213) 576-7500

Sacramento Office  
2101 Arena Blvd.  
Sacramento, CA 95834  
(866) 275-2677

San Diego Office  
1350 Front Street, Room 2034  
San Diego, CA 92101-3697  
(619) 525-4233

San Francisco Office  
One Sansome St., Suite 600  
San Francisco, CA 94104  
(415) 972-8559

Florida Department of Agricultural  
and Consumer Services  
Division of Consumer Services  
Mayo Building, Second Floor  
Tallahassee, Florida 32399-0800  
(904) 922-2770

Commissioner of Securities of the State of Hawaii  
Department of Commerce and Consumer Affairs  
Business Registration Division  
335 Merchant Street, Room 203  
Honolulu, HI 96813  
(808) 586-2722

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706  
(217) 782-4465

Indiana Secretary of state  
Securities Division  
302 West Washington Street, Room 111  
Indianapolis, IN 46204

(317) 232-6681

Kentucky Office of the Attorney General Consumer  
Protection Division  
P.O. Box 2000  
Frankford, KY 40602  
(502) 573-2200

Maryland Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202  
(410) 576-6360

Michigan Department of the Attorney General  
Consumer Protection Division  
Attn: Franchise Section  
525 W. Ottawa Street  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
Lansing, MI 48933  
(517) 373-7117

Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101-2198  
(651) 539-1600

Nebraska Department of Banking and Finance  
1200 North Street, Suite 311  
P.O. Box 95006  
Lincoln, NE 68509-5006  
(402) 471-3445

New York State Department of Law  
Investor Protection Bureau  
28 Liberty Street, 21st Floor  
New York, NY 10005  
(212) 416-8236

North Dakota Securities Department  
  
600 East Boulevard Avenue  
State Capitol, 14<sup>th</sup> Floor, Dept 414  
Bismarck, ND 58505-0510  
(701) 328-2910

Oregon Department of Consumer  
and Business Services  
Division of Finance and Corporate  
Securities labor and Industries  
350 Winter Street, NE, Room 410  
Salem, OR 97310-3881  
(503) 378-4140

Securities and Franchise Registration  
Wisconsin Securities Commission  
201 W Washington Ave., 3rd Floor  
Madison, WI 53703  
(608) 266-2801

Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, RI 02920

South Dakota Department of Labor and  
Regulation  
Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

Statutory Document Section  
Texas Secretary of State  
P.O. Box 12887  
Austin, TX 78711  
(512) 475-1769

State of Utah  
Division of Consumer Protection  
P.O. Box 45804  
Salt Lake City, Utah 84145-0804  
(801) 530-6601

State Corporation Commission  
Division of Securities and Retail Franchising  
1300 East Main Street, 9<sup>th</sup> Floor  
Richmond, VA 23219  
(804) 371-9051

Department of Financial Institutions  
Washington Securities Division  
P.O. Box 41200  
Olympia, WA 98504-1200  
(360) 902-8760

**AGENTS FOR SERVICE OF PROCESS**

Attn: Steve Caron  
iTrip, LLC  
205 Powell Place, Suite 309  
Brentwood, Tennessee 37027

---

California Commissioner of the Department of  
Financial Protection and Innovation  
320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, CA 90013-2344

California Commissioner of the Department of  
Financial Protection and Innovation  
One Sansome St., Suite 600  
San Francisco, California 94104

California Commissioner of the Department of  
Financial Protection and  
Innovation  
2101 Arena Blvd.  
Sacramento, CA 95834

Commissioner of Securities of the State of  
Hawaii  
Department of Commerce and Consumer  
Affairs  
Business Registration Division  
335 Merchant Street, Room 205  
Honolulu, HI 96813

Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, IN 46204

Maryland Securities Commissioner  
Office of Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, MD 21202-2020

Michigan Department of Attorney General  
Consumer Protection Division  
Antitrust and Franchise Unit  
P.O. Box 30054, 6546 Mercantile Way  
Lansing, MI 48909

Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 280  
St. Paul, MN 55101-2198  
(651) 539-1600

New York Department of State  
Attention: UCC  
One Commerce Plaza,  
99 Washington Avenue, 6th Floor  
Albany, NY 12231  
(518) 473-2492

North Dakota Securities Commissioner  
State Capitol – 14<sup>th</sup> Floor – Dept. 414  
600 East Boulevard Avenue  
Bismarck, ND 58505-0510  
701-328-4712

Division of Securities  
1511 Pontiac Avenue  
John O. Pastore Complex – Building 69-1  
Cranston, RI 02920

Department of Labor and Regulation  
Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, SD 57501  
(605) 773-3563

Clerk of the State Corporation Commission  
Tyler Building, 1<sup>st</sup> Floor  
1300 East Main Street  
Richmond, VA 23219

Director, Department of Financial Institutions  
Washington Securities Division  
150 Israel Road SW  
Olympia, WA 98501

Securities and Franchise Registration  
Wisconsin Securities Commission  
201 West Washington Avenue, 3rd Floor  
Madison, WI 53703  
(608) 266-2801

**EXHIBIT I TO DISCLOSURE DOCUMENT**

**STATE EFFECTIVE DATES PAGE**

### State Effective Dates

The following states have franchise laws that 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, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT J TO DISCLOSURE DOCUMENT**

**RECEIPTS**

## RECEIPTS (OUR COPY)

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 iTrip, LLC offers you a franchise it must provide this Disclosure Document to you within 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 we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If iTrip, 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 the state administrator identified in Exhibit H of this Franchise Disclosure Document.

The Issuance Date of this Disclosure Document is April 30, 2025.

A list of franchisor's agents registered to receive service of process is listed as Exhibit H to this Franchise Disclosure Document. iTrip, LLC authorizes the respective state agencies identified on Exhibit H to receive service of process for it in the particular state.

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows: Vickie Storm, Nathan Cannon, or \_\_\_\_\_ c/o iTrip, LLC, 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922-6594, (888) 694-8747.

I have received a Franchise Disclosure Document with an Issuance Date of April 30, 2025, which contained the following Exhibits:

A. Franchise Agreement (State Addenda and Exhibits)	F. Sample General Release
B. Financial Statements	G. Franchisee Questionnaire/Compliance Certification
C. State Specific Addenda to FDD	H. List of State Franchise Administrators/Agents for Service of Process
D. List of Franchisees and Franchisees That Have Left The System	I. State Effective Dates Page
E. Operations Manual Table of Contents	J. Receipts

Prospective Franchisee:

If Prospective Franchisee is a Partnership,  
Corporation or Limited Liability Company:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

You may return the signed receipt either by signing, dating, and mailing it to iTrip, LLC at 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922-6594 or by electronically executing, dating and returning it through the electronic signature platform that we require.

## RECEIPTS (YOUR COPY)

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 iTrip, LLC offers you a franchise it must provide this Disclosure Document to you within 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 we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If iTrip, 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 the state administrator identified in Exhibit H of this Franchise Disclosure Document.

The Issuance Date of this Disclosure Document is April 30, 2025.

A list of franchisor's agents registered to receive service of process is listed as Exhibit H to this Franchise Disclosure Document. iTrip, LLC authorizes the respective state agencies identified on Exhibit H to receive service of process for it in the particular state.

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows: Vickie Storm, Nathan Cannon or \_\_\_\_\_ c/o iTrip, LLC, 2035 Lakeside Centre Way, Suite 250, Knoxville, Tennessee 37922-6594, (888) 694-8747.

I have received a Franchise Disclosure Document with an Issuance Date of April 30, 2025, which contained the following Exhibits:

A. Franchise Agreement (State Addenda and Exhibits)	F. Sample General Release
B. Financial Statements	G. Franchisee Questionnaire/Compliance Certification
C. State Specific Addenda to FDD	H. List of State Franchise Administrators/Agents for Service of Process
D. List of Franchisees and Franchisees That Have Left The System	I. State Effective Dates Page
E. Operations Manual Table of Contents	J. Receipts

Prospective Franchisee:

If Prospective Franchisee is a Partnership,  
Corporation or Limited Liability Company:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

Address: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date: \_\_\_\_\_

**PLEASE KEEP THIS RECEIPT FOR YOUR RECORDS.**