



FRANCHISE DISCLOSURE DOCUMENT





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CRUISEONE, INC.

(a Florida Corporation)

1201 W. Cypress Creek Rd., Suite 100, Ft. Lauderdale, Florida

33309-1955 (954) 958-3700 E-Mail Address franchise@cruiseone.com

www.cruiseonefranchise.com

CruiseOne, Inc. offers franchises for establishing and operating businesses that sell cruises, vacation packages, and certain other travel-related products and services according to a proprietary System. These travel-sales businesses operate under the CruiseOne® and/or Dream Vacations Start Here™ service marks. In addition to these proprietary marks, the System includes standards, other proprietary marks and information, and a specially designed marketing program.

The total investment necessary to begin operating a new franchise is \$12,595 to \$20,970. This includes \$10,500 that must be paid to the franchisor or affiliate. If you are an intermediate or experienced franchisee, the total investment necessary to begin operating a franchise is \$2,590 to \$13,665. This includes \$495 to \$3,195 that must be paid to the franchisor or affiliate.

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 CruiseOne, Inc. at 1201 W Cypress Creek Rd, Suite 100, Ft Lauderdale, Florida 33309-1955 and 954-958-3700 or franchise@cruiseone.com.

The terms of your contract will govern your franchise relationship. Don't 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-FTC-HELP 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 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 8, 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:

| QUESTION | WHERE TO FIND INFORMATION |
|--|--|
| How much can I earn? | Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits E and F. |
| How much will I need to invest? | Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use. |
| Does the franchisor have the financial ability to provide support to my business? | Item 21 or Exhibit C includes financial statements. Review these statements carefully. |
| Is the franchise system stable, growing, or shrinking? | Item 20 summarizes the recent history of the number of company-owned and franchised outlets. |
| Will my business be the only CruiseOne, Inc. business in my area? | Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you. |
| Does the franchise have a troubled legal history? | Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings. |
| What's it like to be an CruiseOne, Inc. franchisee? | Item 20 or Exhibits E and F lists current and former franchisees. You can contact them to ask about their experiences. |
| What else should I know? | These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents. |

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

1. **Out-of-State Dispute Resolutions.** The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Florida. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate or litigate with the franchisor in Florida than your own state.

Certain states may require risks to be highlighted. Check the “State Specific Addenda” to see whether your state requires risks to be highlighted.

Additional Disclosures Required by Michigan Law

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if:

(i) The term of the franchise is less than 5 years and

(ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all

lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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 the notice should be directed to the Michigan Office of Attorney General, Consumer Protection Division, the address of which is

Michigan Office of Attorney General
Consumer Protection Division
G. Mennen Williams Building
525 W. Ottawa Street
P.O. Box 30213
Lansing, MI 48909

TABLE OF CONTENTS

| | | |
|----------|--|----|
| ITEM 1. | THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES | 8 |
| ITEM 2. | BUSINESS EXPERIENCE..... | 10 |
| ITEM 3. | LITIGATION | 11 |
| ITEM 4. | BANKRUPTCY | 11 |
| ITEM 5. | INITIAL FEES | 11 |
| ITEM 6. | OTHER FEES | 13 |
| ITEM 7. | ESTIMATED INITIAL INVESTMENT | 16 |
| ITEM 8. | RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES | 18 |
| ITEM 9. | FRANCHISEE'S OBLIGATIONS..... | 21 |
| ITEM 10. | FINANCING | 23 |
| ITEM 11. | FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING FRANCHISOR ASSISTANCE..... | 24 |
| ITEM 12. | TERRITORY..... | 34 |
| ITEM 13. | TRADEMARKS | 36 |
| ITEM 14. | PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION. | 37 |
| ITEM 15. | OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS | 38 |
| ITEM 16. | RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL | 39 |
| ITEM 17. | RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION | 39 |
| ITEM 18. | PUBLIC FIGURES..... | 42 |
| ITEM 19. | FINANCIAL PERFORMANCE REPRESENTATIONS..... | 42 |
| ITEM 20. | OUTLETS AND FRANCHISEE INFORMATION | 46 |
| ITEM 21. | FINANCIAL STATEMENTS | 55 |
| ITEM 22. | CONTRACTS | 55 |
| ITEM 23. | RECEIPTS | 55 |

EXHIBITS:

EXHIBIT A – FRANCHISE AGREEMENT

EXHIBIT B – TABLE OF CONTENTS- OPERATIONS MANUAL

EXHIBIT C – FINANCIAL STATEMENTS

EXHIBIT D – LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

EXHIBIT E – LIST OF CURRENT FRANCHISEE OUTLETS AND FRANCHISEES SIGNED BUT NOT OPERATIONAL AS OF FISCAL YEAR END

EXHIBIT F – LIST OF FRANCHISEE OUTLETS TERMINATED, NOT-RENEWED, ETC.

EXHIBIT G – FRANCHISEE QUESTIONNAIRE

SCHEDULES:

SCHEDULE 1 – STATE SPECIFIC DISCLOSURES

SCHEDULE 2 – STATE EFFECTIVE DATES

SCHEDULE 3 – RECEIPT PAGES

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

To simplify the language in this disclosure document, "**CruiseOne**" means CruiseOne, Inc., the franchisor. "**We**," "**us**," and "**our**" also refer to CruiseOne, Inc. "**You**" and "**your**" mean the person who buys the franchise, the franchisee. If the purchaser of the franchise is a partnership, corporation, or other entity, "**you**" includes the franchisee's owners, who must join the Franchise Agreement, and who will be bound by its terms and will be jointly and severally liable for the franchisee's obligations with the franchisee and its other owners.

All initially capitalized terms appearing in this disclosure document have the meaning given them in the Franchise Agreement, attached as Exhibit A, unless otherwise specified.

Franchisor's Corporate Information

CruiseOne is a Florida corporation organized on July 16, 1992. It does business under the name **CruiseOne**. CruiseOne's principal business address is 1201 W Cypress Creek Rd, Suite 100, Ft Lauderdale, Florida 33309-1955.

CruiseOne's agent for service of process is listed on the Acknowledgment of Receipt on the last page of this disclosure document.

Parents

Our parent company is World Travel Holdings, Inc. ("WTH"). WTH is a Delaware corporation with a principal office address of 100 Quannapowitt Pkwy, Suite 100, Wakefield, MA 01880. WTH owns a number of other travel service-related companies. None of the companies do business as **CruiseOne**, and none offer franchises for sale. WTH or its subsidiaries may in the future offer goods or services to CruiseOne franchises or offer cruise services to the general public that are similar to those that you offer. However, none of them currently do.

Affiliates

We do not have any affiliates that provide products or services to franchisees or that offer franchises in any line of business.

Predecessor

We do not have a predecessor.

Franchisor's Business and the Franchises Offered

Our only business is granting franchises to qualified franchisees and servicing those franchisees. We have sold franchises since 1992.

We offer franchises for establishing and operating businesses that sell cruises, vacation packages, and certain other travel-related products and services according to our proprietary System. This travel-sales business operates under the **CruiseOne®** and **Dream Vacations Start Here™** service marks. In addition to these proprietary marks, the System includes standards, other proprietary marks and information, and a specially designed marketing program. You will sell vacation packages in accordance with the terms and conditions established by the travel providers. Our business philosophy is to provide customers local, full-service cruise expertise backed by support available only through a national company. Because of our back office administrative and sales support and our affiliation with WTH, our franchisees can offer specialized travel expertise and customer service. You may operate the Franchised Business only as a cruise and vacation-travel sales business. You may not operate the Franchised Business as a full-service ARC appointed travel agency or perform wholesale travel services or act as a consolidator.

The franchises granted under this document are generally virtual businesses using our training, technology, marketing, and operations concepts and are primarily operated from franchisee's homes, but may be operated from an office, storefront, kiosk or other virtual place of business.

CruiseOne allocates its franchisees to one of three levels. Franchisees have different rights and obligations depending on the levels to which they are assigned. These differences are discussed in Items 5, 10, and 11.

General Market

The general market for a CruiseOne/Dream Vacations franchise is the entire community of leisure travelers. This includes the general public—individuals, couples, and families—as well as larger corporate, religious, social and other organizations and groups in the market for vacation cruises and related travel packages.

Competition

Your competitors include other independent travel agencies and in-house travel departments, including both general and cruise-only providers, and, more generally, other leisure vacation and entertainment providers. The travel industry is mature and highly competitive. Your competitive advantage in the marketplace will be based on your adherence to our standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on customer service.

Industry Regulations

You must comply with all federal, state, and local laws, and obtain all licenses and permits, applicable to your Franchised Business.

Some states have regulations governing “seller of travel.” You may be required to comply with individual seller of travel laws which may require you to pay a fee and register or become licensed under that state's laws.

For example, in some states, you may be required to comply with individual seller of travel laws which may require you to pay a fee and register or become licensed under that state’s laws.

Your Franchised Business must also comply with laws and/or regulations that are not unique to the travel industry, but may apply to businesses more generally. You alone are responsible for investigating and complying with all applicable federal, state, and local laws and regulations. We strongly suggest that you consult with an attorney regarding applicable laws and regulations prior to purchasing a franchise from us. Laws and regulations are subject to change.

You must not procure or use your own Cruise Line International Association (“CLIA”) and/or International Air Transportation Association (“IATA”) numbers for the Franchised Business. You must use our CLIA and IATA numbers.

Prior Business Experience

We have not ourselves conducted a business of the type to be operated by you. We began offering **CruiseOne** franchises in June 1992. We have never offered franchises in any other line of business.

ITEM 2. BUSINESS EXPERIENCE

Co-Chairman and Co-Chief Executive Officer: Bradley Tolkin

Bradley Tolkin has been our Co-Chairman and Co-Chief Executive Officer since July 2006. Mr. Tolkin is currently the Co-Chief Executive Officer and Co-Chairman of WTH, a position he has held since January 2005.

Co-Chairman and Co-Chief Executive Officer: Jeffrey Tolkin

Jeffrey Tolkin has been our Co-Chairman and Co-Chief Executive Officer since July 2006. Mr. Tolkin is currently the Co-Chief Executive Officer and Co-Chairman of WTH, a position he has held since January 2005.

Senior Vice President and Chief Operating Officer: Deborah M. Fiorino

Deborah M. Fiorino has been our Senior Vice President since March 2014. Ms. Fiorino has also served as the Chief Operating Officer Owned Brands since July 2019.

Senior Vice President/General Manager: Drew Daly

Drew Daly has been our Senior Vice President/General Manager since August 2014 at our offices in Ft. Lauderdale, Florida. From August 2014 until November 2019, this position was referred to as “General Manager of Network Engagement & Performance”. From September 2009 until August 2014, Mr. Daly was our Vice President of Sales Performance. From August 2009 through

August 2014, he was responsible for Business Development and Training.

Vice President of Operations: Joelle Delva

Joelle Delva has been our Vice President of Operations since June 2002.

Vice President of Information Technology: Sandra Szalay

Sandra Szalay has been our Vice President of Information Technology since November 2003.

Vice President Training and Events: Charity Santiago

Charity Santiago has been with Dream Vacations / CruiseOne since 2014. She started as a Training Specialist, in April of 2023 she was promoted to Vice President.

Vice President of Consumer & Recruitment Marketing: Alicia Linden

Alicia Linden has been with Dream Vacations/Cruise One since 2010 where she started as a Marketing Manager.

Director of Recruitment Sales: Natalie Loza

Natalie Loza has been with Dream Vacations/CruiseOne since March 2022. Prior to that time, she was a Consumer Sales Manager for Crystal Cruises from November 2015 to February 2022.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

When you sign your Franchise Agreement, you must pay us the Initial Franchise Fee described below. The amount of the Initial Franchise Fee depends on whether we designate you a new, intermediate or experienced franchisee. Your level is designated on Schedule 1.1. of your Franchise Agreement. The Initial Franchise Fee and other fees you will pay us under the Franchise Agreement are nonrefundable.

- If you are a new franchisee, your Initial Franchise Fee is \$10,500.
- If you are an intermediate franchisee, your Initial Franchise Fee is \$3,195.
- If you are an experienced franchisee, your Initial Franchise Fee is \$495.

If you are a new franchisee who has served or have an immediate family member who is serving in any branch of the United States military and can provide satisfactory proof of service, you

may qualify for a 30% Initial Franchise Fee discount. Immediate family members include: parent, sibling, spouse or child. If you are a new franchisee, you may qualify for a 10% Initial Franchise Fee discount under our Diversity Fran initiative. We respect and value not only differences related to race, gender, ethnicity, religion, disability and sexual orientation, but also diversity of viewpoint, experience, talents and ideas. If you are a new franchisee who is a first responder, teacher, healthcare worker, and exemplary community volunteer who dedicate your life helping others and bringing forward your community, and are able to provide adequate validation, you may qualify for a 20% Initial Franchise Fee discount under our Community Heroes discount.

The level to which you are assigned is based on your prior experience in the travel industry. Your experience in the travel industry includes records of your total commissionable departed revenues from the twelve months leading up to the submission of your franchise application, if applicable.

- New franchisees need no prior experience in the cruise industry or if they have experience, have less than \$50,000 annual commissionable departed revenues (which need not be verified).
- Intermediate franchisees must have verifiable annual commissionable departed revenues of \$50,000 to \$99,999 and have a current CLIA or IATAN card.
- Experienced franchisees must have verifiable annual commissionable departed revenues of \$100,000 or more and have a current CLIA or IATAN card.

We may finance the Initial Franchise Fee for qualified new franchisees. If you qualify, you must pay \$3,500, minimally, toward the Initial Franchise Fee, and enter into a promissory note for the balance, when you sign the Franchise Agreement. Down payment requirement is based on credit worthiness. If you are an entity and not an individual, your owners must personally guaranty the note. The note and guaranty are described in Item 10.

We may periodically offer rebates of our Initial Franchise Fee. If we do, they may be based on meeting certain performance goals during an initial period of operations, or other criteria we deem appropriate. We also reserve the right to periodically offer discounts or reductions of the Initial Franchise Fee. Such discounts may be offered uniformly to all new franchisees, or may be offered based on the qualifications and experience of particular candidates. Initial Franchise Fee is deemed fully earned and non-refundable upon payment and, except as set forth above, uniformly imposed.

All replacement Managers and all sales associates must satisfactorily complete Mandatory Initial Training, for which you must pay us our training fee, which is currently \$495. This training may be provided by way of the Internet. These training fees are imposed uniformly, are nonrefundable, and must be paid ahead of training.

ITEM 6. OTHER FEES

| OTHER FEES ^{1, 2, 3, 7} | | | |
|----------------------------------|---|---|--|
| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
| Royalty Fee ⁴ | The Royalty Fee is equal to 1.5% -3.0% of your Annual Commissionable Sales ⁵ and is calculated for each Annual Commissionable Sale based on the commission paid by the applicable travel provider. See footnote 5. | When we receive payment from cruise line and travel providers, we deduct this fee from your commission. | You pay us a continuing non-refundable royalty (the " <i>Royalty Fee</i> ") on Annual Commissionable Sales. We automatically deduct the Royalty Fee from payments we receive from travel providers as a result of your bookings. |
| Travel Insurance Royalty Fee | 3% of all Annual Commissionable Sales relating to travel insurance, (the " <i>Travel Insurance Revenues</i> "). | When we receive payment from insurer, we deduct this fee from your commission. | You also pay us a royalty on travel insurance (the " <i>Insurance Royalty Fee</i> ") you sell. Please note that we do continue to collect the Insurance Royalty Fee, even if you are eligible for and have achieved an Annual Royalty Fee Incentive for other Annual Commissionable Sales. We may increase the Insurance Royalty Fee to reflect changes in our commission arrangements with insurance providers. |
| Transfer Fee | \$3,500 | Before we consent. | Among other conditions, you must pay us this amount for any proposed transfer. For a third party transfer to an existing franchisee, we may reduce the Transfer Fee to the amount of our legal, administrative, and other costs in reviewing and approving the transfer. |
| Errors and Omissions Insurance | \$150 | Beginning on the first anniversary of the Effective Date, and on each anniversary thereafter. | You must pay us an annual fee of \$150 per person. This applies for yourself, your co-owners who work in the business (if any), your general manager, and each sales associate. It is subject to change based on costs to us, changes in risks, and other factors we deem appropriate. |
| Liquidated Damages ⁶ | See footnote 6. | Upon termination of your Franchise Agreement. | If we terminate your Franchise Agreement for cause, you must pay us this lump-sum payment. We may elect not to collect this payment in cases of hardship, as deemed appropriate by us in our sole discretion. |
| Indemnification | Amount of damages and expenses we incur. | On demand. | You must indemnify us for all damages and expenses we incur from third-party |

| OTHER FEES ^{1, 2, 3, 17} | | | |
|-----------------------------------|--|------------|--|
| TYPE OF FEE | AMOUNT | DUE DATE | REMARKS |
| | | | claims relating to your ownership or operation of the Franchised Business. |
| Enforcement Costs | Amount of reasonable attorneys' fees, court costs and all expenses incurred in connection with the action or proceeding. | On demand. | If any legal action, or other proceeding (other than mediation conducted according to the Franchise Agreement) is instituted for the enforcement of the Franchise Agreement or to resolve any other Dispute, the successful or prevailing party or parties is entitled to recover these amounts. |

¹ Unless provided otherwise, all fees in this table are paid to us, nonrefundable, and uniformly imposed.

² We collect all commissions paid by travel and other suppliers arising from your sales and remit them to you, less any amounts you owe us under or in connection with the Franchise Agreement (including Royalty Fees). We will remit these commissions weekly by direct deposit, but reserve the right to pay these commissions bi-weekly, as we may determine from time-to-time and set forth in the Operation Standards Manual. We have the exclusive right to collect all commissions. You have no right to collect or otherwise receive commissions directly from the travel supplier or other supplier paying them.

³ We may require you to pay us any Due Amount by any of the following methods (the "**Payment System**"):

- by deducting an amount equal to the Due Amount from the amount of any commissions paid to us by travel suppliers and other suppliers arising from the Franchisee's sales;
- by charging your Credit Card
- by using a payment system using preauthorized transfers from your operating account through the use of special checks, or electronic fund transfers, or through the use of any other payment system designated by us; or
- by cash payable on the date stated in the invoice demanding payment of the Due Amount.

We may offset any Due Amount against any amount we may owe you under or in connection with the Franchise Agreement. You must create and maintain a valid credit card account to be used exclusively for operating the Franchised Business and paying Due Amounts to us (the "**Designated Credit Card Account**"). You authorize us to charge all Due Amounts to the Designated Credit Card Account. You may not use the Designated Credit Card Account for any purpose, other than for those purposes.

⁴ We will collect a continuing, non-refundable Royalty Fee on each Annual Commissionable Sale, calculated as follows:

- i. 1.5% of Annual Commissionable Sales upon which CruiseOne receives a commission of 4.9% or less;
- ii. 2% of Annual Commissionable Sales upon which CruiseOne receives a commission of 5% to 9.99%; and
- iii. 3% of Annual Commissionable Sales upon which CruiseOne receives a commission of 10% and greater.⁵

If you achieve certain gross commissionable sales targets during a period designated by us, we may grant you a limited and conditional reduction to the Royalty Fee described above. The amount and nature of any reduction may vary based on the sales target we prescribe, your experience and qualifications, and any previous form of franchise or independent contractor agreement you signed with us.

⁵ "**Annual Commissionable Sales**" means the total commissionable sales price booked for that Contract Year by the travel supplier (or other travel company or supplier, including travel insurers), excluding any non-commissionable

line items (including taxes or port charges). We may adjust your Annual Commissionable Sales to account for passenger refunds and cancellations. "**Contract Year**" means each one-year period ending on the anniversary of the Effective Date (the date of full execution of the Franchise Agreement). Commissions for non-cruise goods and services (including travel services and charter and incentive programs) are established at varying rates depending upon the product or service. We publish your commission rates for those goods and services, and the Royalty Fee received on those items promptly after being notified of such rates by the supplier.

⁶ If we terminate your Franchise Agreement for cause, you must make a one-time payment to us equal to the sum of:

a. the product of (i) the Service Fee in effect as of the date of termination times (ii) the lesser of (1) the number of full months remaining in the Term had it naturally expired and not been terminated or (2) 12 months. If the Service Fee is not yet in effect as of the date of termination, the Service Fee shall be \$150 per month for the purpose of calculating this payment; plus

b. the total of all Royalty Fees for the following applicable period:

i. If, as of the date of termination, your Franchised Business has been operating for 12 months or more and there are more than 12 months remaining in the Term had it naturally expired and not been terminated, the 12-calendar months of operating your Franchised Business before your default;

ii. If, as of the date of termination, your Franchised Business has been operating for 12 months or more and there are less than 12 months remaining in the Term had it naturally expired and not been terminated (the number of remaining months, the "Remaining Months"), the period of months (and any portion of months) your Franchised Business has been operating before your default equal to the number of Remaining Months; or

iii. If, as of the date of termination, your Franchised Business has been operating for less than 12 months, the period of time your Franchised Business has been operating before the default, projected on a 12-calendar-month basis.

⁷ You may incur the following fees, if applicable, while operating your Franchised Business:

- (i) The Administrative Service Fee (the "Service Fee") is determined by the total Departed Commissionable Sales (described in Section 3.1.c of the Franchise Agreement). The Service Fee currently ranges from \$25 to \$150 per month and includes full access to all technology services. It is payable beginning on the 1st day of the 4th calendar month following your training, but in no event more than 150 days following the Effective Date of your Franchise Agreement.
- (ii) In the event that (a) your customer's check is returned for insufficient funds, (b) your customer fails to pay any credit card charge, or (c) we attempt to use the Designated Credit Card Account to pay ourselves any Overdue Amount and the credit card processor declines payment for any reason, including an insufficient credit line or the expiration or invalidity of the credit card, you will be required to pay us a fee equal to \$29 plus a fee equal to (1) the charges imposed on us by our bank in connection with a returned check, if applicable, or (2) any fee charged to us as a result of your customers' unpaid balances.
- (iii) Sales associates and replacement Managers will be required to complete the Mandatory Initial Training, and you must pay costs of their attendance, including our training fee (currently \$495/person) as well as travel, lodging, and meal expenses.
- (iv) If you wish to relocate your Contact Location outside the five-digit postal code of the original Contact Location, you must submit your relocation request to us in writing, along with a \$149 relocation fee. If we do not consent to your relocation, we will refund this fee.
- (v) We assess a late payment penalty of \$25 for each and every late payment.
- (vi) You must pay us \$129 per year for each person who works for the Franchised Business in any capacity, other than as its owner. We may also charge you for any additional dreamvacations.com email accounts, other than its owner, that your Franchised Business may request.

ITEM 7. ESTIMATED INITIAL INVESTMENT

| YOUR ESTIMATED INITIAL INVESTMENT ^{1, 2, 11} | | | | |
|---|--|--|--|---|
| TYPE OF EXPENDITURE | AMOUNT LOW-HIGH | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
| Initial franchise fee | New Franchisee - \$10,500 Intermediate Franchisee - \$3,195 Experienced Franchisee - \$495 | Lump sum ³ | At signing of Franchise Agreement | CruiseOne |
| Training expenses ⁴ | \$250-\$475 | As incurred | As incurred | Airlines & Restaurants |
| Additional Signatories/ Associates Training and Travel ⁵ | \$745-\$1,245 | Lump sum | Upon signing the Franchise Agreement (or if not already paid, 30 days before scheduled training) | CruiseOne, Airlines, Hotels, & Restaurants |
| Office Equipment and Furniture | \$0-\$350 | As incurred | As incurred | Vendors |
| Initial Office Supplies ⁶ | \$50 - \$275 | As incurred | As incurred | Vendors |
| Computer Hardware/Software Equipment ⁷ | \$0 - \$2,000 | As incurred | You must have this equipment before you open for business | Vendors |
| Insurance, Legal, and Accounting ⁸ | \$150 - \$1,800 | As incurred | As incurred | CruiseOne & Vendors |
| Permits, Franchises, Bonds, & Memberships ⁹ | \$150 - \$500 | As incurred | As incurred | Professional Organizations and Governmental Authorities |
| Initial Promotion and Advertising ¹⁰ | \$250 - \$1,200 | Approximately \$400 - \$800/mo. (for 3 mo) | As incurred | Vendors |

| YOUR ESTIMATED INITIAL INVESTMENT ^{1, 2, 11} | | | | |
|--|---|-------------------|-----------------------------|---------------------------------|
| TYPE OF EXPENDITURE | AMOUNT LOW-HIGH | METHOD OF PAYMENT | WHEN DUE | TO WHOM PAYMENT IS TO BE MADE |
| Criminal and Civil Background Check | \$0 - \$50 | As incurred | As incurred | Investigative firm we designate |
| Additional Funds (3-month initial phase for full-time franchisees) ¹¹ | \$500 - \$2,500 | As incurred | As incurred | Vendors |
| Financing Application Fee | \$0 - \$75 | Lump sum | Upon applying for financing | CruiseOne |
| Total | New Franchisee - \$12,595 - \$20,970 Intermediate Franchisee - \$5,290 - \$13,665 Experienced Franchisee - \$2,590 - \$10,965 | | | |

¹ Except as set forth in this disclosure document, all fees payable to us are uniform and nonrefundable. Whether fees payable to third parties are refundable is a matter you will have to discuss and negotiate with them.

² The Franchised Business is usually operated from the franchisee's home. Accordingly, if you work from home, you will not incur rent charges or related expenses.

³ We may finance the Initial Franchise Fee for qualified new franchisees. If you qualify, you must pay us minimally \$3,500 towards the Initial Franchise Fee, and issue a promissory note for the balance when you sign the Franchise Agreement, and the owners of the Franchised Business must guaranty the note. Down payment requirement is based on credit worthiness. The amount listed is for a new franchisee; however, if you are an experienced franchisee, you will pay a reduced Initial Franchise Fee of \$495. If you are an intermediate franchisee, you will pay a reduced Initial Franchise Fee of \$3,195.

⁴ This is training for New and Intermediate Franchisees.

⁵ You are responsible for all lodging, food costs and travel expenses for additional individuals attending initial training.

These expenses include a \$495 training fee per additional person, plus approximately \$550 for food and travel expenses, per additional person.

⁶ You will need office supplies, including stationery, business cards, forms, and other items.

⁷ You must have the computer system described in Items 8 and 11 of this disclosure document. The expenses listed above will be required only if you do not already have the required computer hardware, software, and related equipment.

⁸ You must maintain professional liability insurance coverage (Errors and Omissions insurance) for yourself, your co-owners who work for the Franchised Business (if any), your general manager, and each sales associate. You must obtain and maintain this type of coverage through CruiseOne for an annual charge of \$150 per person (subject to change).

⁹ As our franchisee, you will automatically become an associated member in professional organizations, including the Cruise Line International Association. You must obtain whatever permits and bonds are required under local or state law.

¹⁰ The amount of advertising and promotion you spend is discretionary. Advertising expenses may vary significantly in different regions and media markets. Therefore, your advertising and promotional expenses may be greater than our estimate.

¹¹ This is an estimate of only the range of expenses for your initial start-up phase, which is estimated to be three months from when you begin operating the franchised business. The additional funds you will need to operate during this phase do not include any salary or allowance for an owner's draw; any royalty fees, advertising contributions, or any other amounts you must pay us. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. The actual amount of additional funds you will need during the initial phase of operating will depend on factors such as: the size and location of your franchised business, how much you follow our methods and procedures; your management skill, experience, and business acumen; and other factors. The estimates are of your expenses only and do not reflect any offsetting sales revenue you may earn from operations to pay those expenses.

To compile these estimates, we relied on information provided to us by our franchisees and our general review of the types of expenses franchisees are likely to incur. You should review these figures carefully with a business advisor, tax professional and attorney before making any decision to purchase the franchise.

Except as expressly provided in Items 5 and 10, CruiseOne does not offer direct or indirect financing for any items. Any fees you pay to CruiseOne are non-refundable, including the Initial Franchise Fee.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General Sourcing and Specification Requirements

To the extent CruiseOne may periodically require, you must purchase or lease equipment, supplies, inventory, advertising materials, and any other products and services used to operate the Franchised Business solely from suppliers—and in accordance with specifications—that we authorize in writing. Other than as described below in this Item 8, we do not currently require you to purchase or lease equipment, supplies, inventory, advertising materials, or any other products and services used to operate your Franchised Business from suppliers that we authorize.

We estimate that required purchases or leases will be 1% to 10% of your costs to establish and operate your Franchised Business. We may revoke any authorization, at any time, in writing. We may approve a single supplier for any brand and may approve a supplier only for a certain brand or brands. We may designate ourselves or an affiliate as an exclusive or nonexclusive supplier of any goods or services used in connection with operating the Franchised Business. We have no obligation to entertain franchisee requests to use alternative suppliers or specifications.

Specific Sourcing and Specification Requirements

Intranet and Reservation System

You must use our intranet site (the "**intranet BusinessCenter**") and online software and applications for operating the Franchised Business (including "**MyCruiseControl reservation system**" the CruiseOne reservation system).

You must use our **MyCruiseControl reservation system** and other designated proprietary software available on the **intranet BusinessCenter** for processing all travel booked by the Franchisee.

Bookings and Collections

We process and record all your booking orders in the manner described in the Operations Standards Manual. We process travel booking orders only at the travel supplier's published price or list price under our then current payment and collection terms. We need not process orders for travel bookings that have been discontinued by the travel supplier. All orders are subject to our acceptance.

We collect all commissions paid by travel suppliers and other suppliers arising from your sales and remit them to you, less any amounts you owe us under or in connection with the Franchise Agreement (including Royalty Fees). We will remit these commissions weekly by direct deposit, but reserve the right to pay these commissions bi-weekly, as we may determine from time-to-time and set forth in the Operation Standards Manual. We have the exclusive right to collect commissions. You may not collect or otherwise receive commissions directly from the travel supplier or other supplier paying them.

General Inventory and Equipment Requirements

You must at all times maintain in sufficient supply (as prescribed in the Operations Standards Manual), and use at all times, only inventory, equipment, materials, advertising methods and formats, and supplies that conform to our standards and specifications, if any, for those items, at all times sufficient to meet the anticipated volume of business.

Computer System

Before opening the Franchised Business, you must acquire the Computer System. The “**Computer System**” includes the computers and other computer hardware, software, and peripherals and related services (including high-speed Internet service and dedicated telephone lines) that you must purchase, install, and use in accordance with the Operations Standards Manual.

Insurance

You must obtain and maintain the types of insurance, in the amounts and from the carriers that we specify. This insurance is in addition to any other insurance that may be required by applicable law, your landlord, or otherwise.

At a minimum, you must obtain and maintain errors and omissions insurance in the amount of at least \$1 million in the aggregate, naming CruiseOne as additional insured, and protecting and indemnifying you, your co-workers who work in the business (if any), your Manager and each sales associates, and us against any damages to person or property. You are currently required to purchase this errors and omissions insurance through us.

We may adjust the amounts of coverage required under your insurance policies and require different or additional kinds of insurance, including excess liability insurance, at any time. We may periodically offer you the option, or impose an obligation, for you to be included as additional insured on our (or our affiliate’s) insurance policies. If you acquire insurance through us or our affiliates, you shall pay us for the costs and expenses we incur, including, if applicable, an administrative fee. This insurance coverage may be for amounts less than that which we may require you to carry if you were to purchase it on your own. We currently require you to obtain and maintain errors and omissions coverage through us. This allows you to be added to our or our affiliate’s insurance policy. Beginning on the first anniversary of the Effective Date, and continuing each year thereafter for so long as you are required to pay us a fee to be added to our affiliate’s insurance policy, you must pay us our then-current annual fee calculated on a per person basis, for yourself, your co-owners who work in the business (if any), your general manager, and each sales associate. Currently, the cost per person is \$150, however this amount is subject to change based on costs to us, changes in risks, and other factors we deem appropriate.

Revenues Derived from Required Purchases and Leases

In the year ending December 31, 2024, we did not derive any revenues or other benefits from required purchases or leases, but we reserve the right to derive revenue from required franchisee purchases in any manner we determine.

Supplier Rebates

We do not currently receive rebates or discounts as a result of franchisee purchases, but we reserve the right to receive such rebates and discounts in the future.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperatives exist, but we reserve the right to establish a cooperative in the future. We do not currently negotiate purchase arrangements or price terms with suppliers.

Material Benefits for Use of Approved Sources

We do not provide material benefits to you based upon your use of designated or approved sources.

Travel Providers and Other Authorized Suppliers

You may only offer and sell bookings for travel suppliers that we designate. We provide you with a list of travel suppliers with whom we have negotiated preferred commissions and marketing support for our franchisees. You may only offer and sell goods and services from suppliers that we have authorized in writing.

We also provide you with a list of recommended travel suppliers from whom we receive preferred commissions and marketing support. We do not currently receive any such commissions or marketing support as a result of your required purchases. Our CEO, Bradley Tolkin, owns an interest in some of these travel suppliers, namely Villas of Distinction and Resort for a Day. Otherwise, none of our officers own an interest in any of your suppliers.

CLIA AND IATAN Numbers

You must use our CLIA and IATAN numbers to operate the Franchised Business and must not procure or use your own numbers for the Franchised Business.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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.

| FRANCHISEE'S OBLIGATIONS | | |
|---|--------------------------------|--------------------------|
| OBLIGATION | SECTION IN FRANCHISE AGREEMENT | DISCLOSURE DOCUMENT ITEM |
| a. Site selection and acquisition/lease | Not Applicable | Items 8, 11, and 12 |
| b. Pre-opening purchases/leases | Section 4.1 | Items 7, 8, and 11 |
| c. Site development and other preopening requirements | Section 4.1 and 4.3 | Items 5, 6, 7, 8, and 11 |
| d. Initial and ongoing training | Sections 2.1 and 2.3 | Item 11 |
| e. Opening | Sections 4.1, 4.10, and 17.1 | Items 7 and 11 |
| f. Fees | Article 3 | Items 5, 6, and 7 |
| g. Compliance with standards and policies/Operations Standards Manual | Article 6 | Items 8, 11, and 16 |
| h. Trademarks and proprietary information | Article 5 | Items 13 and 14 |
| i. Restrictions on products/services offered | Section 4.2 | Item 16 |
| j. Warranty and customer service requirements | Section 4.2 | Item 16 |
| k. Territorial development and sales quotas | Not Applicable | Item 12 |
| l. Ongoing product/service purchases | Section 4.2 | Items 6 and 8 |
| m. Maintenance, appearance and remodeling | Not Applicable | Not Applicable |
| n. Insurance | Article 9 | Items 6, 7, and 8 |
| o. Advertising | Sections 3.1, 7.1, and 7.2 | Items 6, 7, and 11 |
| p. Indemnification | Section 14.2 | Item 6 |
| q. Owner's participation/management/staffing | Section 4.5 | Item 15 |
| r. Records/reports | Section 8.1 | Not Applicable |
| s. Inspections/audits | Section 8.2 | Item 6 |
| t. Transfer | Section 10.2 | Items 6 and 17 |
| u. Renewal | Section 16 | Items 6 and 17 |
| v. Post-termination obligations | Article 12 | Item 17 |

| FRANCHISEE'S OBLIGATIONS | | |
|------------------------------|--------------------------------|--------------------------|
| OBLIGATION | SECTION IN FRANCHISE AGREEMENT | DISCLOSURE DOCUMENT ITEM |
| w. Non-competition covenants | Section 13.1 | Item 17 |
| x. Dispute resolution | Sections 18.8 and 18.9 | Item 17 |

ITEM 10. FINANCING

We may finance the Initial Franchise Fee for qualified new franchisees. If you qualify, you must pay us a non-refundable application fee of \$75, an annual errors and omissions fee of \$150, and minimally \$3,500 toward the Initial Franchise Fee. Down payment requirement is based on credit worthiness. You must also execute a promissory note in the form attached to the Franchise Agreement as Exhibit 3.1.a (the "Note") for the balance when you sign the Franchise Agreement. If the franchisee is not an individual, its owners must personally guaranty the Note and sign a guaranty in the form attached to the Franchise Agreement as Exhibit 3.1.a. (the "Guaranty"). The Note is payable in 24 equal monthly installments. We may require you to pay amounts due under the Note by electronic funds transfer or by authorizing us to debit your credit card or bank account, or by any other Payment System. If we do so require, you must promptly take any actions and execute any documents that may be necessary to implement the required manner of payment and otherwise make or authorize such payments in the manner we direct. We reserve the right to offset any delinquent balance on the Note with payments owed to you under the Franchise Agreement.

| SUMMARY OF FINANCING OFFERED | | | | | | | | | |
|------------------------------|-----------------|--------------------|--------------|---------------------------------|-----------------------|---------------------|--------------------------------------|--|--|
| ITEM FINANCED BY CRUISEONE | AMOUNT FINANCED | DOWN PAYMENT | TERM (YEARS) | APR % | MONTHLY PAYMENT | PREPAY-MENT PENALTY | SECURITY REQUIRED- PERSONAL GUARANTY | LIABILITY UPON DEFAULT | LOSS OF LEGAL RIGHTS UPON DEFAULT |
| Initial Franchise Fee | Up to \$7,000 | \$3,500, minimally | 24 months | Prime Rate ¹ plus 6% | \$337.75 ² | None | Personal Guaranty | Acceleration of all unpaid amounts due under the Note and termination of Franchise Agreement, payment of attorney fees and court costs incurred in collecting the debt | Waive notice, right to jury trial, loss of many defenses |

¹ "Prime Rate" is the "Prime Rate" reported in the "Money Rates" section of the *Wall Street Journal* (or any comparable interest index we may select) on the date of the Note.

² This monthly amount is based on a Prime Rate equal to 7.50% per year (which was the Prime Rate on March 12, 2025). Because the Prime Rate may change every day, and may not be the Prime Rate when you enter your Franchise Agreement, your monthly payment may differ.

It is not our practice or current intent to sell, assign, or discount to a third party all or a part of the financing arrangement.

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

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

Pre-Opening Assistance

Before you open your business, we will:

- provide you with Mandatory Initial Training (Franchise Agreement, Section 2.1); and
- loan you one copy of the Operations Manual (with periodic revisions as required) (Franchise Agreement, Section 2.1). Our customary practice is to provide the Operations Manual to you at or shortly before Mandatory Initial Training. The table of contents of the present Operations Manual is attached to this disclosure document as Exhibit B. The Operations Manual will be in an electronic format, such as PDF, which CruiseOne may provide Franchisee via e-mail or any other electronic means.

Post-Opening Assistance

During the operation of the franchised business, we:

- may provide continuing advisory assistance in the operation and promotion of the Franchised Business; this assistance may include communicating new developments, improvements in equipment and supplies, and new techniques in advertising, service, and management relevant to operating the Franchised Business (Franchise Agreement, Section 2.3);
- may provide refresher training programs, seminars, or advanced training at CruiseOne's principal training facility (or such other location that we designate) (Franchise Agreement, Section 2.3);
- process and record all your booking orders in the manner described in the Operations Manual (Franchise Agreement, Section 2.4);
- collect all commissions paid by travel suppliers and other suppliers arising from your sales and remit them to you, less any amounts you owe us (Franchise Agreement, Section 2.5);
- permit you to access our **intranet BusinessCenter** and use our online software and applications for operating the Franchised Business (including **MyCruiseControl reservation system** the CruiseOne reservation system) (Franchise Agreement, Section 2.6);
- permit you to use the **MyCruiseControl reservation system** and other designated

proprietary software available on the **intranet BusinessCenter** for processing all your travel bookings (Section 2.6);

- promote the CruiseOne system through advertising and public relations campaigns (Franchise Agreement Section 2.3), to the extent and in the manners we determine in our discretion;
- provide advice on local advertising (Franchise Agreement Section 2.3); and
- provide you with promotional methods, programs and materials that we may develop in the future, to the extent we determine at our discretion. Unless expressly required by us, participation is optional, and we may also charge fees for special services associated with these promotional methods, programs and materials (Franchise Agreement, Section 2). We are not obligated to assist you with establishing pricing, but reserve the right to do so in our sole discretion.

SITE FOR YOUR FRANCHISED BUSINESS

You are solely responsible for selecting the site for the location of your Franchised Business prior to signing your Franchise Agreement. We approve your site when we approve your franchise application. There is no specific time limit in which this approval has to be completed. However, we typically complete our review of your site and the other elements of your application, and award or decline to award you a franchise, within three to five days after we receive your completed application and all supporting documentation. By approving your application we do not represent or promise that your Franchised Business will succeed at that site. Approval of the site only indicates our willingness for you to represent the System at that site. In evaluating a proposed site, we consider such factors as the site's proximity to competitors and other potential sources of customers, the comparative advantages of a particular market, and other factors we determine to be relevant.

ADVERTISING

Advertising Approval and Restrictions

You must submit all materials (irrespective of the medium) that you want to use for advertising, promotions, or marketing ("**Advertising Materials**") to us for our prior written approval, unless they have already been approved or consist solely of materials provided by us. If, within 10 days of the date we receive such submitted materials, you do not receive our written approval, they are considered disapproved. If, in our judgment, any Advertising Materials may injure or harm the System, we may require you to withdraw or discontinue their use, even if previously approved (Franchise Agreement, Section 7.1).

We require you to only advertise your franchised business within the United States and to United States residents. This includes any online advertising that may have a global reach.

You may not use any Advertising Materials until we deliver written notice, via Training Completion

Certificate, that the Opening Conditions in the Franchise Agreement have been satisfied to our satisfaction. (Franchise Agreement, Section 7.1)

All Advertising Materials (including, if applicable, phone listings, online listings, social media accounts, newspaper, direct-mail advertisements, and business cards) must contain your **CruiseOne®** assumed-business-name, the city, state, as well as any other information required by the Operations Standards Manual. If the Contact Location is the Franchise Owner's personal address, you need not publish that address, but may instead use a mail stop or virtual mailbox with a physical address. Post-office boxes are not permissible (Franchise Agreement, Section 7.1).

Internet Restrictions

You may advertise on the Internet as CruiseOne or Dream Vacations only if you strictly comply with the Operations Manual provisions governing those activities. You may purchase vanity domain names in accordance with the Operations Standards Manual, however, you may not register domain names containing CruiseOne, Dream Vacations, or any variation of those names. With respect to any aspect of the System or the Franchised Business (including the use of the Proprietary Marks), we retain the sole right to advertise on the Internet, create or operate a Website or sites, and use CruiseOne and Dream Vacations as part of any domain name. We exclusively own all rights in those domain names and any other domain names that we designate in the Operations Standards Manual. You may operate a CruiseOne or Dream Vacations social-media page in accordance with our social media policy and guidelines contained in the Operations Standards Manual. You may not maintain or operate an independent website or independent social-media page (such as a blog) that directly or indirectly promotes the Franchised Business without our prior approval. You may advertise in the form of Search Engine Marketing using your CruiseOne or Dream Vacations website. You may not bid on any search term that includes either CruiseOne or Dream Vacations. Further information on our Internet policies is contained in the Operations Standards Manual. (Franchise Agreement, Section 7.2)

CruiseOne Advertising Programs

From time-to-time, we may develop marketing programs for franchise participation.

Other than described above, we currently do not have a national marketing fund or advertising program or any regional advertising cooperatives. We do not have a specific council for advertising matters, but we have a general franchisee advisory council that exists in an advisory capacity only.

COMPUTERS

Before opening the Franchised Business, you must acquire the Computer System specified in the Operations Manual (Franchise Agreement, Section 4.3). The Computer System includes the computers and computer hardware, software, and peripherals and related services (including high-

speed internet service and dedicated telephone lines) that you must purchase, install, and use in accordance with the Operations Manual (Franchise Agreement, Section 17.1).

At our request, you must assist us in bringing your Computer System into compliance with the Operations Standard Manual. We have the free and unfettered right to independently access, retrieve, and copy any data and information relating to your Franchised Business from any software or applications we require you to use in connection with your Computer System (Franchise Agreement, Section 4.3).

We may require you to modify or upgrade the Computer System or replace the entire Computer System with a compatible system capable of assuming and discharging all the computer-related tasks and functions that we specify. To ensure full operational efficiency and communication capability between our computers and those of all the Franchised Business, you must, at your expense, keep the Computer System in good maintenance and repair (Franchise Agreement, Section 4.3).

You will use the Computer System for the following functions:

- using the **MyCruiseControl reservation system** and other designated CruiseOne software to book and process all travel bookings including third-party related products such as travel insurance. (Franchise Agreement, Section 4.3); and
- accessing our **intranet BusinessCenter** and using our online software and applications for operating the Franchised Business (including the **MyCruiseControl reservation system**) (Franchise Agreement, Section 4.3).

If you breach any of the requirements relating to the Computer System and fail to cure that breach within two days of notice from us, we may immediately suspend your right to access **MyCruiseControl reservation system** and/or our **intranet BusinessCenter** until the breach is cured to our satisfaction.

You will access our Web-based applications using your own local ISP providers. We will provide you with security based logins to access our **intranet BusinessCenter** and cruise booking applications. You will access our **intranet BusinessCenter** for cruise selling information offered by us and member networks. Our cruise booking applications will secure your clients' booking and commission information.

To operate CruiseOne software, you must have and maintain a computer with the minimum requirements of hardware and operating programs in the Operations Manual. All the hardware and software must comply with our standards and must be updated, upgraded, and replaced as we may periodically direct. We are not obligated to provide ongoing maintenance, repairs, upgrades or updates for any of your hardware or software. The frequency and cost of the foregoing obligation is not limited.

Our current minimum hardware and software requirements are: Microsoft Windows-based or macOS-based desktop, laptop, tablet, high-speed internet Access, Microsoft Office (which includes Word, Excel and Outlook), Antivirus program, such as Norton Anti-Virus or McAfee. We also require a SMS/Text messaging device for 2-Factor security authentication. If you do not already have the appropriate computer, the cost of this equipment is between \$299 and \$1,999. Concerning the software you must acquire from 3rd parties, we estimate the annual updating and upgrading expenses will not exceed \$500.

You must acquire a high-speed internet connection to access our franchise applications. Any online services that do not have high speed Internet access capability may not be compatible with our communications system. You will need working knowledge of Microsoft Windows, Word, Excel and Outlook as well as familiarity with e-mail and direct Internet browsing.

All of our franchisees are provided a dreamvacations.com email account and are required to conduct all business communications through this email address using the webmail interface or Microsoft Outlook. You may also access your dreamvacations.com email address using your smartphone. We may charge you for any additional dreamvacations.com email accounts you request.

You must use CruiseOne software, a specific type of software for processing cruise bookings with us. We will provide you with access to this online software. With this software, you and CruiseOne exchange information via our private **intranet BusinessCenter**. Login authentication will allow you to access and retrieve client and booking information. Although we upgrade and maintain the online software, we are not obligated to do so.

OPENING

Time between Signing the Franchise Agreement and Opening the Franchised Business

The typical length of time between your signing of the Franchise Agreement and the opening of your business is expected to be 90 days for a new or intermediate franchisee, and 30 days if you are an experienced franchisee. In any event, you must be prepared to open for business not later than 90 days after you sign your Franchise Agreement. Factors that may affect this typical time period include your ability to negotiate and obtain financing, install equipment and fixtures, and schedule and complete training.

TRAINING PROGRAM

We will provide you with the following initial training, which is mandatory and must be attended and completed to our satisfaction by your Manager no later than 90 days after the Effective Date of your Franchise Agreement ("**Mandatory Initial Training**") (Franchise Agreement, Section 2.1):

- If you are a New or Intermediate Franchisee, we will provide the following Mandatory Initial Training:

In a blended curriculum of eLearning and live instructor-led training in the Broward County, Florida area, a blended curriculum of eLearning and live instructor-led training, or an independent, self-study program. We provide instructors, facilities, training materials, and for Mandatory Initial Training. There is no training fee for the Manager, but any additional personnel will be charged our training fee, which is currently \$495 per person. If the Mandatory Initial Training is at our training facilities, we also provide the Manager with a private hotel room during Mandatory Initial Training, provided the manager has completed the online required pre-training prior to the start date of the training class, with a transportation credit not exceeding \$500 to reimburse for transportation expenditures paid to transport the Manager to Mandatory Initial Training. Except as just provided, you are responsible for all other expenses incurred to have the Manager attend Mandatory Initial Training (including meal and entertainment expenses) (Franchise Agreement, Section 2.1).

- If you are an Experienced Franchisee, Mandatory Initial Training includes our independent study program training for its Manager. This training is accessible on our **Learning Management System (the Learning Center)** at any time after you enter the Franchise Agreement. Alternatively, if the Franchisee is an Experienced Franchisee, we may require you to attend the Mandatory Initial Training program described in the previous paragraph; but, in such event, you are not entitled to a \$500 transportation credit or a private hotel room provided by us, and you alone are responsible for all expenses incurred in connection with the Manager's attendance to have the Manager attend Mandatory Initial Training (including travel, meal, lodging, and entertainment expenses) (Franchise Agreement, Section 2.1).

Failure to Complete Mandatory Initial Training

If we determine that the Manager has failed to satisfactorily complete Mandatory Initial Training, we may, at your expense (including our then standard retraining fee), retrain the Manager. Alternatively, we may elect to terminate the Franchise Agreement. If we do so, we need not refund the Initial Franchise Fee or any other money you have paid us.

ON-SITE TRAINING PROGRAM

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF ON-THE-JOB TRAINING | LOCATION WHERE TRAINING HELD |
|---------------------------------|-----------------------------|------------------------------|------------------------------|
| Phase 1 – Franchise Foundations | 12 | 0 | Online |

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF ON-THE- JOB TRAINING | LOCATION WHERE TRAINING HELD |
|---|-----------------------------|-------------------------------|------------------------------|
| Phase 2 – Travel Agents Basics <ul style="list-style-type: none"> • Sales Techniques and Qualifying Customers • Business Operations • Booking and Reservations Systems • Travel Protection Overview • Travel Partner Product Training • Marketing, Public Relations • Business Development • Product Experience • Trade Show | 36 | 0 | South Florida area |
| On-Demand Virtual Training Review, 101, 201, 301 Leveled Training | 40 | 0 | Online |
| TOTALS | 88 | 0 | |

The following are the Dream Vacations/ CruiseOne staff and Executives that participate in the live training program:

| Name | Position with Dream Vacations / CruiseOne |
|-------------|---|
| Brad Tolkin | CEO |

| Name | Position with Dream Vacations / CruiseOne |
|-------------------|--|
| Drew Daly | Senior Vice President/General Manager |
| Debbie Fiorino | Chief Operating Officer |
| Charity Santiago | Vice President of Training and Events |
| Marc Kramer | Manager, Support Services |
| Tensi Westreicher | Business Development Manager |
| Chris Cirella | Business Development Manager |
| Olga Bravo | Digital Marketing Manager |
| Jennifer Spear | Marketing Manager |
| Michael Cadigan | PR Manager |
| Janice Hall | Training Supervisor |
| Ismaris Ocasio | Training Specialist |
| Zoe Smith | Marketing Specialist |
| Kalista Smith | Training Specialist |
| Brandon Packer | Training Specialist |
| Kurt Denton | Marketing Specialist |

VIRTUAL TRAINING PROGRAM

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF ON- THE-JOB TRAINING | LOCATION WHERE TRAINING HELD |
|--|------------------------------------|--------------------------------------|-------------------------------------|
| Phase 1 – Franchise Foundations | 12 | 0 | Online |
| Phase 2 – Travel Agent Basics <ul style="list-style-type: none"> • Sales Techniques and Qualifying Customers • Business Operations • Booking and Reservations Systems Training Exercises • Travel Protection Overview • Marketing • Business Development | 20 | 0 | Online/Live, Virtual Meeting |

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF ON- THE-JOB TRAINING | LOCATION WHERE TRAINING HELD |
|---|-----------------------------|-------------------------------|------------------------------|
| On-Demand Virtual Training Review, 101, 201, 301 Leveled Training | 40 | 0 | Online |
| TOTALS | 72 | 0 | |

The following are the Dream Vacations/ CruiseOne staff and Executives that participate in the virtual training program:

| Name | Position with Dream Vacations / CruiseOne |
|-------------------|---|
| Brad Tolkin | CEO |
| Drew Daly | Senior Vice President/General Manager |
| Debbie Fiorino | Chief Operating Officer |
| Charity Santiago | Vice President of Training and Events |
| Marc Kramer | Manager, Support Services |
| Tensi Westreicher | Business Development Manager |
| Chris Azamar | Business Development Manager |
| Olga Bravo | Digital Marketing Manager |
| Jennifer Spear | Marketing Manager |
| Janice Hall | Training Supervisor |
| Kylie Reed | Curriculum Supervisor |
| Ismaris Ocasio | Training Specialist |
| Zoe Smith | Marketing Specialist |
| Kalista Smith | Training Specialist |
| Brandon Packer | Training Specialist |
| Tara Wallace | Training & Curriculum Specialist |
| Kurt Denton | Marketing Specialist |

Self-Study Program

| SUBJECT | HOURS OF CLASSROOM TRAINING | HOURS OF ON- THE- JOB TRAINING | LOCATION WHERE TRAINING HELD |
|---|-----------------------------|--------------------------------|---|
| Phase 1 – Franchise Foundations | 10 | 0 | Online |
| Phase 2 – Travel Agent Basics | 20 | 0 | Online |
| On-Demand Virtual Training Review, 101, 201, 301 Leveled Training | 40 | 0 | Done Online Following the Live Training Class |
| Total | 70 | 0 | |

ADDITIONAL INFORMATION ABOUT THE PRINCIPAL TRAINING INSTRUCTORS

Drew Daly is a long-time member of the WTH family and is currently Senior Vice President/General Manager for Dream Vacations / CruiseOne. His career started as a travel agent with NLG (which was acquired by World Travel Holdings in 2005) and he quickly moved up the ranks into sales management and as a member of the World Travel Holdings executive team. In 2002, Drew began creating our comprehensive virtual sales network. A Certified Travel Industry Executive, Drew has served as the Chairman of CLIA's Strategic Travel Agent Review Board (Cruise Lines International Association) and on the Board of Directors for The Travel Institute and the Professional Association of Travel Hosts (PATH).

Charity Santiago, Vice President of Training and Events, comes with a background in the education field and has been with Dream Vacations / CruiseOne since 2014. She has a Master's degree in Instructional Design & Technology from Purdue University. With over 16 years of teaching experience, Charity oversees the in-house training program, leads the virtual training platform, and manages the training team. In conjunction with the Curriculum Team, she develops new content and enhances the on- demand training opportunities available on the Learning Center. Additionally, she oversees our in-person and virtual event programming and educational opportunities.

Janice Hall serves as Training Supervisor for the Home Based Division in Ft. Lauderdale. She is responsible for training the company's new franchisees and independent contractors as well as

developing training programs for the continued growth of the Home Based network. Janice joined the company in 2001. Prior to joining CruiseOne, she served as Operations Manager for Motion Industries, a leader in Industrial Distribution.

Kylie Reed is the curriculum Supervisor on the training team for Dream Vacations/ Cruise One since April 2019. She works directly with new franchisees in the virtual training classes to build their platform for their business. She has a Master's degree in Instruction and Curriculum design with over 5 years experience designing and maintaining eLearning content. She aids in keeping content current and interactive to support the continued learning of both new and tenured franchisees.

Ismaris Ocasio, Training Specialist, comes with a background in the higher education field and has been with Dream Vacations / CruiseOne since January 2022. She has a Master of Education from the University of Massachusetts Amherst. Prior to joining us, Ismaris worked as a Life Designer at the University of Miami's career center.

Tara Wallace, Training and Curriculum Specialist, comes with a background in the education field and has been with Dream Vacations / CruiseOne since 2022. She has a Master's degree in Instructional Technology from Florida Atlantic University. With over 18 years of experience in teaching and school administration, Tara redesigns content to make it more engaging while also working with the training team to deliver in person and virtual training to new franchisees.

We do conduct advanced training programs, but they are optional for franchisees. We reserve the right to collect a training fee for any advanced training programs we conduct.

ITEM 12. TERRITORY

Location of Your Franchised Business

The physical address of your Franchised Business described in your Franchise Agreement is called your "**Contact Location**." CruiseOne franchises are generally virtual businesses that are primarily operated from franchisee homes, but may be operated from an office, storefront, kiosk, or other virtual place of business. You are solely responsible for selecting the site for the location of your Franchised Business prior to signing your Franchise Agreement. We approve your site when we approve your franchise application. Accordingly, while you must maintain a Contact Location and identify the Contact Location in your advertising, you may operate your Franchised Business from any location. The Contact Location may be an office, home office, storefront, or mail stop or virtual mailbox with a physical address, provided that post-office boxes are not permissible (Franchise Agreement, Section 1.2).

Relocation

- You may relocate the Contact Location within the five-digit postal code of the original Premises, if you provide us with written notice delivered at least 30 days before relocating.

- You may not relocate the Contact Location outside the five-digit postal code of the original Contact Location without our prior written consent. Relocation requests must be submitted in writing not less than 60 days before the proposed relocation and accompanied by a \$149 relocation fee, which is refundable if we do not consent to the proposed relocation. You may not submit a relocation request less than 30 days before Mandatory Initial Training or less than 30 days after Mandatory Initial Training. We may withhold our consent to a request to relocate outside the original Contact Location's five-digit postal code in our sole and absolute discretion.

No Minimum or Exclusive Territory

You will not receive a minimum territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We may operate one or more CruiseOne businesses—or may have other franchisees operate other CruiseOne businesses—that are in close proximity to your Contact Location.

Reservation of Rights

We and our affiliates reserve the right, at our sole discretion, to use our marks and system in connection with additional services and products, promotional and marketing efforts or related items, or in alternative channels of distribution (including the Internet), without regard to location, and to use our marks and system, and license others to use our marks and system, to engage in any other activities not expressly prohibited in the Franchise Agreement. Nothing in the Franchise Agreement provides you with the right to conduct or share in the revenue generated by any of these activities.

No Options

Your Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises.

Sales of Products or Services under a Different Trademark

Neither we nor any affiliate has established or has any present plan to establish other franchises or company-owned outlets or other channels of distribution selling or leasing similar products or services under a different trademark.

ITEM 13. TRADEMARKS

Principal Trademarks

In the Franchise Agreement, we grant you the right to operate your Franchised Business under our principal trademarks **CRUISEONE®** or **DREAM VACATIONS START HERE™**, which are listed in the tables below, and any other trademarks we periodically authorize you to use.

| TRADEMARKS REGISTERED ON THE U.S. PATENT AND TRADEMARK OFFICE'S ("USPTO") PRINCIPAL REGISTER | | | |
|--|-----------------------------|------------------|-------------------|
| TRADEMARK | OWNER | REGISTRATION NO. | REGISTRATION DATE |
| CRUISEONE® | World Travel Holdings, Inc. | 1,799,689 | October 19, 1993 |
|  | World Travel Holdings, Inc. | 4,199,917 | August 28, 2012 |
|  | World Travel Holdings, Inc. | 4,388,655 | August 20, 2013 |
| DREAM VACATIONS START HERE | World Travel Holdings, Inc. | 5,200,841 | May 9, 2017 |
|  | World Travel Holdings, Inc. | 5,200,851 | May 9, 2017 |
| DREAM VACATIONS ADVISOR | World Travel Holdings, Inc. | 7,098,447 | July 4, 2023 |

Our principal marks are owned by our parent company, World Travel Holdings, Inc., which licensed them to us. Our license agreement, dated August 17, 2011, with World Travel Holdings, Inc. does not significantly limit our right to use or license these principal marks in any manner material to you. Our parent has filed all required affidavits in connection with the trademark registrations described above.

Currently Effective Trademark Determinations

There are no other currently effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving the principal trademarks.

Agreements Significantly Limiting Your Rights to Use the Marks

There are no agreements that significantly limit our right to use or license the use of CruiseOne's principal trademarks in a manner material to you.

Knowledge of Superior Rights or Infringing Uses

Except for any superior rights that the owner of the registered DREAM VACATIONS mark may possess, we have no actual knowledge of superior prior rights or infringing uses that could materially affect your use of the principal trademarks in this state or the state in which the franchised business is to be located.

Modifying or Discontinuing Use of Principal Trademark

If, at any time, we believe it advisable to modify or discontinue the use of any Proprietary Mark, or to use one or more additional or substitute names or marks, for any reason, you must do so at your expense within 30 days of our request. In such event, we have no liability of any nature to you.

Trademark Claims

We need not protect your right to use our principal trademark or protect you against claims of infringement or unfair competition arising out of your use of the principal trademarks. These matters are committed to our discretion, and we will act as we consider appropriate in the circumstances. You are obligated to notify us of the use of, or claims of rights to, a trademark identical or confusingly similar to any of our trademarks. We are not obligated to take any affirmative action when notified of such uses or claims. As the owner of the principal trademark, generally, we will control any administrative proceedings or litigation involving that trademark. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative proceeding or litigation involving the principal trademark, or if the proceeding is resolved unfavorably to you.

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

There are no patents that we consider material to the operation of the franchised business. We have registered the following copyrights:

| TITLE OF WORK | REGISTRATION NUMBER | REGISTRATION DATE | DURATION |
|---------------|---------------------|--------------------|----------|
| CRUISEFINDER | TXu000854603 | September 28, 1998 | 95 years |
| CRUISESCAN | TXu000854602 | September 28, 1998 | 95 years |

We also claim common law copyright protection in our other proprietary materials and information, including the CruiseOne Operations Standards Manual. The Operations Manual is described in Item 11. Although we have not filed an application for a copyright registration for the CruiseOne Operations Standards Manual, we do claim a copyright in it, and the information is proprietary. You should promptly tell us if you learn about unauthorized use of our proprietary information. We are not obligated to take any action but will respond to this information as we think appropriate. We are not obligated to

indemnify you for losses brought by a third party concerning your use of this information.

You must treat the Confidential Information as our confidential information and trade secrets. You must keep the Operations Manual in a secure area. You must strictly limit access to the Confidential Information to only your sales associates who have a "need to know" in order to perform their jobs. You must immediately report to us the theft, loss, or destruction of the Operations Manual or any portion thereof. You may not copy, record, or otherwise reproduce any of the Confidential Information, in whole or in part. You must require all persons to whom you grant access to the Operations Manual or any other Confidential Information to sign our standard form of confidentiality agreement. All your owners and sales associates must sign such a confidentiality agreement prior to acquiring their ownership interest or beginning employment.

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

The Manager must devote his or her best efforts to managing and operating the Franchised Business. At all times it is open for business, the Franchised Business requires the Manager's day-to-day supervision. Unless we agree otherwise in writing, before the Manager, or any successor Manager, may manage the Franchised Business, he or she must complete Mandatory Initial Training.

The "**Manager**" is the Franchise Owner unless CruiseOne otherwise agrees in writing. The "**Franchise Owner**" is:

- if the Franchisee is an individual, such individual;
- if the Franchisee is a corporation, the individual who owns a majority of the voting and ownership interests in such corporation;
- if the Franchisee is a partnership, any individual who is—or owns a majority of the voting and ownership interests in an entity that is—a general partner of such partnership; or
- if the Franchisee is a limited liability company, the member who owns a majority of the voting and ownership interests in such limited liability company.

If we permit the Manager to be an individual other than the Franchise Owner, and the Manager fails to satisfy his or her obligations due to death, disability, termination of employment, or for any other reason, the Franchise Owner must perform those obligations until you designate a new Manager acceptable to us who has successfully completed Mandatory Initial Training. You are solely responsible for the related costs and expenses, including the then standard training fee we charge for Mandatory Initial Training (which is currently \$495).

All your owners are subject to the confidentiality and noncompetition provisions in the Franchise Agreement, and all your sales associates must sign our standard form of confidentiality agreement

before beginning employment.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only goods and services that we approve and only from suppliers that we approve. You must sell all goods and services that we authorize. We may change the types of authorized goods and services that you must sell and there are no limits to CruiseOne's right to make changes. Consequently, you may only offer and sell bookings with vendors that we designate.

You must operate the Franchised Business as a cruise and vacation-travel sales business only and may not operate the Franchised Business as a full-service ARC appointed travel agency or perform wholesale travel services or act as a consolidator. We may, from time to time, determine what goods and services fall within the purview of a limited-travel sales business. These goods and services may include, in addition to cruises, air travel, car rentals, hotel bookings, tours, travel protection, and shore excursions. You must operate the Franchised Business in accordance with all applicable laws and regulations.

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 16 | Initial term is 5 years. |
| b. Renewal or extension of the term | Section 16 | You do not have renewal rights. Granting you an option to enter a successor franchise agreement is discretionary with us. If we elect not to grant an option, we will notify you at least 60 days before the Term expires. |
| c. Requirements for franchisee to renew or extend | Not applicable. | Not applicable. |
| d. Termination by franchisee | Section 11.6 | At any time before the expiration of the one-year period beginning on the Effective Date, you may terminate this Agreement for any reason, but only if you satisfy all the following conditions: <ul style="list-style-type: none">• you have strictly complied with all your obligations under the Franchise Agreement and other agreements;• you pay us and all our vendors, all amounts due; and• you provide us, before the expiration of that one-year period, with at least 30-days' prior |

| 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 |
| | | written notice (subject to state law) |
| e. Termination by franchisor without cause | Not applicable. | Not applicable. |
| f. Termination by franchisor with cause | Sections 11.1, 11.2, and 11.3 | We can terminate your Franchise Agreement only with cause. |
| g. "Cause" defined- curable defaults | Sections 11.2 and 11.3 | You have the number of days specified in Section 11.2 of your Franchise Agreement to cure the applicable defaults in that section. You have 30 days after notice to cure all defaults in Section 11.3 of your Franchise Agreement. |
| h. "Cause" defined- non curable defaults | Sections 11.1 and 11.2 | Non-curable defaults: bankruptcy, insolvency, appointment of a receiver, abandonment, breach of confidentiality and non-competition covenants, felony conviction or conviction of a crime of moral turpitude and any forbidden transfer of your rights. |
| i. Franchisee's obligations on termination/nonrenewal | Article 12 | <p>Obligations include ceasing operations and use of our proprietary marks; paying amounts due; returning loaned materials; providing notice to us of impending bookings; and transferring reservations and pending bookings.</p> <p>If the Franchise Agreement expires without renewal and, at all times during the Term, you strictly complied with the terms of the Franchise Agreement, we may permit you to transfer your outstanding reservations not under final payment to a bona-fide commercial travel retailer that is duly licensed, registered to conduct business, and recognized as an existing vendor by each travel supplier holding a qualified reservation. In no event, however, will we permit such a transfer unless you submit a written request, together with the written notice required under Section 12.4 of the Franchise Agreement before expiration, and a payment to us equal to 3% of the commissionable gross sales price for all reservations to be transferred, as well as payment for any other amounts then due and payable to us. We will not permit your transfer of any reservations under final payment.</p> |

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 |
|---|---|---|
| | | If the Franchise Agreement is terminated for any reason before its natural expiration, all your reservations pending at expiration become ours, and we need not pay you for such reservations. In such event, you must assist us in the transition at our request. |
| j. Assignment of contract by franchisor | Section 10.1 | No restrictions on our right to assign or delegate our obligations. |
| k. "Transfer" by franchisee-defined | Sections 10.2.a, 10.2.b., and 10.2.c. | Includes transfer of any of your interests in the Franchise Agreement or any ownership or voting interests in a franchisee that is an entity. |
| l. Franchisor's approval of transfer by franchisee | Sections 10.2.a. and 10.2.b. | You may not make any transfer without our consent. |
| m. Conditions for franchisor's approval of transfer | Section 10.2.b. | We will approve a proposed transfer if you deliver written notice to us of the proposed transfer at least 30 days before it is to occur; all of your accrued monetary obligations have been paid; all existing defaults under the Franchise Agreement have been cured; the transferee must meet our qualifications, which includes passing a background check, and the transferee must successfully complete our training program; you and the transferee must execute such other agreements as we may require in connection with the transfer, which may include a general release; and you must pay us a transfer fee equal to \$3,500. |
| n. Franchisor's right of first refusal to acquire franchisee's business | Section 10.5 | You must first offer to sell to us on the same terms and conditions as those offered by a third party, except we can substitute cash for any form of payment. We will notify you, within 30 days after receiving the offer, whether we wish to exercise our right to purchase your business. |
| o. Franchisor's option to purchase franchisee's business | Not applicable. | Not applicable. |
| p. Death or disability of franchisee | Section 10.4. | If you (if the franchisee is an individual) or any of your owners (if the franchisee is an entity) dies or becomes disabled, that individual (or his or her legal representative) must, within 90 days of the date of death or disability, transfer his or her interest in the franchisee (or in any of the franchisee's owners) to another owner of the franchisee or a third party, in accordance with our |

| 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 |
| | | then current transfer requirements. |
| q. Non-competition covenants during the term of the franchise | Section 13.1.a. | No involvement with a competing business wherever located (subject to state law). |
| r. Non-competition covenants after the franchise is terminated or expires | Section 13.1.b. | No involvement with a competing business within 50 miles of your Contact Location or the premises of any other CruiseOne/Dream Vacations franchise, for 12 months after expiration or termination of the Agreement (subject to state law). |
| s. Modification of the agreement | Sections 6.3, 13.1, 18.2, and 18.3 | No modifications unless signed by the party against whom enforcement is sought, but we may unilaterally revise Operations Standards Manual, modify the franchise system, and reduce the scope of your non-compete covenant. |
| t. Integration/merger clause | Section 18.1 | Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside of the Franchise Disclosure Document and other agreements may not be enforceable. |
| u. Dispute resolution by arbitration or mediation | Article 15 | Many types of disputes must be mediated in Broward County, Florida (subject to state law). |
| v. Choice of forum | Sections 18.9 | Litigation must be brought in state or federal court for Broward County, Florida (subject to the provisions concerning mediation and state law). <i>The parties waive their right to a jury trial.</i> |
| w. Choice of law | Section 18.8 | Except to the extent the Lanham Act governs, Florida law applies (subject to state law). |

ITEM 18. PUBLIC FIGURES

CruiseOne does not use any public figure to promote its franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

information about possible performance at a particular location or under particular circumstances.

The financial performance representation in this Item is a historic representation based the past performance of existing outlets. As of December 31, 2024, there were on 2,175 franchised outlets in operation and zero company owned outlets in operation. This Item includes 2024 financial performance data for 1,796 franchised outlets that had been open and continuously operating for at least 12 months as of December 31, 2024 ("Included Outlets"). This item excludes 161 units that left the system in 2024 and 379 units which operated for less than the full calendar year.

Table 1 below presents certain average sales information for the Included Outlets during the 2024 calendar year. The data is further broken down by the franchisee's "Sales Level," which we determine based on the franchisees' total sales. Specifically, we categorize our franchisees into ten groups, with Group 1 representing the highest level of total sales and Group 10 representing the lowest level of total sales. We exclude from Table 1 Included Outlets that generated less than \$25,000 in sales during 2024 because we deem those franchisees to be operating their outlets on a less than full-time basis.

Table 2 presents the financial performance data for those Included Outlets that generated less than \$25,000 in sales during 2024 ("Dormant Outlets"). These Dormant Outlets include franchisees who want to maintain travel benefits and perks for themselves and friends and family but aren't seeking to generate additional income from non-friend or family sources. Dormant Outlets also include franchisees who aren't actively promoting their businesses for personal, financial, or medical reasons. All Dormant Outlets generated sales of less than \$25,000 during 2024.

We have compiled the information based upon what franchisees have reported to us in the ordinary course of business through our sales reporting system. We have not independently audited this information.

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TABLE 1

| Group | Units | Average Sales | % of Represented Network | Total Sales | % of TOTAL Network |
|--------------------------|--------------|----------------------|---------------------------------|--------------------|---------------------------|
| 1 | 34 | 6,598,148 | 2.5% | 224,337,029 | 1.6% |
| 2 | 37 | 2,435,745 | 2.7% | 90,122,577 | 1.7% |
| 3 | 35 | 1,783,751 | 2.6% | 62,431,285 | 1.6% |
| 4 | 53 | 1,369,250 | 3.9% | 72,570,266 | 2.4% |
| 5 | 53 | 1,104,216 | 3.9% | 58,523,455 | 2.4% |
| 6 | 81 | 825,277 | 6.0% | 66,847,434 | 3.7% |
| 7 | 84 | 597,157 | 6.2% | 50,161,218 | 3.9% |
| 8 | 227 | 375,581 | 16.7% | 85,256,886 | 10.4% |
| 9 | 248 | 202,526 | 18.3% | 50,226,467 | 11.4% |
| 10 | 505 | 73,720 | 37.2% | 37,228,413 | 23.2% |
| Total Represented | 1,357 | 587,845 | 100.0% | 797,705,030 | 62.4% |

Notes to Table 1:

- 1) "Total Sales" means the aggregate gross revenues for departed travel bookings and related products and services, in the applicable year, as reported to us by the Included Franchisees presented in the table above.
- 2) Of the 34 Group 1 Included Outlets, 7 (or 21%) exceeded the Average Total Sales, and the median amount was \$4,594,871. The Group 1 Included Outlet with the lowest Total Sales reported \$3,345,376 and the Group 1 Included Outlet with the highest Total Sales reported \$31,852,273.
- 3) Of the 37 Group 2 Included Outlets, 15 (or 41%) exceeded the Average Total Sales, and the median amount was \$2,032,735. The Group 2 Included Outlet with the lowest Total Sales reported \$2,060,987 and the Group 2 Included Outlet with the highest Total Sales reported \$3,186,271.
- 4) Of the 35 Group 3 Included Outlets, 19 (or 54%) exceeded the Average Total Sales, and the median amount was \$1,796,242. The Group 3 Included Outlet with the lowest Total Sales reported \$1,552,461 and the Group 3 Included Outlet with the highest Total Sales reported \$2,048,936.

- 5) Of the 53 Group 4 Included Outlets, 22 (or 40%) exceeded the Average Total Sales, and the median amount was \$1,346,613. The Group 4 Included Outlet with the lowest Total Sales reported \$1,227,494 and the Group 4 Included Outlet with the highest Total Sales reported \$1,547,170.
- 6) Of the 53 Group 5 Included Outlets, 26 (or 49%) exceeded the Average Total Sales, and the median amount was \$1,101,518. The Group 5 Included Outlet with the lowest Total Sales reported \$999,932 and the Group 5 Included Outlet with the highest Total Sales reported \$1,126,555.
- 7) Of the 81 Group 6 Included Outlets, 37 (or 46%) exceeded the Average Total Sales, and the median amount was \$816,031. The Group 6 Included Outlet with the lowest Total Sales reported \$698,655 and the Group 6 Included Outlet with the highest Total Sales reported \$997,321.
- 8) Of the 84 Group 7 Included Outlets, 39 (or 42%) exceeded the Average Total Sales, and the median amount was \$586,335. The Group 7 Included Outlet with the lowest Total Sales reported \$506,906 and the Group 7 Included Outlet with the highest Total Sales reported \$696,840.
- 9) Of the 227 Group 8 Included Outlets, 106 (or 47%) exceeded the Average Total Sales, and the median amount was \$363,849. The Group 8 Included Outlet with the lowest Total Sales reported \$269,321 and the Group 8 Included Outlet with the highest Total Sales reported \$506,467.
- 10) Of the 248 Group 9 Included Outlets, 121 (or 49%) exceeded the Average Total Sales, and the median amount was \$201,830. The Group 9 Included Outlet with the lowest Total Sales reported \$144,716 and the Group 9 Included Outlet with the highest Total Sales reported \$268,134.
- 11) Of the 505 Group 10 Included Outlets, 232 (or 46%) exceeded the Average Total Sales, and the median amount was \$68,647. The Group 10 Included Outlet with the lowest Total Sales reported \$25,313 and the Group 10 Included Outlet with the highest Total Sales reported \$143,918.
- 12) The "Total Network" includes all 2,175 units as of December 31, 2024.
- 13) Of the 1,357 Included Outlets in Table 1, 335 (or 25%) exceeded the Average Total Sales, and the median amount was \$226,891. The Included Outlet with the lowest Total Sales reported \$25,313, and the Included Outlet with the highest Total Sales reported \$31,852,273.

TABLE 2

| Group | Units | Average Sales | % of Dormant Outlets | Total Sales | % of Total Network |
|-----------------|--------------|----------------------|-----------------------------|--------------------|---------------------------|
| Dormant Outlets | 439 | \$6,303 | 100% | \$2,766,915 | 20.2% |

Notes to Table 2:

- 1) 162 of the 439 Dormant Outlets exceeded the Average Sales of the Dormant Outlets, and the median was \$2,630. The Dormant Outlet with the lowest sales reported \$0, and the Dormant Outlet with the highest sales reported \$24,985.

- 2) The "Total Network" included all 2,175 outlets as of December 31, 2024.

General Notes to Item 19:

- 1) **Some outlets have sold these amounts. Your individual results may differ. There is no assurance you'll earn as much.**
- 2) Other than the preceding financial performance representation, CruiseOne does 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 outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Deborah M. Fiorino in writing at 1201 W. Cypress Creek Road, Suite 100, Fort Lauderdale, Florida 33309 or by phone at (954) 958-3700, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 - 2024

TABLE 1

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|-------------------------------------|------|----------------------------------|--------------------------------|------------|
| Franchised | 2022 | 1577 | 1704 | +127 |
| | 2023 | 1704 | 1954 | +250 |
| | 2024 | 1954 | 2175 | +221 |
| Company and Affiliate-Owned Outlets | 2022 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 |
| Total Outlets | 2022 | 1577 | 1704 | +127 |
| | 2023 | 1704 | 1954 | +250 |
| | 2024 | 1954 | 2175 | +221 |

**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR THE YEARS 2022 - 2024**

TABLE 2

| State | Year | Number of Transfers |
|--------------|-------------|----------------------------|
| Arizona | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |
| Arkansas | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |
| California | 2022 | 2 |
| | 2023 | 1 |
| | 2024 | 0 |
| Colorado | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 2 |
| Delaware | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Florida | 2022 | 1 |
| | 2023 | 1 |
| | 2024 | 5 |
| Georgia | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 3 |
| Idaho | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 1 |
| Illinois | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Indiana | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Kansas | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Kentucky | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |

| State | Year | Number of Transfers |
|----------------|------|---------------------|
| Michigan | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |
| New Hampshire | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| New Jersey | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |
| New York | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 1 |
| North Dakota | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Ohio | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| South Carolina | 2022 | 1 |
| | 2023 | 0 |
| | 2024 | 0 |
| Tennessee | 2022 | 0 |
| | 2023 | 1 |
| | 2024 | 0 |
| Texas | 2022 | 2 |
| | 2023 | 1 |
| | 2024 | 3 |
| Totals | 2022 | 12 |
| | 2023 | 7 |
| | 2024 | 20 |

STATUS OF FRANCHISED OUTLETS FOR YEARS 2022-2024

TABLE 3

| State | Year | Agencies at Start of Year | Agencies Opened | Terminations | Non- Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Agencies at End of Year |
|-------------|------|---------------------------------|--------------------|--------------|------------------|--------------------------------|--|-------------------------------|
| Alabama | 2022 | 22 | 9 | 2 | 1 | 0 | 0 | 28 |
| | 2023 | 28 | 3 | 0 | 1 | 0 | 0 | 30 |
| | 2024 | 30 | 2 | 3 | 0 | 0 | 0 | 29 |
| Alaska | 2022 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 3 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 1 | 1 | 0 | 0 | 0 | 5 |
| Arizona | 2022 | 48 | 7 | 1 | 0 | 0 | 0 | 54 |
| | 2023 | 54 | 11 | 3 | 1 | 0 | 0 | 61 |
| | 2024 | 61 | 11 | 3 | 1 | 0 | 0 | 68 |
| Arkansas | 2022 | 11 | 2 | 1 | 1 | 0 | 1 | 10 |
| | 2023 | 10 | 3 | 0 | 0 | 0 | 0 | 13 |
| | 2024 | 13 | 1 | 2 | 0 | 0 | 0 | 12 |
| California | 2022 | 102 | 13 | 2 | 7 | 0 | 4 | 102 |
| | 2023 | 102 | 17 | 2 | 7 | 0 | 0 | 110 |
| | 2024 | 110 | 30 | 5 | 1 | 0 | 0 | 134 |
| Colorado | 2022 | 29 | 9 | 2 | 0 | 0 | 0 | 36 |
| | 2023 | 36 | 9 | 1 | 5 | 0 | 0 | 39 |
| | 2024 | 39 | 10 | 4 | 1 | 0 | 0 | 44 |
| Connecticut | 2022 | 12 | 0 | 0 | 1 | 0 | 0 | 10 |
| | 2023 | 10 | 1 | 1 | 1 | 0 | 0 | 9 |
| | 2024 | 9 | 6 | 0 | 0 | 0 | 0 | 15 |
| Delaware | 2022 | 14 | 0 | 0 | 0 | 0 | 0 | 14 |
| | 2023 | 14 | 3 | 0 | 1 | 0 | 0 | 15 |
| | 2024 | 15 | 1 | 0 | 1 | 0 | 0 | 15 |
| Florida | 2022 | 310 | 58 | 10 | 8 | 0 | 17 | 333 |
| | 2023 | 333 | 76 | 12 | 8 | 0 | 0 | 389 |
| | 2024 | 389 | 82 | 27 | 5 | 0 | 0 | 439 |
| Georgia | 2022 | 78 | 13 | 1 | 4 | 0 | 5 | 81 |
| | 2023 | 81 | 23 | 2 | 3 | 0 | 0 | 99 |
| | 2024 | 99 | 24 | 5 | 3 | 0 | 0 | 115 |
| Hawaii | 2022 | 2 | 1 | 1 | 0 | 0 | 1 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| Idaho | 2022 | 5 | 0 | 1 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| | 2024 | 5 | 1 | 1 | 0 | 0 | 0 | 5 |

| State | Year | Agencies at Start of Year | Agencies Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Agencies at End of Year |
|---------------|------|---------------------------|-----------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------|
| Illinois | 2022 | 33 | 8 | 2 | 0 | 0 | 3 | 36 |
| | 2023 | 36 | 3 | 0 | 0 | 0 | 0 | 39 |
| | 2024 | 39 | 8 | 1 | 1 | 0 | 0 | 45 |
| Indiana | 2022 | 17 | 2 | 2 | 0 | 0 | 2 | 15 |
| | 2023 | 15 | 6 | 1 | 1 | 0 | 0 | 20 |
| | 2024 | 20 | 6 | 2 | 0 | 0 | 0 | 25 |
| Iowa | 2022 | 6 | 3 | 0 | 0 | 0 | 0 | 9 |
| | 2023 | 9 | 2 | 0 | 0 | 0 | 0 | 11 |
| | 2024 | 11 | 2 | 1 | 1 | 0 | 0 | 11 |
| Kansas | 2022 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 0 | 0 | 1 | 0 | 0 | 5 |
| | 2024 | 5 | 1 | 0 | 0 | 0 | 0 | 6 |
| Kentucky | 2022 | 14 | 0 | 1 | 0 | 0 | 2 | 11 |
| | 2023 | 11 | 0 | 1 | 1 | 0 | 0 | 9 |
| | 2024 | 9 | 2 | 0 | 2 | 0 | 0 | 9 |
| Louisiana | 2022 | 17 | 2 | 2 | 1 | 0 | 1 | 15 |
| | 2023 | 15 | 5 | 0 | 0 | 0 | 0 | 20 |
| | 2024 | 20 | 4 | 0 | 0 | 0 | 0 | 24 |
| Maine | 2022 | 7 | 0 | 1 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 0 | 0 | 0 | 0 | 1 | 5 |
| | 2024 | 5 | 0 | 0 | 0 | 0 | 0 | 5 |
| Maryland | 2022 | 43 | 4 | 0 | 2 | 0 | 3 | 42 |
| | 2023 | 42 | 11 | 0 | 0 | 0 | 0 | 53 |
| | 2024 | 53 | 4 | 7 | 0 | 0 | 0 | 50 |
| Massachusetts | 2022 | 25 | 3 | 0 | 0 | 0 | 3 | 25 |
| | 2023 | 25 | 4 | 0 | 1 | 0 | 0 | 28 |
| | 2024 | 28 | 8 | 1 | 3 | 0 | 0 | 32 |
| Michigan | 2022 | 26 | 8 | 3 | 0 | 0 | 2 | 29 |
| | 2023 | 29 | 6 | 0 | 1 | 0 | 0 | 34 |
| | 2024 | 34 | 7 | 1 | 0 | 0 | 0 | 40 |
| Minnesota | 2022 | 15 | 1 | 0 | 1 | 0 | 2 | 13 |
| | 2023 | 13 | 0 | 0 | 1 | 0 | 0 | 14 |
| | 2024 | 14 | 2 | 0 | 0 | 0 | 0 | 16 |
| Mississippi | 2022 | 6 | 0 | 1 | 0 | 0 | 0 | 5 |
| | 2023 | 5 | 2 | 0 | 0 | 0 | 0 | 7 |
| | 2024 | 7 | 1 | 0 | 1 | 0 | 0 | 7 |
| Missouri | 2022 | 17 | 5 | 2 | 0 | 0 | 0 | 20 |
| | 2023 | 20 | 7 | 0 | 1 | 0 | 0 | 26 |

| State | Year | Agencies at Start of Year | Agencies Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Agencies at End of Year |
|----------------|------|---------------------------|-----------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------|
| | 2024 | 26 | 5 | 2 | 0 | 0 | 0 | 29 |
| Montana | 2022 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2023 | 1 | 3 | 0 | 0 | 0 | 0 | 4 |
| | 2024 | 4 | 1 | 0 | 0 | 0 | 0 | 5 |
| Nebraska | 2022 | 8 | 0 | 1 | 0 | 0 | 0 | 7 |
| | 2023 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2024 | 8 | 3 | 0 | 0 | 0 | 0 | 11 |
| Nevada | 2022 | 24 | 8 | 2 | 0 | 0 | 0 | 30 |
| | 2023 | 30 | 4 | 0 | 3 | 0 | 0 | 31 |
| | 2024 | 31 | 4 | 2 | 2 | 0 | 0 | 31 |
| New Hampshire | 2022 | 7 | 1 | 0 | 0 | 0 | 0 | 8 |
| | 2023 | 8 | 2 | 0 | 1 | 0 | 0 | 10 |
| | 2024 | 10 | 1 | 1 | 0 | 0 | 0 | 10 |
| New Jersey | 2022 | 39 | 9 | 2 | 1 | 0 | 0 | 43 |
| | 2023 | 43 | 13 | 1 | 2 | 0 | 0 | 53 |
| | 2024 | 53 | 9 | 5 | 2 | 0 | 0 | 55 |
| New Mexico | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 3 | 0 | 0 | 0 | 0 | 6 |
| | 2024 | 6 | 1 | 0 | 0 | 0 | 0 | 7 |
| New York | 2022 | 70 | 11 | 5 | 0 | 0 | 0 | 76 |
| | 2023 | 76 | 9 | 4 | 4 | 0 | 0 | 77 |
| | 2024 | 77 | 10 | 4 | 4 | 0 | 0 | 79 |
| North Carolina | 2022 | 59 | 25 | 2 | 2 | 0 | 2 | 93 |
| | 2023 | 93 | 7 | 3 | 5 | 0 | 0 | 92 |
| | 2024 | 92 | 13 | 4 | 0 | 0 | 0 | 101 |
| North Dakota | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Ohio | 2022 | 34 | 8 | 2 | 1 | 0 | 0 | 39 |
| | 2023 | 39 | 10 | 1 | 0 | 0 | 0 | 48 |
| | 2024 | 48 | 9 | 3 | 0 | 0 | 0 | 54 |
| Oklahoma | 2022 | 8 | 2 | 0 | 1 | 0 | 0 | 9 |
| | 2023 | 9 | 3 | 2 | 0 | 0 | 0 | 10 |
| | 2024 | 10 | 2 | 1 | 0 | 0 | 0 | 11 |
| Oregon | 2022 | 17 | 5 | 0 | 0 | 0 | 0 | 22 |
| | 2023 | 22 | 3 | 1 | 0 | 0 | 0 | 23 |
| | 2024 | 23 | 2 | 1 | 1 | 0 | 0 | 23 |
| Pennsylvania | 2022 | 55 | 6 | 1 | 1 | 0 | 2 | 52 |

| State | Year | Agencies at Start of Year | Agencies Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Agencies at End of Year |
|----------------|------|---------------------------|-----------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------|
| | 2023 | 52 | 10 | 4 | 6 | 0 | 0 | 52 |
| | 2024 | 52 | 8 | 3 | 2 | 0 | 0 | 55 |
| Rhode Island | 2022 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2023 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| | 2024 | 3 | 0 | 0 | 0 | 0 | 0 | 3 |
| South Carolina | 2022 | 49 | 11 | 3 | 3 | 0 | 0 | 58 |
| | 2023 | 58 | 10 | 2 | 2 | 0 | 0 | 64 |
| | 2024 | 64 | 13 | 5 | 1 | 0 | 0 | 71 |
| South Dakota | 2022 | 3 | 1 | 0 | 0 | 0 | 0 | 4 |
| | 2023 | 4 | 1 | 0 | 1 | 0 | 0 | 4 |
| | 2024 | 4 | 0 | 0 | 0 | 0 | 0 | 4 |
| Tennessee | 2022 | 30 | 6 | 0 | 1 | 0 | 0 | 35 |
| | 2023 | 35 | 16 | 0 | 1 | 0 | 0 | 50 |
| | 2024 | 50 | 9 | 4 | 2 | 0 | 0 | 53 |
| Texas | 2022 | 176 | 42 | 14 | 9 | 0 | 13 | 182 |
| | 2023 | 182 | 51 | 6 | 12 | 0 | 0 | 215 |
| | 2024 | 215 | 52 | 11 | 6 | 0 | 0 | 250 |
| Utah | 2022 | 12 | 6 | 1 | 0 | 0 | 0 | 17 |
| | 2023 | 17 | 7 | 1 | 0 | 0 | 0 | 24 |
| | 2024 | 24 | 3 | 1 | 1 | 0 | 0 | 25 |
| Vermont | 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2024 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Virginia | 2022 | 57 | 6 | 2 | 3 | 0 | 2 | 56 |
| | 2023 | 56 | 9 | 0 | 3 | 0 | 0 | 60 |
| | 2024 | 60 | 12 | 4 | 0 | 0 | 0 | 68 |
| Washington | 2022 | 25 | 5 | 2 | 3 | 0 | 0 | 25 |
| | 2023 | 25 | 7 | 2 | 3 | 0 | 0 | 28 |
| | 2024 | 28 | 6 | 2 | 0 | 0 | 0 | 32 |
| Washington, DC | 2022 | 2 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2024 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| West Virginia | 2022 | 4 | 2 | 0 | 0 | 0 | 0 | 6 |
| | 2023 | 6 | 1 | 0 | 1 | 0 | 0 | 6 |
| | 2024 | 6 | 1 | 0 | 1 | 0 | 0 | 6 |
| Wisconsin | 2022 | 16 | 9 | 0 | 0 | 0 | 0 | 26 |
| | 2023 | 26 | 4 | 0 | 2 | 0 | 0 | 28 |
| | 2024 | 28 | 3 | 1 | 0 | 0 | 0 | 30 |

| State | Year | Agencies at Start of Year | Agencies Opened | Terminations | Non-Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Agencies at End of Year |
|---------|------|---------------------------|-----------------|--------------|--------------|--------------------------|-----------------------------------|-------------------------|
| Wyoming | 2022 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| | 2023 | 2 | 0 | 0 | 1 | 0 | 0 | 1 |
| | 2024 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| Totals | 2022 | 1577 | 313 | 76 | 45 | 0 | 65 | 1704 |
| | 2023 | 1704 | 383 | 51 | 82 | 0 | 0 | 1954 |
| | 2024 | 1954 | 378 | 119 | 42 | 0 | 0 | 2175 |

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2022-2024

TABLE 4

| State | Year | Outlets at Start of the Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|-------|------|------------------------------|----------------|------------------------------------|----------------|----------------------------|----------------------------|
| Total | 2022 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 | 0 | 0 | 0 |

PROJECTED OPENINGS AS OF DECEMBER 31, 2024

TABLE 5

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year | Projected New Company-Owned Outlet In The Next Year |
|-------------|---|---|---|
| Alabama | 0 | 6 | 0 |
| Alaska | 0 | 1 | 0 |
| Arizona | 0 | 15 | 0 |
| Arkansas | 0 | 3 | 0 |
| California | 3 | 31 | 0 |
| Colorado | 1 | 10 | 0 |
| Connecticut | 0 | 3 | 0 |
| Delaware | 1 | 3 | 0 |
| Florida | 11 | 105 | 0 |
| Georgia | 0 | 28 | 0 |
| Hawaii | 0 | 0 | 0 |
| Idaho | 0 | 1 | 0 |
| Illinois | 2 | 12 | 0 |
| Indiana | 1 | 6 | 0 |

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year | Projected New Company-Owned Outlet In The Next Year |
|-----------------|---|---|---|
| Iowa | 0 | 2 | 0 |
| Kansas | 0 | 1 | 0 |
| Kentucky | 0 | 3 | 0 |
| Louisiana | 0 | 5 | 0 |
| Maine | 1 | 1 | 0 |
| Maryland | 1 | 13 | 0 |
| Massachusetts | 1 | 9 | 0 |
| Michigan | 1 | 10 | 0 |
| Minnesota | 0 | 1 | 0 |
| Mississippi | 0 | 1 | 0 |
| Missouri | 1 | 9 | 0 |
| Montana | 0 | 1 | 0 |
| Nebraska | 1 | 2 | 0 |
| Nevada | 3 | 8 | 0 |
| New Hampshire | 0 | 2 | 0 |
| New Jersey | 1 | 13 | 0 |
| New Mexico | 0 | 1 | 0 |
| New York | 3 | 20 | 0 |
| North Carolina | 4 | 25 | 0 |
| North Dakota | 0 | 0 | 0 |
| Ohio | 4 | 14 | 0 |
| Oklahoma | 0 | 2 | 0 |
| Oregon | 1 | 5 | 0 |
| Pennsylvania | 0 | 13 | 0 |
| Rhode Island | 0 | 0 | 0 |
| South Carolina | 0 | 16 | 0 |
| South Dakota | 0 | 0 | 0 |
| Tennessee | 0 | 12 | 0 |
| Texas | 8 | 59 | 0 |
| Utah | 0 | 5 | 0 |
| Vermont | 0 | 0 | 0 |
| Virginia | 3 | 18 | 0 |
| Washington | 0 | 8 | 0 |
| Washington, D.C | 0 | 0 | 0 |
| West Virginia | 0 | 1 | |
| Wisconsin | 0 | 0 | 0 |
| Wyoming | 0 | 0 | 0 |
| Total | 52 | 504 | 0 |

A list of the names, addresses and telephone numbers of CruiseOne's current franchisees is attached as Exhibit E. Exhibit E also discloses the names and contact information for all franchisees signed but not operational as of December 31, 2024.

A list of the names, addresses and telephone numbers of franchisees who have had an outlet terminated, canceled, not renewed, transferred or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with CruiseOne within 10 weeks of the disclosure document issuance date, is attached as Exhibit F.

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

Confidentiality Clauses

In the last three fiscal years, no franchisees have entered any confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

Trademark-Specific Franchisee Organizations

There are no trademark-specific franchisee organizations.

ITEM 21. FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C are our audited year-end financial statements for December 31, 2022, through 2024. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

A copy of the Franchise Agreement is attached to this disclosure document as Exhibit A. A copy of the Franchisee Questionnaire is attached to this disclosure document as Exhibit G.

ITEM 23. RECEIPTS

The last page of the disclosure document (following the exhibits and attachments) is a document acknowledging receipt of the disclosure document by you (one copy for you and one to be signed for us).

Exhibit A
to the Franchise Disclosure Document
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT
between CRUISEONE, INC
and

TABLE OF CONTENTS

| | |
|--|----|
| ARTICLE 1. APPOINTMENT | 1 |
| ARTICLE 2. FRANCHISOR'S DUTIES..... | 1 |
| ARTICLE 3. FEES AND PAYMENTS | 3 |
| ARTICLE 4. THE FRANCHISEE'S DUTIES..... | 5 |
| ARTICLE 5. PROPRIETARY PROPERTY | 7 |
| ARTICLE 6. OPERATIONS MANUAL AND OTHER CONFIDENTIAL INFORMATION | 8 |
| ARTICLE 7. ADVERTISING | 8 |
| ARTICLE 8. ACCOUNTING AND RECORDS | 9 |
| ARTICLE 9. INSURANCE | 9 |
| ARTICLE 10. TRANSFER OF INTEREST | 10 |
| ARTICLE 11. DEFAULT AND TERMINATION | 11 |
| ARTICLE 12. OBLIGATIONS OF THE FRANCHISEE UPON TERMINATION OR EXPIRATION | 12 |
| ARTICLE 13. INDEPENDENT COVENANTS OF THE FRANCHISEE | 14 |
| ARTICLE 14. INDEPENDENT CONTRACTOR; INDEMNIFICATION; APPROVALS; NO REPRESENTATIONS | 15 |
| ARTICLE 15. MEDIATION | 15 |
| ARTICLE 16. TERM | 16 |
| ARTICLE 17. DEFINITIONS | 16 |
| ARTICLE 18. GENERAL PROVISIONS | 18 |

Schedules

| | |
|--------------|---|
| Schedule 1.1 | Grant/Franchisee Level |
| Schedule 1.2 | Location of the Franchised Business/Description of the Contact Location |

Exhibits

| | |
|---------------|--|
| Exhibit 3.1.a | Note and Guaranty |
| Exhibit 16 | Successor Franchise Agreement Addendum |

FRANCHISE AGREEMENT

This Franchise Agreement is dated as of the Effective Date, and is entered between CRUISEONE, INC. ("CruiseOne") and the person signing below as Franchisee (the "Franchisee").

A. As the result of the expenditure of time, skill, effort, and money, CruiseOne has developed and owns a distinctive "System" for developing and operating a franchised business that sells cruises and certain other travel-related products and services. This travel-sales business operates under the **CruiseOne®** and **Dream Vacations Start Here™** service marks. In addition to these proprietary marks, the System includes standards, other proprietary marks and information (collectively, the "Proprietary Marks"), and a specially designed marketing program.

B. Franchisee recognizes the benefits to be derived from receiving a franchise from CruiseOne and wants to enter into this Agreement so it can receive the benefits provided by CruiseOne hereunder.

The parties, therefore, agree as follows:

ARTICLE 1. APPOINTMENT

1.1. **Grant.** CruiseOne grants Franchisee the right—and Franchisee undertakes the obligation—to operate one Franchised Business in accordance with the System. CruiseOne allocates its franchisees to one of three levels, which have different rights and obligations. Franchisee's level is set forth in Schedule 1.1.

1.2. **Location of the Franchised Business.** CruiseOne® franchises are generally virtual businesses that are primarily operated from a franchisee's home, but may be operated from an office, storefront, kiosk or other virtual place of business. Accordingly, while Franchisee must maintain a Contact Location and identify the Contact Location in its advertising in accordance with Section 7.1, Franchisee may operate the Franchised Business from any location. Without CruiseOne's prior consent, and Franchisee's compliance with CruiseOne's relocation procedures, the Contact Location may not be changed except as follows:

- a. Franchisee may relocate the Contact Location to a location within the five-digit postal code of the original Contact Location, if it provides CruiseOne with written notice delivered at least 30 days before relocating.
- b. Franchisee may not relocate the Contact Location to a location outside the five-digit postal code of the original Contact Location without CruiseOne's prior consent. Relocation requests must be submitted in writing not less than 60 days before the proposed relocation and accompanied by a \$149 relocation fee, which is refundable if CruiseOne does not consent to the proposed relocation. Franchisee may not submit a relocation request less than 30 days before Mandatory Initial Training or less than 30 days after Mandatory Initial Training. CruiseOne may withhold its consent to a relocation request covered by this Section 1.2.b in its sole and absolute discretion.

1.3. **No Protected Territory.** Franchisee is not granted an exclusive or protected territory. From time to time, in its discretion, CruiseOne may operate one or more CruiseOne businesses—or may have other franchisees operate other CruiseOne businesses—that are in close proximity to the Contact Location. CruiseOne and its affiliates reserve the right, at CruiseOne's sole discretion, to use the Proprietary Marks and System in connection with additional services and products, promotional and marketing efforts or related items, or in alternative channels of distribution (including the Internet), without regard to location, and to use the Proprietary Marks and System, and license others to the Proprietary Marks and System, to engage in any other activities not expressly prohibited in this Agreement. Nothing in this Agreement provides Franchisee with the right to conduct these activities or share in the revenue generated from these activities.

ARTICLE 2. FRANCHISOR'S DUTIES

2.1. **Mandatory Initial Training.** CruiseOne shall provide Franchisee with the following initial training, which is mandatory and must be attended and satisfactorily completed by Franchisee's Manager not later than 90 days after the Effective Date ("**Mandatory Initial Training**"):

- a. **Training for New and Intermediate Franchisees.** If Franchisee is a New or Intermediate Franchisee, CruiseOne shall provide the following Mandatory Initial Training:

CruiseOne shall provide Mandatory Initial Training for the Manager either at CruiseOne's training facilities in Broward County, Florida or via live virtual training. Mandatory Initial Training will be provided not later than approximately 90 days after the Effective Date. CruiseOne shall provide instructors, facilities, training materials, and technical training tools for Mandatory Initial Training. If the Mandatory Initial Training will be at CruiseOne's training facilities,

CruiseOne shall also provide the Manager with a private hotel room during Mandatory Initial Training and shall provide Franchisee with a transportation credit not exceeding \$500 to reimburse Franchisee for transportation expenditures it paid to transport the Manager to Mandatory Initial Training. Except as just provided, Franchisee is responsible for all other expenses incurred to have the Manager attend Mandatory Initial Training (including meal and entertainment expenses).

b. **Training for Experienced Franchisees.** Mandatory Initial Training for Experienced Franchisees includes only online training for Managers. This training will be conducted at a time selected by CruiseOne. Alternatively, if Franchisee is an Experienced Franchisee, CruiseOne may require Franchisee to attend the Mandatory Initial Training program described in Section 2.1.a; but, in such event, Franchisee is not entitled to a \$500 transportation credit nor a private hotel room provided by CruiseOne and is solely responsible for all expenses incurred to have the Manager attend Mandatory Initial Training (including travel, meal, lodging, and entertainment expenses).

c. **Failure to Complete Mandatory Initial Training.** If CruiseOne determines that the Manager has failed to satisfactorily complete Mandatory Initial Training, it may, at Franchisee's expense (including CruiseOne's then standard retraining fee), retrain the Manager. Alternatively, CruiseOne may elect to terminate this Agreement. If it does so, it need not refund the Initial Franchise Fee or any other money Franchisee has paid CruiseOne.

2.2. **Operations Standards Manual.** CruiseOne shall provide Franchisee a copy of the Operations Manual (with periodic revisions as required). CruiseOne's customary practice is to deliver the Operations Manual to Franchisee at or shortly before Mandatory Initial Training. The Operations Manual will be in an electronic format, such as PDF, which CruiseOne may provide Franchisee via e-mail or any other electronic means.

2.3. **Continued Assistance and Support.**

a. **Periodic Assistance.** CruiseOne, to the extent it considers advisable, may provide continuing advisory assistance in the operation and promotion of the Franchised Business. This assistance may include communicating new developments, improvements in equipment and supplies, and new techniques in advertising, service, and management that are relevant to operating the Franchised Business.

b. **Refresher or Additional Training.** CruiseOne may provide refresher training programs, seminars, or advanced training at CruiseOne's principal training facility (or such other location designated by CruiseOne). CruiseOne may require Franchisee to attend such training, but not more often than once a year. Franchisee is solely responsible for all costs and expenses associated with such programs, seminars, and training including the then prevailing standard training fee CruiseOne charges for such programs, as well as all travel, meal, and lodging expenses Franchisee's attendees incur.

2.4. **Travel Bookings.** CruiseOne shall process and record all Franchisee's booking orders in the manner described in the Operations Standards Manual. CruiseOne shall process travel-booking orders only at the travel suppliers' published price or current price-list price under CruiseOne's then current payment and collection terms. CruiseOne need not process orders for travel bookings that have been discontinued by the travel supplier. All orders are subject to CruiseOne's acceptance. An order may be cancelled by Franchisee or its customer only if the cancellation terms indemnify CruiseOne against all losses, liabilities, and costs.

2.5. **Commission Collection.** CruiseOne shall collect all commissions paid by travel suppliers and other suppliers arising from Franchisee's sales and remit them to Franchisee, less any amounts Franchisee owes CruiseOne under or in connection with this Agreement (including Royalty Fees). CruiseOne shall remit such commissions in such manner and at such times as provided in the Operations Standards Manual. CruiseOne has the exclusive right to collect such commissions, Franchisee having no right to collect or otherwise receive commissions directly from the travel supplier or other supplier paying them. Franchisee shall not in any manner, directly or indirectly, interfere with CruiseOne's attempts to make such collections and shall immediately remit to CruiseOne the full amount of any commissions remitted directly to Franchisee.

2.6. **Licenses and Related Rights.** CruiseOne hereby grants Franchisee the right to: (a) use the **CruiseOne®** service mark and other Proprietary Property to operate the Franchised Business in accordance with this Agreement; and (b) access and use its intranet site (the "**intranet BusinessCenter**") and its other designated proprietary online software and applications (including its reservation system – the "**MyCruiseControl reservation system**") for processing all travel Franchisee books and otherwise operating the Franchised Business. Franchisee shall use the intranet **BusinessCenter**, **MyCruiseControl** reservation system, and other designated software in the manner

provided in the Operations Standards Manual.

2.7. **Customer Information.** CruiseOne shall exercise commercially reasonable efforts to secure the information that it receives from Franchisee's customer database (the "**Customer Database**"), including the information it must collect under Section 4.9. During the Term, CruiseOne shall not use, transfer or disclose to any third party any information in the Customer Database, except for purposes related to this Agreement. After the expiration (but not the sooner termination) of the Term, CruiseOne shall not use Franchisee's Customer Database, nor transfer or disclose it to any third party. If, however, this Agreement is terminated pursuant to Sections 11.1, 11.2 or 11.3, CruiseOne may, but is not obligated to, have the right to service the Customer Database as it sees fit to protect affected customers and the CruiseOne brand.

ARTICLE 3. FEES AND PAYMENTS

3.1. **Types of Fees.** In consideration of CruiseOne's executing this Agreement, in addition to any other fees that may be required under this Agreement, Franchisee shall pay the following fees to CruiseOne, all of which are nonrefundable:

a. **Initial Franchise Fee.** Upon executing this Agreement, Franchisee shall pay CruiseOne the initial franchise fee (the "Initial Franchise Fee") described below.

- i. If Franchisee is a new franchisee, the Initial Franchise Fee is \$10,500.
- ii. If Franchisee is an intermediate franchisee, the Initial Franchise Fee is \$3,195.
- iii. If Franchisee is an experienced franchisee, the Initial Franchise Fee is \$495.

CruiseOne may finance the Initial Franchise Fee for qualified new franchisees. If Franchisee qualifies, when it signs this Agreement, it shall pay CruiseOne a nonrefundable application fee of \$75, pay minimally, \$3,500 toward the Initial Franchise Fee, and issue a promissory note in the form attached to Exhibit 3.1.a (the "**Note**") for the balance. If Franchisee is an entity, its owners shall personally guaranty the Note by signing a guaranty substantially in the form attached to Exhibit 3.1.a (the "**Guaranty**"). The Note is payable in 24 equal monthly installments. CruiseOne may require Franchisee to pay amounts due under the Note by electronic funds transfer or by authorizing CruiseOne to debit Franchisee's credit card or bank account, or any other Payment System. If CruiseOne does so require, Franchisee shall promptly take any actions and execute any documents that may be necessary to implement the required manner of payment and otherwise make or authorize such payments in the manner CruiseOne directs. CruiseOne may offset against any overdue amounts Franchisee owes it under the Note amounts CruiseOne owes Franchisee under this Agreement.

b. **Royalty Fee.** Franchisee shall pay a continuing non-refundable royalty fee (the "**Royalty Fee**") on its Annual Commissionable Sales (excluding those relating to travel insurance), calculated as follows:

- i. 1.5% of Annual Commissionable Sales upon which CruiseOne receives a commission of 4.9% or less (excluding those relating to travel insurance);
- ii. 2% of Annual Commissionable Sales upon which CruiseOne receives a commission of 5% to 9.99% (excluding those relating to travel insurance); and
- iii. 3% of Annual Commissionable Sales upon which CruiseOne receives a commission of 10% and greater (excluding those relating to travel insurance).

If Franchisee achieves certain gross commissionable sales targets during a period designated by CruiseOne, CruiseOne may grant a limited and conditional reduction to the Royalty Fee described above. The amount and nature of any reduction may vary based on the sales target CruiseOne prescribes, your experience and qualifications, and any previous form of franchise or independent contractor agreement you signed with CruiseOne. Any reduction from the percentages set forth above may be granted, modified and/or terminated in CruiseOne's sole discretion.

Franchisee shall pay a continuing non-refundable royalty (the "**Insurance Royalty Fee**") of 3% of all Annual Commissionable Sales relating to travel insurance (the "**Travel Insurance Revenues**"). From time to time, CruiseOne may, in its discretion, increase the Insurance Royalty Fee to reflect changes in its commission arrangements with insurance providers. CruiseOne may deduct and retain for its own account, before disbursing the balance to Franchisee, any amounts due and payable to it under or in connection with this Agreement (including Royalty Fees) from payments CruiseOne receives from any travel supplier.

"Annual Commissionable Sales" means the total commissionable sales price quoted for that Contract Year by the travel supplier (or other travel company or supplier, including travel insurers), excluding any non-commissionable line items (including taxes or port charges). **"Contract Year"** means each one-year period ending on the anniversary of the Effective Date. Commissions and goods for non-cruise services (including travel services and charter and incentive programs) are established at varying rates depending upon the product or service. Therefore, CruiseOne shall publish Franchisee's commission rates for those goods and services, and the Royalty Fee CruiseOne is entitled to thereon promptly after being notified of such rates by the supplier.

At the end of each Contract Year the Annual Commissionable Sales will be re-established at \$0 and adjusted accordingly based upon Franchisee's Annual Commissionable Sales during the next Contract Year. Annual Commissionable Sales are based upon each individual franchised business operated by Franchisee. If the Reduced Royalty Fee Incentive applies, Franchisee is not permitted to aggregate the Annual Commissionable Sales of multiple franchises owned by him or her in order to achieve the benefits of the Incentive.

c. **Administrative Service Fee.** Beginning on the first day of the fourth calendar month after the first day of Mandatory Initial Training (but in no event more than 150 days after the Effective Date), and each month thereafter, Franchisee shall pay CruiseOne a monthly administrative service fee of \$150 (the **"Service Fee"**). The Service Fee shall be reset as of each anniversary of the Effective Date (the "Service Fee Reset Date") and shall remain in effect during the corresponding Contract Year. Each reset Service Fee shall be equal to the applicable Service Fee set forth in the second column below that corresponds to the applicable Departed Commissionable Sales set forth in the first column below. **"Departed Commissionable Sales"** means, as of any Service Fee Reset Date, the total Annual Commissionable Sales for the previous Contract Year, excluding sales related to bookings for which the departure date has not passed as of the end of such Contract Year. Notwithstanding the foregoing, if, as of any Service Fee Reset Date, Franchisee did not use the **MyCruiseControl** reservation system for all bookings for the previous Contract Year, the Service Fee for the upcoming Contract Year will be \$150.

| <u>Departed Commissionable Sales</u> | <u>Service Fee</u> |
|--------------------------------------|--------------------|
| \$0-\$299,999.99 | \$150 |
| \$300,000.00 - \$599,999.99 | \$100 |
| \$600,000.00-\$899,999.99 | \$50 |
| \$900,000.00+ | \$25 |

d. **Administrative Fees.** Franchisee shall pay CruiseOne the following administrative fee:
Franchisee shall pay CruiseOne a fee equal to \$29 plus, as applicable (i) the charges imposed on CruiseOne by its bank in connection with a returned check, or (ii) any chargeback to which CruiseOne is subject as a result of Franchisee's customer's failing to pay any credit card charge, each time any of the following occur:

- A. a Franchisee's customer's check is returned for insufficient funds;
- B. a Franchisee's customer fails to pay any credit card charge; or
- C. CruiseOne attempts to use the Designated Credit Card Account to pay itself any Due Amount not paid on the date such amount is due and payable, and the credit card processor declines payment for any reason, including an insufficient credit line or the expiration or invalidity of the credit card.

3.2. **Payments.** CruiseOne may require Franchisee to pay CruiseOne any Due Amount by any of the following methods (the **"Payment System"**):

- a. by deducting an amount equal to the Due Amount from the amount of any commissions paid to CruiseOne by travel suppliers and other suppliers arising from Franchisee's sales;
- b. by charging Franchisee's Designated Credit Card Account;
- c. by using a payment system using preauthorized transfers from Franchisee's operating account through the use of special checks, or electronic fund transfers, or through the use of any other payment system designated by CruiseOne; or
- d. by cash payable on the date stated in the invoice demanding payment of the Due Amount.

3.3. **Designated Credit Card Account.** Franchisee shall create and maintain, at all times during the Term, a valid credit card account

to be used exclusively for operating the Franchised Business and paying Due Amounts to CruiseOne (the "**Designated Credit Card Account**"). Franchisee hereby authorizes CruiseOne to charge all such Due Amounts to the Designated Credit Card Account. Without CruiseOne's prior consent, Franchisee shall not terminate, or permit or suffer the expiration of, the Designated Credit Card Account. Franchisee shall not in any manner, directly or indirectly, interfere with or impede CruiseOne's paying itself Due Amounts through the Designated Credit Card Account (including by revoking CruiseOne's authority to do so).

3.4. **Application of Payments.** Notwithstanding any designation by Franchisee, CruiseOne has the discretion to apply any payments made by Franchisee (including any payment effectuated through the Payment System) to any past due indebtedness of Franchisee, including Royalty Fees, purchases (including under any Note) from CruiseOne or its affiliates, late charges, or any other indebtedness of Franchisee to CruiseOne or its affiliates in any manner chosen by CruiseOne. CruiseOne may offset any Due Amount against any amount it may owe Franchisee under or in connection with this Agreement.

ARTICLE 4. THE FRANCHISEE'S DUTIES

4.1. **Conditions Precedent to Operating the Franchised Business.** Franchisee shall not begin operating the Franchised Business, including by advertising, taking any deposits, entering into any customer contract, or booking any travel, until the following conditions are satisfied or CruiseOne has otherwise consented in writing (collectively, the "**Opening Conditions**"):

- a. Franchisee's Manager completes Mandatory Initial Training to CruiseOne's satisfaction;
- b. Franchisee acquires all equipment and supplies (including the Computer System) CruiseOne requires;
- c. the Initial Franchise Fee and all other amounts due to CruiseOne and its affiliates under or in connection with this Agreement have been paid as required (including amounts due under any Note);
- d. Franchisee delivers to CruiseOne certificates of insurance and copies of all insurance policies or such other evidence of insurance coverage as CruiseOne reasonably requests;
- e. Franchisee acquires all licenses and permits needed to operate the Franchised Business;
- f. Franchisee satisfies any other opening conditions that CruiseOne may reasonably impose; and
- g. CruiseOne delivers written notice to Franchisee, via training completion certificate that the Opening Conditions have been met to its satisfaction, which determination it may make in its discretion.

Notwithstanding anything to the contrary contained in this Agreement, Franchisee shall satisfy all the Opening Conditions and be fully prepared to open for business not later than 90 days following the Effective Date.

4.2. **Operational Requirements.** To ensure that the highest degree of quality and service is uniformly maintained, Franchisee shall operate the Franchised Business in conformity with such uniform methods, standards and specifications as CruiseOne may from time to time prescribe in the Operations Manual or otherwise. Without limiting the foregoing, Franchisee shall:

- a. operate the Franchised Business as a cruise and limited-travel sales business only and shall not operate the Franchised Business as a full-service ARC travel agency or perform wholesale travel services or act as a consolidator; CruiseOne may, from time to time, in its discretion, determine what goods and services fall within the purview of a limited-travel sales business (such goods and services may, in addition to cruises, include air travel, car rentals, hotel bookings, tours, travel protection, and shore excursions, as CruiseOne determines, from time to time, in its discretion);
- b. book all travel in accordance with the Operations Manual using the intranet **BusinessCenter**;
- c. use CruiseOne's CLIA and IATAN numbers to operate the Franchised Business and not procure or use Franchisee's own such numbers for the Franchised Business;
- d. not accept any commission check sent to it by any travel company and immediately remit any such check to CruiseOne for processing;
- e. record all transactions, and revenues relating thereto, on the approved Computer System, at the times and in the manner prescribed in the Operations Standards Manual; and otherwise use the Computer System to operate the Franchised Business in accordance with the Operations Standards Manual;
- f. use the **MyCruiseControl** reservation system and other designated CruiseOne software to book and process all travel bookings including third-party related products such as travel insurance;
- g. promote, advertise, and sell travel services at prices and conditions that are in accordance with the policies set forth by the various travel suppliers and CruiseOne;
- h. maintain in sufficient supply (as CruiseOne may prescribe in the Operations Standards Manual), and use at all times, only such inventory, equipment, materials, advertising methods and formats, and supplies as conform with CruiseOne's standards and

specifications, if any, therefor, at all times sufficient to meet the anticipated volume of business, and to refrain from deviating therefrom without CruiseOne's prior consent;

- i. adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with customers, suppliers, sales associates, independent contractors, CruiseOne, and the public;
- j. sell or offer for sale only such goods and services, from such suppliers, authorized in writing by CruiseOne for sale at retail to consumers from and through the Franchised Business and sell and offer for sale all such goods and services; and
- k. discontinue selling and offering for sale any goods or services CruiseOne disapproves in writing.

4.3. **Computer System.**

a. Before commencing to operate the Franchised Business, Franchisee shall acquire the Computer System specified in the Operations Standards Manual. At CruiseOne's request, Franchisee shall provide any assistance CruiseOne requires to bring the Computer System "on-line" with CruiseOne's computer at CruiseOne's headquarters. CruiseOne thereafter has the free and unfettered right to independently access, retrieve, and copy such data and information relating to the Franchised Business from any software or applications that CruiseOne requires Franchisee to use in connection with its Computer System as CruiseOne, in its discretion, deems necessary, desirable or appropriate.

b. CruiseOne may require Franchisee to modify or upgrade the Computer System or replace the entire Computer System with a larger system capable of assuming and discharging all the computer-related tasks and functions CruiseOne specifies. To ensure full operational efficiency and communication capability between CruiseOne's computers and those of all the Franchised Business, Franchisee shall, at its expense, keep the Computer System in good maintenance and repair.

c. If Franchisee breaches any of the requirements of this Section 4.3 and fails to cure such breach within two days of notice from CruiseOne, CruiseOne may immediately suspend Franchisee's right to access the intranet **BusinessCenter** or **MyCruiseControl** reservation system until such breach is cured to CruiseOne's satisfaction.

4.4. **Sales Associates.** Subject to Section 4.2, Franchisee is exclusively responsible for deciding whether it needs to hire any sales associates and the terms of their hiring and compensation. Franchisee shall properly train all of its sales associates how to operate the Franchised Business. Furthermore, Franchisee is solely responsible for all hiring decisions and functions, including those related to hiring, firing, establishing wage and hour requirements, disciplining, supervising and record keeping, as well as for timely preparing and filing any payroll and related tax reports and paying all taxes and payments due in connection therewith. Before Franchisee may hire or contract any sales associate, it shall, at Franchisee's sole expense, conduct a criminal- and civil-background check on him or her, using an investigation company that CruiseOne designates. Furthermore, all sales associates must satisfactorily complete Mandatory Initial Training, for which Franchisee shall pay CruiseOne its then-standard training fee. Franchisee may retain a sales associate either as an employee or independent contractor, subject to applicable federal and state tax laws. Without limiting any other obligations of the Franchisee, the Franchisee must responsibly supervise all of its employees and independent contractors. Regardless of such supervision, misconduct of any independent contractor that Franchisee engages to perform services for it shall be attributed to Franchisee to the same extent as if it were misconduct by an employee of Franchisee, including misconduct constituting a breach of this Agreement.

Beginning on the first anniversary of the Effective Date and on each anniversary thereafter, Franchisee shall pay CruiseOne \$129 for each person other than the Franchise Owner who is hired by, or otherwise works for, the Franchised Business in any capacity (the "**Annual Sales Associate Fee**"). CruiseOne may also charge you for any additional dreamvacations.com email accounts, for each person other than the Franchise Owner, that Franchisee may request.

4.5. **Management of the Franchised Business.** The Manager shall devote his or her best efforts to managing and operating the Franchised Business. At all times it is open for business, the Franchised Business requires the Manager's day-to-day supervision. Unless CruiseOne agrees otherwise in writing, before the Manager, or any successor Manager, may manage the Franchised Business, he or she shall complete Mandatory Initial Training. If CruiseOne permits the Manager to be an individual other than the Franchise Owner, and such Manager fails to satisfy his or her obligations under this Section 4.5 due to death, Disability, termination of employment, or for any other reason, the Franchise Owner shall satisfy such obligations until Franchisee designates a new Manager of the Franchised Business acceptable to CruiseOne who has successfully completed Mandatory Initial Training. Franchisee is solely responsible for the costs and expenses associated therewith, including the then standard training fee CruiseOne charges for Mandatory Initial Training (which is currently \$495).

4.6. **Approved Specifications and Sources of Supply.** To the extent CruiseOne may periodically require, Franchisee shall purchase or lease equipment, supplies, inventory, advertising materials, and any other products and services used to operate the Franchised Business solely from suppliers, and in accordance with specifications, if any, that CruiseOne authorizes in writing. CruiseOne may revoke

such authorization at any time in writing. CruiseOne may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands. CruiseOne may designate itself or an affiliate as an exclusive or nonexclusive supplier of any goods or services used in connection with operating the Franchised Business. Franchisee further acknowledges that CruiseOne has the right to realize a profit or derive revenue in any other manner from items that CruiseOne, its affiliates or CruiseOne's approved suppliers supply to Franchisee.

4.7. **Compliance with Laws, Rules and Regulations.** Franchisee shall comply with all federal, state, and local laws, rules and regulations. Franchisee shall timely obtain, maintain, and renew when required any and all permits, certificates, or franchises necessary for the full and proper conduct of the Franchised Business under this Agreement, including qualification to do business; fictitious, trade, or assumed-name registration; occupational licenses; and sales-tax permits.

4.8. **Tax Payments.** Franchisee shall promptly pay when due all taxes levied or assessed by any federal, state or local tax authority. Such taxes include unemployment taxes, withholding taxes, sales taxes, income taxes, tangible commercial personal-property taxes, real-estate taxes, intangible taxes and any other taxes or imposts arising in connection with the Franchised Business, including payroll taxes for any sales associate employed by Franchisee.

4.9. **Customer Surveys; Customer List.** Franchisee shall present customers with such evaluation forms as CruiseOne may periodically prescribe. If CruiseOne requests, Franchisee shall participate or request its customers to participate in any marketing surveys performed by or on behalf of CruiseOne. Franchisee shall also create and maintain for CruiseOne, in such manner as CruiseOne may from time to time require, a current customer list containing as to each and every customer such customer's name, address, email address, telephone number and zip code (9 digits) and supply a copy of such list to CruiseOne upon request.

4.10. **Certification of Performance.** No later than three business days after requested by CruiseOne, Franchisee shall execute and deliver to CruiseOne a certification (the "Certification of Performance"), in a form CruiseOne reasonably requests, confirming that CruiseOne has performed its preopening obligations under this Agreement. If, however, Franchisee does not reasonably believe that CruiseOne has performed all its preopening obligations hereunder, it shall, within such three-day period, provide CruiseOne with written notice specifically describing the obligations that CruiseOne has not performed. In such case, Franchisee shall execute and deliver the Certification of Performance not later than three-business days after CruiseOne completes all the non-performed obligations specifically described in such notice. Franchisee shall execute and deliver the Certification to CruiseOne even if CruiseOne performed such obligations after the time performance was due under this Agreement. The term "preopening obligations" means such of CruiseOne's obligations to Franchisee under this Agreement that shall be performed before the Opening Date for the Franchised Business.

ARTICLE 5. PROPRIETARY PROPERTY

5.1. **Franchisee's Use of the Proprietary Property.** Franchisee may use the Proprietary Property only in accordance with the standards and specifications CruiseOne prescribes in this Agreement and the Operations Manual from time to time. Without limiting the foregoing:

- a. Franchisee shall use the Proprietary Property only in connection with operating the Franchised Business;
- b. Franchisee shall use the Proprietary Marks as the sole service-mark/trademark identifications for the Franchised Business and prominently display the Proprietary Marks on or in connection with all materials CruiseOne designates, and only in the manner CruiseOne prescribes;
- c. Franchisee shall not use the Proprietary Property as security for any obligation or indebtedness nor in any manner encumber it;
- d. Franchisee shall not use the Proprietary Marks as part of its corporate, partnership or other legal name;
- e. Franchisee shall not use or attempt to register any other trademarks service marks, or other commercial symbol that is the same as or similar to any of the Proprietary Marks, nor any mark with conceptual, phonetic, or graphic similarity to the Proprietary Marks; and
- f. Franchisee shall comply with CruiseOne's instructions concerning filing and maintaining the requisite fictitious, trade, or assumed-name registrations for the CruiseOne® tradename, and execute any documents CruiseOne or its counsel deems reasonably necessary to obtain protection for the Proprietary Property and CruiseOne's interest therein; and
- g. Franchisee shall exercise caution when using CruiseOne's Proprietary Property to ensure that the Proprietary Property is not jeopardized in any manner.

5.2. **CruiseOne's Right to Modify the Proprietary Marks.** If, at any time, in CruiseOne's discretion, it becomes advisable to modify

or discontinue the use of any Proprietary Mark or use one or more additional or substitute names or marks—for reasons including the rejection of any pending application for registration or revocation of any existing registration of any of the Proprietary Marks, or the superior rights of senior users—Franchisee shall do so at its sole expense within 30 days of CruiseOne's request. In such event, CruiseOne has no liability of any nature to Franchisee.

5.3. **Ownership.** Except as expressly granted in this Agreement, Franchisee has no ownership or other rights in the Proprietary Property. CruiseOne is the owner or authorized licensee of the Proprietary Property. All goodwill associated with the Franchised Business inures directly and exclusively to CruiseOne's benefit.

5.4. **Infringement.** Franchisee is obligated to notify CruiseOne of the use of, or claims of rights to, a trademark identical or confusingly similar to any of the Proprietary Marks. CruiseOne is not obligated to take any affirmative action when notified of such uses or claims. CruiseOne will control any administrative proceedings or litigation involving its Proprietary Marks, and CruiseOne is not required to participate in Franchisee's defense or indemnify Franchisee for expenses or damages if Franchisee is a party to an administrative proceeding or litigation involving the Proprietary Marks, or if the proceeding is resolved unfavorably to Franchisee.

ARTICLE 6. OPERATIONS MANUAL AND OTHER CONFIDENTIAL INFORMATION

6.1. **In General.** To protect the reputation and good will of CruiseOne, and to maintain uniform standards of operation under the Proprietary Marks, Franchisee shall conduct its Franchised Business in accordance with the Operations Standards Manual. The Operations Manual is an integral part of this Agreement and has the same force and effect as if fully set forth herein.

6.2. **Confidential Use.** At all times, Franchisee shall treat and maintain the Confidential Information as confidential and trade secrets of CruiseOne. At all times, Franchisee shall keep the Operations Manual in a secure area and may not make any copies thereof. Franchisee shall strictly limit access to the Confidential Information to its sales associates, to the extent they have a "need to know" in order to perform their jobs. Franchisee shall report the theft, loss, or destruction of the Operations Manual or any portion thereof, immediately to CruiseOne. Without CruiseOne's prior consent, Franchisee shall not, at any time, copy, record, or otherwise reproduce any of the Confidential Information, in whole or in part. All persons to whom Franchisee grants access to the Operations Manual or any other Confidential Information, shall first be required by Franchisee to sign CruiseOne's standard form of confidentiality agreement. Without limiting the generality of the foregoing, all Franchisee's owners and sales associates shall sign such a confidentiality agreement prior to acquiring their ownership interest or beginning employment. Promptly after execution of all such confidentiality agreements Franchisee shall deliver copies thereof to CruiseOne.

6.3. **Periodic Revisions.** CruiseOne may periodically revise and change the contents of the Operations Standards Manual. Beginning on the 30th day (or such longer time as specified by CruiseOne) after delivery of written notice from CruiseOne, Franchisee shall comply with each new or changed provision. CruiseOne may notify Franchisee of revisions by posting them on the intranet **BusinessCenter**, or in any other manner that CruiseOne elects. Franchisee shall log onto the intranet **BusinessCenter** at least once each business day to check for revisions to the Operations Manual and for any information concerning CruiseOne-designated software (including any directions pertaining to maintenance and updates of such software, which directions Franchisee shall promptly implement). Revisions to the Operations Manual shall be based on what CruiseOne, in its discretion, deems in the best interests of the System, including promoting quality, enhancing goodwill, increasing efficiency, decreasing administrative burdens, or improving profitability of CruiseOne or its franchisees. Because complete and detailed uniformity under many varying conditions may not be possible or practical, CruiseOne may, in its discretion and as it may deem in the best interests of all concerned in any specific instance, vary standards for any franchisee based upon the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, or any condition that CruiseOne deems important to the successful operation of such franchisee's Franchised Business. Franchisee is not entitled to require CruiseOne to grant to Franchisee a like or similar variation under this Agreement. Franchisee shall at all times ensure that its copy of the Operations Manual contains all revisions CruiseOne delivers. In the event of any dispute as to the contents of the Operations Standards Manual, the terms contained in the Master Copy of the Operations Manual CruiseOne maintains at CruiseOne's home office are controlling.

ARTICLE 7. ADVERTISING

7.1. **Advertising by Franchisee.** Franchisee shall submit all materials (irrespective of the medium) that it wants to use for advertising, promotions, or marketing ("**Advertising Materials**") to CruiseOne for its prior written approval, unless they have already been approved or consist solely of materials provided by CruiseOne. If, within 10 days from the date CruiseOne receives such submitted materials, Franchisee does not receive CruiseOne's written approval thereof, they are considered disapproved. If, in CruiseOne's judgment, any

Advertising Materials may injure or harm the System, CruiseOne may require Franchisee to withdraw or discontinue their use, even if previously approved. Within five days after delivery of such notice, Franchisee shall have withdrawn and discontinued use of the relevant Advertising Materials. Franchisee is only required to advertise the Franchised Business within the United States and to United States residents. This includes any online advertising that may have a global reach. Franchisee shall not use any Advertising Materials until CruiseOne delivers written notice to Franchisee, via Training Completion Certificate, that the Opening Conditions have been satisfied to CruiseOne's satisfaction. All Advertising Materials (including, if any, phone listings, online listings, social media accounts, newspaper, direct-mail advertisements, and business cards) must contain Franchisee's **CruiseOne®** assumed-business-name and the city, state, as well as any other standards required by the Operations Standards Manual. If the Contact Location is the Franchise Owner's personal address, Franchisee need not publish that address, but may instead use a mail stop or virtual mailbox with a physical address. Post-office boxes are not permissible.

7.2. **Internet Advertising Prohibition.** Franchisee may advertise on the Internet as **CruiseOne®** only if it strictly complies with the Operations Manual provisions governing those activities. Franchisee may purchase vanity domain names in accordance with the Operations Standards Manual; however, it may not register domain names containing **CruiseOne®** or any variation thereof. With respect to any aspect of the System or the Franchised Business (including the use of the Proprietary Marks), CruiseOne retains the sole right to advertise on the Internet, create or operate a Web site or sites, and use **CruiseOne®** as part of any domain name. CruiseOne exclusively owns all rights in such domain names and such other domain names as CruiseOne designates in the Operations Standards Manual. Without limiting the generality of the foregoing, Franchisee may maintain or operate a **CruiseOne®** social media page in accordance with CruiseOne's social media policy and guidelines contained in the Operations Standards Manual. However, Franchisee may not maintain or operate an independent website that directly or indirectly promotes the Franchised Business without obtaining CruiseOne's prior approval. Additional Internet policies are contained in the Operations Standards Manual.

ARTICLE 8. ACCOUNTING AND RECORDS

8.1. **Books and Records.** Franchisee shall create and maintain accurate and complete financial books, records, and reports in such form, with such content, and in such manner as CruiseOne may, from time to time, prescribe in the Operations Standards Manual. Franchisee shall, at the end of each month, zero-out its cruise and other travel bookings for that month. Franchisee shall provide copies of such books, records, and reports to CruiseOne at such intervals as CruiseOne may, from time to time, prescribe in the Operations Manual or otherwise in writing. Franchisee's books, records, and reports must not contain information not relating to the Franchised Business. Franchisee shall preserve such books, records, and reports for at least six years (including the period after this Agreement expires or is sooner terminated) from the dates they were prepared.

8.2. **Review and Audit by CruiseOne.** At all reasonable times during the Term, and the six-year period beginning on the expiration or sooner termination thereof, and at CruiseOne's expense, CruiseOne and its representatives may examine and copy Franchisee's books and records relating to the Franchised Business, as well as inspect all cash-control devices and systems and conduct a physical inventory. At any time, CruiseOne may access Franchisee's Computer System relating to the Franchised Business to determine, among other things, sales activity and revenues. At any time, CruiseOne may also have an independent audit made of Franchisee's books and records relating to the Franchised Business.

ARTICLE 9. INSURANCE

9.1. **Types and Amounts of Coverage.** Throughout the entire Term, Franchisee shall purchase and maintain such types of insurance, in such amounts, and from such carriers as CruiseOne may require. Such insurance is in addition to any other insurance that may be required by applicable law, Franchisee's landlord, or otherwise. At a minimum, the Franchise shall obtain and maintain, at all times during the Term, errors and omissions insurance in the amount of at least \$1 million in the aggregate, and naming CruiseOne as additional insured, protecting and indemnifying Franchisee, its owners who work in the business, its general manager, each sales associate, and CruiseOne against any for damages to person or property. At any time, CruiseOne may adjust the amounts of coverage required under such insurance policies and require different or additional kinds of insurance, including excess liability insurance. The terms of this section are subject to Section 9.2.a below.

9.2. **CruiseOne Provided Insurance.**

a. In lieu of obtaining certain required insurance, CruiseOne may periodically offer the option, or impose the obligation, for Franchisee to be, included as an additional insured on CruiseOne's (or its affiliate's) insurance policies. In either case, Franchisee shall pay CruiseOne for the costs and expenses it incurs in connection therewith (and which may also include an administrative fee). This

insurance coverage may be for amounts less than that which CruiseOne may require Franchisee to carry if it were to purchase it on its own. CruiseOne requires Franchisee to obtain and maintain errors and omissions coverage through it for an annual fee that Franchisee pays to CruiseOne. This allows Franchisee to be added to CruiseOne's or its affiliate's insurance policy. CruiseOne's annual fee is \$150 per person, which it may periodically change based on the costs of coverage, changes in risks, and other factors as CruiseOne deems appropriate. CruiseOne has no obligation to continue offering such coverage.

b. If, for any reason, Franchisee fails to procure or maintain the insurance required by CruiseOne, CruiseOne may, but need not, obtain such insurance. If it does, Franchisee shall pay CruiseOne for such insurance coverage, together with any administrative fee CruiseOne charges for obtaining and administering such insurance.

ARTICLE 10. TRANSFER OF INTEREST

10.1. **Transfer by CruiseOne.** Without Franchisee's consent, CruiseOne has the absolute right to transfer or delegate any or all of its rights or obligations under this Agreement to any person.

10.2. Transfer by Franchisee.

a. **Personal Rights.** The rights and duties set forth in this Agreement are personal to Franchisee. CruiseOne grants franchises in reliance on Franchisee's business and personal skill, reputation, aptitude, and financial capacity. Accordingly, unless otherwise expressly permitted by this Agreement, without CruiseOne's prior consent, Franchisee may not sell, assign, convey, or otherwise dispose of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—this Agreement or any direct or indirect interest in this Agreement or Franchisee (if Franchisee is an entity). For the purposes of this ARTICLE 10, the term "**transfer**" refers to any of the preceding actions.

b. **Consent.** CruiseOne may grant or withhold its consent to any proposed transfer in its discretion. CruiseOne shall not, however, unreasonably withhold its consent to a transfer of this Agreement, provided that the following conditions are satisfied:

- i. Franchisee delivers written notice to CruiseOne of the proposed transfer at least 30 days before it is to occur;
- ii. all of Franchisee's accrued monetary obligations have been paid;
- iii. all existing defaults under the Franchise Agreement have been cured;
- iv. the transferee must meet CruiseOne's then-current qualifications, which includes passing a background check as described below, and the transferee must successfully complete CruiseOne's training program;
- v. Franchisee and the transferee must execute such other agreements and instruments as CruiseOne may require in connection with the transfer, which may include a general release and otherwise comply with the provisions of this Section 10.2.b; and
- vi. Franchisee pays CruiseOne a transfer fee equal to \$3,500.

Any purported or attempted transfer by Franchisee—by operation of law or otherwise—in violation of this Agreement is null and void, and a material breach of this Agreement. Notwithstanding anything in this Agreement to the contrary, the transfer of this Agreement or any voting or ownership interest in Franchisee is void unless Franchisee, at its sole expense, conducts a criminal- and civil-background check on the transferee, using an investigation company that CruiseOne designates. If the background check indicates any criminal or immoral conduct of any nature, CruiseOne shall not permit the proposed transfer.

10.3. **No Encumbrance.** Franchisee may not create, permit, or suffer a lien against, nor pledge, mortgage, hypothecate, grant a security interest in, or in any manner encumber this Agreement or 25% or more of its other assets or the voting or ownership interests in Franchisee (or in any owner of Franchisee). Any of the acts described in the foregoing sentence is considered a transfer of an interest in this Agreement by Franchisee.

10.4. **Death or Disability.** If Franchisee (if Franchisee is an individual) or any individual who holds an ownership interest in Franchisee (if Franchisee is an entity) dies or becomes Disabled, such individual (or his or her legal representative) must, within 90 days of the date of death or Disability, transfer his or her interest in Franchisee (or in any of Franchisee's owners) to another owner of Franchisee or a third party, in accordance with CruiseOne's then current transfer requirements, which requirements shall include the provision by the transferee of all information requested by CruiseOne and the execution by the transferee of an assumption agreement, in form and substance satisfactory to CruiseOne, under which the transferee assumes all of the transferor's obligations under this Agreement. CruiseOne may request a copy of a death certificate, will and/or trust documents.

10.5. **Right of First Refusal.** If Franchisee proposes to transfer this Agreement to any third party (other than an entity controlled by

Franchisee), Franchisee must first offer to sell such interest to CruiseOne on the same terms and conditions as offered by such third party, except CruiseOne may substitute cash for any form of payment. Franchisee will obtain from the third party and provide CruiseOne a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("Letter of Intent"). If CruiseOne elects not to accept the offer within a thirty (30) day period, Franchisee will have a maximum period of sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 10.2.b hereof. Any material change in the terms of the offer will be deemed a new proposal subject to CruiseOne's right of first refusal. So long as Franchisee has obtained CruiseOne's prior written consent, which will not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, is not subject to Franchisor's first right of refusal.

ARTICLE 11. DEFAULT AND TERMINATION

11.1. Termination by CruiseOne—Without Notice. Upon the occurrence of any of following events, CruiseOne may immediately terminate this Agreement:

- a. Franchisee becomes insolvent or makes a general assignment for the benefit of creditors;
- b. a petition in bankruptcy is filed by Franchisee or such a petition is filed against or consented to by Franchisee and such petition is not dismissed within 45 days;
- c. Franchisee is adjudicated as bankrupt;
- d. a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee;
- e. a receiver or other custodian (permanent or temporary) of Franchisee's business or assets is appointed by any court of competent jurisdiction;
- f. proceedings for a composition with creditors under Federal or any state law is instituted by or against Franchisee;
- g. a final judgment in excess of \$5,000 remains unsatisfied or of record for 30 days or longer (unless a superseded bond is filed);
- h. execution is levied against Franchisee's operation or property, or suit to foreclose any lien or mortgage its assets is instituted against Franchisee and not dismissed within 45 days; or
- i. a substantial portion of Franchisee's real or personal property used in the Franchised Business is sold after levy thereupon by any sheriff, marshal, or constable.
- j. Felony conviction of a crime of moral turpitude.

Each of the foregoing events in Section 11.1 are material defaults under this Agreement. If CruiseOne elects to terminate this Agreement under this Section 11.1, it need not provide Franchisee with any notice or opportunity to cure. Within three days of the occurrence of any of the events enumerated in this Section 11.1, Franchisee shall provide written notice thereof to CruiseOne.

11.2. Termination by CruiseOne—After Notice. Upon the occurrence of any of the following events, without providing Franchisee with any opportunity to cure, CruiseOne may, by written notice, immediately terminate this Agreement:

- a. within seven days after CruiseOne delivers a Notice of Default, Franchisee fails to pay CruiseOne or any affiliate any amount due under this Agreement or any other agreement (including any Note);
- b. Franchisee fails to create or maintain the Designated Credit Card Account as required under Section 3.3;
- c. Franchisee or any of its owners made any material misrepresentation in obtaining the Franchise, including in any franchise application or certification submitted to CruiseOne;
- d. Franchisee abandons the Franchised Business or, for more than 7 consecutive days or 14 days in any 12-consecutive-month period, Franchisee ceases to conduct the Franchised Business; or Franchisee forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located;
- e. Franchisee, or any of its officers, directors, owners or sales associates commits, is convicted of, or pleads *nolo contendere* to, a felony, a crime of moral turpitude or any other crime or offense that CruiseOne believes is likely to have a material adverse effect on the System, the Proprietary Property, the goodwill associated with the Proprietary Marks, or CruiseOne's interest in any of the Proprietary Property;
- f. Franchisee denies CruiseOne the right to inspect the Franchised Business or to audit the sales and accounting records of the Franchised Business; or Franchisee denies or interferes with CruiseOne accessing its Computer System or retrieving or copying information stored therein;
- g. Franchisee engages in conduct that is deleterious to, or reflects unfavorably on, Franchisee, CruiseOne, or the System; or Franchisee engages in conduct that exhibits a reckless disregard for the physical or mental well-being of sales associates, customers,

CruiseOne's representatives, or the public at large—such conduct includes battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse, or other forms of threatening, outrageous, or unacceptable behavior;

h. any breach occurs under ARTICLE 10, including the transfer or attempt to transfer by any person, any of such person's rights or obligations under this Agreement without CruiseOne's prior consent, except as expressly permitted hereunder;

i. any breach occurs under Sections 6.2 or 13.1, or any other provisions related to Confidential Information or noncompetition;

j. Franchisee knowingly maintains false books or records, or knowingly submits any false reports or information to CruiseOne;

k. Franchisee misuses or makes any unauthorized use of the Proprietary Property or otherwise engages in conduct that may materially impair the good will associated with the Proprietary Property or CruiseOne's rights in the Proprietary Property;

l. during any 12-consecutive-month period, Franchisee receives from CruiseOne three or more Notices of Default— whether for the same or different defaults—notwithstanding that such defaults might have been cured;

m. Franchisee or any of its affiliates defaults under any other agreement with CruiseOne or any of its affiliates (including any franchise agreement) and CruiseOne or any of its affiliates terminates such agreement on account thereof; or

n. Franchisee fails to remit to CruiseOne one or more customer payments in accordance with this Agreement or deposits such payments in a bank account not authorized by CruiseOne; or Franchisee remits a customer payment directly to the travel supplier.

11.3. Termination by CruiseOne—After Notice and Right to Cure. In addition to the defaults specified in Sections 11.1 and 11.2, Franchisee is in default under this Agreement if it fails to comply with any other obligation or requirement imposed by this Agreement, as it may from time to time reasonably be revised or supplemented by the Operations Standards Manual. Except as otherwise provided in Sections 11.1 or 11.2 or elsewhere in this Agreement, Franchisee has 30 days after CruiseOne delivers a Notice of Default to cure any default described therein and provide evidence of cure satisfactory to CruiseOne. Except as otherwise provided in this Article, if any default described in a Notice of Default is not cured within such 30-day period—or such longer period as applicable law may require—without any further notice to Franchisee, CruiseOne may immediately terminate this Agreement. To the extent a cure for any default is permitted under this Agreement, Franchisee has the burden of proving it properly and timely cured any default.

11.4. Loss of Commission. Upon the termination of this Agreement pursuant to Sections 11.1, 11.2, 11.3 or 11.6, Franchisee loses its right to any commission due but not yet paid at the time of termination. CruiseOne may retain such commission for its own account. The foregoing is without prejudice to any other remedy to which CruiseOne may be entitled because of termination.

11.5. Suspending Performance. Without prejudice to any other remedy to which it may be entitled because of such default (including the right to subsequently terminate this Agreement on account thereof), CruiseOne may suspend performance of any of its obligations under this Agreement—including any obligation to provide Franchisee with the intranet **BusinessCenter**, **MyCruiseControl** reservation system, or software access or support—for any period during which it is in default of any of its obligations hereunder. CruiseOne's exercise of the foregoing right does not preclude it from subsequently electing or seeking any other remedy to which it may have been entitled on account of the default for which it initially suspended performing its obligations.

11.6. Franchisee's Termination Right. Franchisee may terminate this Agreement before the expiration of the one-year period beginning on the Effective Date, but only if it satisfies all the following conditions:

a. it has strictly complied with all its obligations under this Agreement and any other agreement with CruiseOne (including any Note);

b. it pays CruiseOne and all its vendors, all amounts payable to them under or in connection with this Agreement (including any amounts payable under any Note), whether or not then due and payable; and it provides CruiseOne, before the expiration of that one- year period, with at least 30-days' prior written notice of its intention to terminate this Agreement.

ARTICLE 12. OBLIGATIONS OF THE FRANCHISEE UPON TERMINATION OR EXPIRATION

Upon the expiration or sooner termination of this Agreement, all rights granted under this Agreement to Franchisee terminate immediately, and the sections of this ARTICLE 12 apply to the rights and obligations of the parties.

12.1. Cease Operations. Franchisee shall immediately cease operating the Franchised Business. Thereafter Franchisee shall not, directly or indirectly, use any of the Proprietary Property. Nor may Franchisee represent himself or herself as a present or former franchisee of CruiseOne (except to the extent required by federal or state franchise-registration and -disclosure laws) or in any other way affiliate itself, himself, or herself with the System. Franchisee shall immediately cease using all stationery, signage, and any other materials containing the Proprietary Marks. The Franchise shall not use any reproduction or colorable imitation of the Proprietary Marks, imitate any methods of operation, or undertake any other conduct that is likely to cause confusion, mistake, or deception, or that is likely

to dilute CruiseOne's rights in and to the Proprietary Marks. Franchisee shall not at any time after expiration or termination use or attempt to register (or assist any third party to do the same) any trademarks, service marks, or other commercial symbol that is the same as or similar to any of the Proprietary Marks, nor any mark with conceptual, phonetic or graphic similarity to those of CruiseOne or its affiliates. In addition, Franchisee shall not use any designation of origin or description or representation that falsely suggests or represents an association or connection with CruiseOne, or any of its affiliates. Any such action undertaken by Franchisee is considered unfair competition. Franchisee shall also immediately cease using any telephone numbers for the Franchised Business used at any time before such expiration or termination.

12.2. Payment of Outstanding Amounts. Except for refunds expressly required hereunder, CruiseOne may retain all fees paid under this Agreement. In addition, within 10 days after the effective date of termination or expiration (or such later date(s) as it is determined that amounts are due to CruiseOne), Franchisee shall pay CruiseOne all Royalty Fees, amounts owed for products or services Franchisee purchased from CruiseOne or its affiliates, and all other unpaid amounts Franchisee owes to CruiseOne or its affiliates (including under any Note, whether or not then due and payable).

12.3. Return of Materials. At its expense, Franchisee shall immediately turn over to CruiseOne at its then current headquarters all tangible and intangible Proprietary Property (together with all copies and any other forms of reproductions of such materials) in Franchisee's possession or control. All such Proprietary Property (as well as copies and reproductions thereof) are CruiseOne's exclusive property. Franchisee shall immediately destroy all Confidential Information and other Proprietary Property residing on the Computer System or on other electronic, optical, or other data-storage devices.

12.4. Notice of Pending Bookings. Within two business days after the expiration or sooner termination of this Agreement, Franchisee shall provide CruiseOne with written notice containing the name, address, telephone number, location and payment status pertaining to each reservation then outstanding not under final payment. Franchisee shall complete all bookings in progress at the time of expiration or termination of this Agreement in the manner provided in the Operations Manual or as CruiseOne otherwise provides in writing.

12.5. Bookings Pending at Expiration. If this Agreement expires and, at all times during the Term, Franchisee has complied with the terms of this Agreement, CruiseOne may, in its discretion, permit Franchisee to transfer its outstanding reservations not under final payment to a bona-fide commercial travel retailer that is duly licensed, registered to conduct business, and recognized as an existing vendor by each travel supplier holding a qualified reservation. In no event, however, will CruiseOne permit such a transfer unless Franchisee submits a written request therefor, together with the written notice required under Section 12.4, before expiration, and a payment to CruiseOne equal to 3% of the commissionable sales price for all reservations to be transferred, as well as payment for any other amounts then due and payable to CruiseOne. CruiseOne will not, however, permit such a transfer of any reservation under final payment.

12.6. Bookings Pending at Termination. If this Agreement is terminated for any reason before its natural expiration, all Franchisee's reservations pending at such time become CruiseOne's and CruiseOne need not pay Franchisee for such reservations. In such event, Franchisee shall provide such assistance in transferring the reservations to CruiseOne as CruiseOne may require. Nothing contained in this Section 12.6 releases Franchisee from its obligation to pay CruiseOne outstanding amounts due at the time of termination.

12.7. Liquidated Damages for Premature Termination. Upon termination of this Agreement pursuant to Sections 11.1, 11.2 or 11.3, Franchisee shall pay CruiseOne a lump-sum payment equal to the sum of:

a. the product of (i) the Service Fee in effect as of the date of termination times (ii) the lesser of (1) the number of full months remaining in the Term had it naturally expired and not been terminated or (2) 12. If pursuant to Section 3.1.c the Service Fee is not yet in effect as of the date of termination, the Service Fee shall be deemed to be \$150 per month for the purpose of calculating the payment required by this Section 12.7.a; plus

b. the total of all Royalty Fees for the following applicable period:

i. If the Franchised Business has been operating for 12 months or more and as of the date of termination there are more than 12 months remaining in the Term had it naturally expired and not been terminated, the 12-calendar months of operating the Franchised Business preceding Franchisee's default;

ii. If the Franchised Business has been operating for 12 months or more and as of the date of termination there are less than 12 months remaining in the Term had it naturally expired and not been terminated (the number of such remaining months, the "Remaining Months"), the period of months (and any portion thereof) the Franchised Business has been operating preceding Franchisee's default equal to the number of Remaining Months; or

- iii. if the Franchised Business has been operating for less than 12 months as of the date of termination, the period of time the Franchised Business has been operating preceding the default, projected on a 12-calendar-month basis.

CruiseOne may elect not to collect this payment in cases of hardship as deemed appropriate by CruiseOne in its discretion. This payment constitutes liquidated damages for causing the premature termination of this Agreement and not a penalty. A precise calculation of the full extent of damages that CruiseOne will incur if this Agreement terminates because Franchisee defaults or otherwise abandons the Franchised Business cannot be reasonably determined. Nevertheless, Franchisee acknowledges that the lump-sum payment provided under this Section 12.6 is reasonable in light of the damages for premature termination that CruiseOne may reasonably be expected to incur in such event. This sum is not a penalty and is intended by the parties only as a compensatory remedy for past breaches and not as a preventative remedy to deter future breaches. This sum does neither represent a price for the privilege of not performing nor does its payment represent an alternative manner of performance. Accordingly, as a purely liquidated damage provision, this Section 12.6 does not preclude, nor is inconsistent with, a court granting CruiseOne specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. CruiseOne's rights to liquidated damages and specific performance or any other equitable relief are not mutually exclusive.

ARTICLE 13. INDEPENDENT COVENANTS OF THE FRANCHISEE

13.1 Diversion of Business; Competition and Interference With CruiseOne.

a. CruiseOne would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among the franchisees within the System if franchisees were permitted to hold interests in any Competitive Business. Accordingly, during the Term, neither Franchisee nor any of its owners, officers, or directors or any of their respective Significant Others (Franchisee and all such other persons, collectively, the "**Restricted Parties**" and, individually, a "**Restricted Party**") shall, directly or indirectly:

- i. attempt to induce (by combining or conspiring with, or attempting to do so), or influence in any other manner any of CruiseOne's Business Affiliates to terminate or modify his, her, or its business relationship with CruiseOne or to compete against CruiseOne;
- ii. as owner, officer, director, employee, agent, lender, lessor, broker, consultant, franchisor, franchisee, or in any other similar capacity whatsoever be connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business wherever located (this restriction, however, does not apply to a 5% or less beneficial interest in a publicly-held corporation); or
- iii. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize the business of CruiseOne or any of its other franchisees.

b. During the 12-month period beginning on the expiration or sooner termination of this Agreement, no Restricted Party may, directly or indirectly:

- i. attempt to induce (by combining or conspiring with, or attempting to do so), or influence in any other manner any of CruiseOne's Business Affiliates to terminate or modify his, her, or its business relationship with CruiseOne or to compete against CruiseOne;
- ii. as owner, officer, director, employee, agent, lender, lessor, broker, consultant, franchisor, franchisee, or in any other similar capacity whatsoever be connected in any manner with the ownership, management, operation or control, or conduct of a Competitive Business within 50 miles of the Contact Location or the premises of any other CruiseOne/Dream Vacations franchise (this restriction, however, does not apply to a 5% or less beneficial interest in a publicly-held corporation); or
- iii. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize the business of CruiseOne or any of its other franchisees.

c. Both during and after the Term, none of the Restricted Parties may disparage, by any means or via any medium, either CruiseOne or its affiliates or any of their respective officers, directors, stockholders, employees, or representatives, or any aspect of the CruiseOne System or chain.

d. Franchisee for itself, and each of the other Restricted Parties, acknowledges and confirms that the scope of activities prohibited in this ARTICLE 13, as well as the length of the term and geographical restrictions contained therein, are necessary to protect CruiseOne's legitimate business interests and are fair and reasonable and not the result of overreaching, duress, or coercion of any kind. If any court finally holds that the time or territory for or to which this ARTICLE 13 applies or the scope of activities prohibited thereunder—or that any provision stated in this Section—constitutes an unreasonable restriction upon Franchisee, the provisions of this Agreement are not thereby rendered void, but apply as to time and territory or to such other extent as such court finally concludes or indicates is a reasonable restriction under the circumstances. The time periods set forth in this ARTICLE 13 are suspended during any period in which

any Restricted Party is breaching any of its terms or involved in a legal action or proceeding challenging the validity or enforceability thereof. Without Franchisee's consent, CruiseOne, in its discretion, may reduce the scope of any covenants set forth in this ARTICLE 13. Any such reduction is effective immediately upon CruiseOne's delivery of written notice. Franchisee shall comply immediately with any covenant as so modified. Such modified covenant is fully enforceable to the extent permitted by applicable law.

e. If any Restricted Party breaches any of the provisions of Sections 13.1.a, 13.1.b, or 13.1.c (the "**Noncompete Provisions**"), the damages that CruiseOne will suffer are impossible to determine with reasonable certainty. To eliminate such uncertainty, the parties have agreed that in the event of such a breach by a Restricted Party, Franchisee shall pay CruiseOne Preagreed Damages. This sum is not a penalty and is intended by the parties only as a compensatory remedy for past breaches and not as a preventative remedy to deter future breaches. Nor does this sum represent a price for the privilege of not performing or as payment of an alternative manner of performance. Accordingly, as a purely liquidated damage provision, this Section 13.1.e does not preclude, nor is it inconsistent with, a court granting CruiseOne specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. "**Preagreed Damages**" means 25% of the sales earned (directly or indirectly) by any Competitive Business as a result of Restricted Party's breach of any of the Noncompete Provisions.

f. Pursuant to Subsection (1)(f) of Florida Statute 542.335 ("Valid Restraints of Trade or Commerce"), CruiseOne's assignees and successors are expressly authorized by Franchisee and Cruise One to enforce the restrictive covenants in this ARTICLE 13.

The foregoing covenants in this ARTICLE 13 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee may have against CruiseOne or any of its affiliates (regardless of whether arising from this Agreement) is not a defense to the enforcement of the foregoing covenants against Franchisee.

ARTICLE 14. INDEPENDENT CONTRACTOR; INDEMNIFICATION; APPROVALS; NO REPRESENTATIONS

14.1. **Independent Status.** This Agreement does not create a fiduciary relationship between the parties to this Agreement. Franchisee is an independent contractor. Nothing in this Agreement constitutes either party an agent, legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose whatsoever. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on CruiseOne's behalf. Franchisee may not incur any debt or other obligation in CruiseOne's name. Franchisee shall take such affirmative action as CruiseOne requests to disclose to the public that Franchisee is an independent contractor. Such actions may include placing and maintaining a plaque in a conspicuous place within the Contact Location and a notice on all stationery, business cards, sales literature, contracts, and similar documents that states that the Franchised Business is independently owned and operated by Franchisee. The content of such plaque and notice is subject to the prior written approval of CruiseOne.

14.2. **Indemnification.** Franchisee shall indemnify CruiseOne from any and all actions, judgments, damages, liabilities, losses, costs, and expenses (including reasonable attorney's fees and costs, even if incident to appellate, post judgment, or bankruptcy proceedings) to which CruiseOne becomes subject or that it incurs arising from or relating to claims brought by third parties relating in any manner to Franchisee's ownership or operation of the Franchised Business (including any default under this Agreement). In no event, however, need Franchisee indemnify CruiseOne for any matter caused directly by CruiseOne's gross negligence or intentional misconduct. Notwithstanding the expiration or sooner termination of this Agreement, this indemnity continues in full force and effect.

14.3. **Approvals.** Except as expressly provided to the contrary in this Agreement, CruiseOne makes no representations, warranties, or guarantees upon which Franchisee may rely. Whenever CruiseOne's consent, authorization, approval, or other satisfaction (collectively, "Approval") is required under this Agreement, unless such Approval is in writing and signed by a duly authorized executive officer, such Approval is not binding upon CruiseOne. No other officer, employee, or agent of CruiseOne has authority to execute Approval on behalf of CruiseOne. CruiseOne's Approval, whenever required, may be withheld if any default by Franchisee exists under this Agreement. Unless the Agreement expressly states otherwise, any Approval of CruiseOne under or arising out of this Agreement shall be granted or withheld in its discretion and judgment. Further, any Approval provided by CruiseOne under or arising out of this Agreement (including the approval of a Site or the approval of suppliers) is not, directly or indirectly, a representation or warranty (including whether the Franchised Business will be profitable or whether Franchisee's sales will attain any predetermined levels) relating to the subject of such Approval. Such Approval is an expression only that CruiseOne's minimum requirements for CruiseOne to grant it have been met, or waived, in CruiseOne's discretion. Additionally, Franchisee shall not claim that the provision or withholding of any Approval by CruiseOne imposes any liability on CruiseOne.

ARTICLE 15. MEDIATION

15.1. **Mediation.** Any party seeking formal resolution of a Dispute shall, before any legal action or proceeding may be commenced,

submit the Dispute to nonbinding mediation before the CPR Institute for Dispute Resolution ("CPR") in accordance with its national franchise-mediation program. If CPR is unable to conduct the mediation, the Dispute may be submitted to the American Arbitration Association or any other mutually agreeable mediator. In the event of any such mediation, all parties thereto shall execute a confidentiality agreement reasonably satisfactory to CruiseOne. Each party bears its own costs with respect to the mediation. The fee for the mediation, however, will be split equally. The provisions of this Section are to be construed as independent of any other covenant or provision of this Agreement. But if a court of competent jurisdiction determines that any such provisions are unlawful in any way, such court is to modify or interpret such provisions to the minimum extent necessary to have them comply with the law. The provisions of ARTICLE 15 concerning mediation are self-executing and remain in full force and effect after the expiration or sooner termination of this Agreement. Mediation must take place in Broward County, Florida. All references to the "Franchisee" and to "party" or "parties" in ARTICLE 15 include Franchisee's owners and the Restricted Parties.

15.2. Exceptions to Mediation; Equitable Relief.

Notwithstanding anything in this Agreement to the contrary, the obligation to mediate is not binding upon either party with respect to any of the following matters:

- i. claims relating to the Proprietary Property;
- ii. claims relating to Franchisee's obligations upon termination or expiration of this Agreement;
- iii. claims relating to any transfer of an interest in Franchisee, the Franchised Business or its assets, or this Agreement restricted under this Agreement;
- iv. claims relating to actions that may impair the goodwill associated with the Proprietary Marks; or
- v. matters involving danger, health, or safety involving Franchisee, its sales associates or customers, or the public.

The Franchised Business is intended to be one of a large number of businesses identified by the Proprietary Marks selling the public the products and services associated with the Proprietary Marks. Consequently, a single franchisee's failure to comply with the terms of its franchise agreement is likely to cause irreparable damage to CruiseOne, and damages at law would, therefore, be an inadequate remedy. Accordingly, in the event of a breach or threatened breach of any of the terms of the Agreement by Franchisee concerning any matters referenced in Subsection 15.2.a, CruiseOne may seek an injunction restraining such breach or a decree of specific performance (together with recovery of reasonable attorneys' fees and costs incurred in obtaining such equitable relief). It may do so without demonstrating or proving any actual damage. The foregoing equitable remedies are in addition to all other rights or remedies to which CruiseOne may otherwise be entitled because of any breach of this Agreement by Franchisee. CruiseOne may seek such relief without posting any bond or security. But if a court of competent jurisdiction, nevertheless, requires a bond or security, a bond or security in the sum of \$1,000 is sufficient. Notwithstanding anything in this Agreement to the contrary, CruiseOne may seek injunctive relief in any jurisdiction that has jurisdiction over Franchisee.

ARTICLE 16. TERM

Unless sooner terminated under ARTICLE 11, the Term of this Agreement begins on the Effective Date and expires on the fifth anniversary thereof. Upon the expiration of this Agreement, CruiseOne may in its discretion, grant Franchisee an option to enter a successor franchise agreement. If CruiseOne elects not to grant such an option, it will notify Franchisee at least 60 days before the Term expires. Your successor franchise agreement will be amended to reflect the fact that you are an existing franchisee, in the form attached as Exhibit 16.

ARTICLE 17. DEFINITIONS

17.1. **Definitions.** For the purposes of this Agreement, the following terms have the following meanings:

"Affiliate" or "affiliate" means, with respect to a corporation or other business entity, any person controlling, controlled by, or under common control with that corporation or business entity. With respect to an individual, affiliate means that individual's immediate family members, as well as such immediate family members' Significant Others, and the corporations or other business entities such individual and his or her family members, directly or indirectly, Control. **"Control"** means the ownership of more than 50% of the outstanding ownership or voting interests in an entity.

"Agreement" means this Franchise Agreement, as it may be amended, supplemented, or otherwise modified in accordance with Section 18.2.

"Annual Commissionable Sales" has the meaning set forth in Section 3.1.b.i. **"Mandatory Initial Training"** has the meaning set forth in Section 2.1.a.

"Business Affiliate" means any of CruiseOne's, or any of its affiliates, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, franchisees, licensees, or other business contacts.

"intranet BusinessCenter" has the meaning set forth in Section 2.6.

"Competitive Business" means a business that is engaged wholly or partially, directly or indirectly, in any business operating, or granting licenses or franchises to others to operate, a retail travel-agency business (including any full service agency or specialty agency) or any other business that provides the same or similar services that are customarily offered by CruiseOne/Dream Vacations franchisees.

"Computer System" means the computers and computer hardware, software, and peripherals and related services (including high-speed Internet service and dedicated telephone lines) that Franchisee must purchase, install, and use in accordance with the Operations Standards Manual.

"Confidential Information" means any knowledge, know-how, technologies, processes, techniques, and any other information that CruiseOne designates as confidential, proprietary, or trade secrets or that is not readily available in the public domain through any breach of duty to CruiseOne. Confidential Information includes the Operations Standards Manual, as well as any information relating to CruiseOne's marketing plans, business strategies, methods, and competitive information (including lists of franchise owners or associates, their phone numbers, addresses or email addresses, pricing structure and arrangements with travel suppliers, and similar proprietary information relating to travel sales).

"Contact Location" means the physical address of the Franchised Business as set forth in Schedule 1.2, which may be an office, home office, storefront, or mail stop or virtual mailbox with a physical address; provided, that, post-office boxes are not permissible.

"MyCruiseControl reservation system" has the meaning set forth in Section 2.6. **"Designated Credit Card Account"** has the meaning set forth in Section 3.3.

"Disabled" or **"Disability"** means the inability of an individual, as a result of any cause, to perform his or her obligations under this Agreement for a continuous period of more than 90 consecutive days or for a period of more than 90 days in any 180-day period.

"Dispute" means any dispute or disagreement arising between the parties to this Agreement, including any dispute or disagreement in any way related to or arising out of this Agreement (including any dispute relating to the arbitrability of any provision hereunder), CruiseOne's offer, sale, or negotiation of a **CruiseOne®** franchise, or the relationship of the parties arising therefrom or from entering this Agreement, or any claim that this Agreement, or any part hereof, is invalid, illegal, nonarbitrable, or otherwise voidable or void.

"Due Amount" means any amount due under or in connection with this Agreement that Franchisee must pay CruiseOne.

"Effective Date" means the date the parties are entering this Agreement, which date is set forth adjacent to the parties' signatures below. If the parties sign this Agreement on different dates (or if either party does not fill in a date below), the Effective Date will be the date that this Agreement was signed by CruiseOne.

"FDD" means CruiseOne's Franchise Disclosure Document and all exhibits and supplements thereto current at the time delivered to Franchisee.

"Franchise Owner" means: (a) if Franchisee is an individual, such individual; (b) if Franchisee is a corporation, the individual who owns a majority of the voting and ownership interests in such corporation; (c) if Franchisee is a partnership, any individual who is—or owns a majority of the voting and ownership interests in an entity that is—a general partner of such partnership; or (d) if Franchisee is a limited liability company, the individual who owns a majority of the voting and ownership interests in such limited liability company.

"Franchised Business" means the *CruiseOne* cruise and limited-travel sales business Franchisee is authorized to establish and operate under this Agreement.

"Initial Franchise Fee" has the meaning set forth in Section 3.1.a.

"Manager" means the Franchise Owner unless CruiseOne otherwise agrees in writing.

"Operations Standards Manual" means all manuals, and any revisions thereto, prepared for the internal use of the Franchised Business currently or subsequently produced by, or for the benefit of, CruiseOne and loaned to Franchisee.

"Notice of Default" means a written notice briefly describing any default under this Agreement.

"Opening Date" means the date on which the Franchised Business is first opened for business to the general public.

"Proprietary Marks" means the service mark *CruiseOne*® and all other trademarks, service marks, trade names, logos and commercial symbols that CruiseOne authorizes from time to time as part of the System.

"Proprietary Property" means the Proprietary Marks, Confidential Information, and copyrighted information of CruiseOne or its affiliates that Franchisee may use under this Agreement.

"Royalty Fee" means, collectively, the Insurance Royalty Fee and the Sales Royalty Fee.

"Significant Other(s)" means, with respect to any person, any individual of majority age residing in the same household as: (a) such person (if such person is an individual); or (b) any individual who holds an ownership interest in such person (if such person is an entity).

"Service Fee" has the meaning set forth in Section 3.1.c.

"System" means CruiseOne's system for developing and operating a cruise and limited travel-sales business. The System includes specific standards and procedures and Proprietary Property—all of which may be improved, further developed, or otherwise modified as well as those features described in this Agreement.

"Term" means the term of the Agreement described in ARTICLE 16.

17.2. Other Definitional Provisions.

a. **"Including (include)"** means "including (include), without limitation." **"Or,"** as in "A or B," means "A or B or both." **"Herein,"** **"hereunder,"** and **"hereof"** refer to this Agreement, and not to the specific section in which that term occurs.

b. The term **"person"** includes any corporation, partnership, limited liability company, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual, government, institution, instrumentality, and other entity, enterprise, association, or endeavor of every nature and kind.

ARTICLE 18. GENERAL PROVISIONS

18.1. **Entire Agreement.** This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations, and agreements. Nothing in this or any other related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you. You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

18.2. **Amendments.** The provisions of this Agreement may be amended, supplemented, waived or changed only by a written document signed by the party as to whom enforcement of any such amendment, supplement, waiver, or modification is sought and making specific reference to this Agreement. With respect to CruiseOne, only a duly authorized executive officer of CruiseOne has the authority to execute any amendment on behalf of CruiseOne. None of CruiseOne's other officers, employees, or agents have authority to

execute any amendment. This Section is subject to the terms of Sections 18.3 and 18.6.

18.3. Modification of the System. FROM TIME TO TIME AFTER THE AGREEMENT DATE, CRUISEONE MAY CHANGE OR MODIFY THE SYSTEM (INCLUDING THE TYPES OF GOODS AND SERVICES OFFERED BY THE FRANCHISED BUSINESS). THE FRANCHISEE SHALL ACCEPT, AND IS BOUND BY, SUCH CHANGES TO AND MODIFICATIONS OF THE SYSTEM AS IF THEY WERE PART OF THIS AGREEMENT AT THE TIME IT WAS EXECUTED. THE FRANCHISEE SHALL MAKE ALL SUCH EXPENDITURES AS CRUISEONE MAY REASONABLY REQUIRE TO TIMELY AND EXPEDITIOUSLY IMPLEMENT AND COMPLY WITH SUCH CHANGES OR MODIFICATIONS.

18.4. Binding Effect. All of the terms and provisions of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective legal representatives, heirs, successors, and permitted assigns.

18.5. Notices. All notices, requests, demands, consents and other communications required or permitted under this Agreement must be in writing and must be (as elected by the person giving such notice) hand delivered by messenger or courier service, mailed by registered or certified mail (postage prepaid), return receipt requested, addressed to the parties at their respective addresses set forth adjacent to their respective signatures below or to such other address as that party may designate by notice complying with the terms of this Section 18.5. Each such notice is deemed delivered: (a) on the date delivered if by personal delivery; (b) on the date of transmission, with confirmed answer back if by facsimile or e-mail; or (c) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities or courier service as not deliverable, as the case may be, if mailed or couriered.

18.6. Severability. If any provision of this Agreement, or any other agreement entered into under this Agreement, is contrary to, prohibited by, or deemed invalid under applicable law or regulation, such provision is inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder of this Agreement is not invalidated thereby and is to be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision has the meaning that renders it valid and enforceable.

18.7. Waivers. The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, does not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. A waiver by any party of any breach of any provision of this Agreement is not to be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any case, of itself, entitles such party to any other or further notice or demand in similar or other circumstances.

18.8. Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.*), this Agreement and any other agreement relating thereto, and all transactions contemplated hereby and thereby, as well any Dispute, are governed by, and are to be construed and enforced in accordance with, the internal laws of Florida, without regard to its conflict-of-laws principles. NOTWITHSTANDING THE FOREGOING, ANY STATUTES IN THE FOREGOING JURISDICTION REGULATING THE OFFER OR SALE OF FRANCHISES, BUSINESS OPPORTUNITIES, OR SIMILAR INTERESTS OR GOVERNING THE RELATIONSHIP BETWEEN THE PARTIES TO THIS AGREEMENT, OR BETWEEN CRUISEONE AND THE FRANCHISEE'S GUARANTORS AND OWNERS, IF ANY, DO NOT APPLY UNLESS THEIR RESPECTIVE JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION.

18.9. Jurisdiction and Venue. A substantial portion of the negotiations, anticipated performance, and execution of this Agreement occurred or will occur in Broward County, Florida. Therefore, subject to the provisions of ARTICLE 15, each of the parties irrevocably and unconditionally: (a) agrees that any suit, action or legal proceeding arising out of or relating to any Dispute must be brought only in the courts of record of the State of Florida in Broward County or the District Court of the United States, Southern District of Florida; (b) consents to the jurisdiction of each such court in any suit, action, or proceeding; (c) waives any objection that it may have to the laying of venue of any such suit, action, or proceeding in any of such courts; and (d) agrees that service of any court paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws or court rules in the State of Florida.

18.10. Waiver of Punitive Damages Claims. EXCEPT AS SET FORTH IN SECTION 13.1.(e), TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES MUTUALLY AND WILLINGLY WAIVE ANY RIGHT TO, OR CLAIM FOR, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. IN THE EVENT OF A DISPUTE BETWEEN THE PARTIES, EACH IS LIMITED TO RECOVERING ONLY

THE ACTUAL DAMAGES IT SUSTAINS.

18.11. **Waiver of Jury Trial.** THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE—including ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD-PARTY CLAIMS AND INTERVENOR'S CLAIMS—WHETHER ARISING FROM OR RELATED TO THE SALE, NEGOTIATION, EXECUTION, OR PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS AGREEMENT RELATES.

18.12. **Remedies Cumulative.** Except as otherwise expressly provided in this Agreement, no remedy in this Agreement conferred upon any party is intended to be exclusive of any other remedy. Each and every such remedy is cumulative and is in addition to every other remedy given under this Agreement or, subject to any choice of law provided in this Agreement, now or later existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy under this Agreement precludes any other or further exercise of such right, power, or remedy.

18.13. **Effectiveness; Counterparts.** This Agreement is not effective or binding or enforceable against CruiseOne until it is accepted by CruiseOne and executed by a duly authorized executive officer. No other officer, employee or agent of CruiseOne has authority to accept or execute this Agreement on behalf of CruiseOne. Franchisee is advised not to incur any expenses with respect to opening the Franchised Business until Franchisee has received a final executed copy of this Agreement from CruiseOne's home office executed by its President. This Agreement may be executed in two or more counterparts, each of which is an original, but all of which together constitute one and the same instrument. Confirmation of execution by or scanned and e-mailed, signature page is binding upon any party so confirming.

18.14. **Interpretation.** Each of the parties has been or has had the opportunity to have been represented by their own counsel throughout the negotiations, as well as at the execution of this Agreement and all the other documents executed incidental to this Agreement. Therefore, either while this Agreement is effective or after its expiration or sooner termination, none of the parties may claim or assert that any provision of this Agreement or of the other documents should be construed against the drafter thereof.

18.15. **Survival.** All CruiseOne's and Franchisee's respective obligations that expressly or by their nature survive the expiration or sooner termination of this Agreement continue in full force and effect subsequent to and notwithstanding its expiration or termination. Such obligations continue in full force and effect until they are satisfied or by their nature expire.

18.16. **Force Majeure.** CruiseOne is not liable for loss or damage, or deemed in breach of this Agreement, if its failure to perform its obligations results from any of the following causes: (a) telecommunications and utilities interruptions (including loss of Internet and electrical service), computer malfunctions (including malfunctioning computer hardware and software and peripherals), extreme weather and climatic conditions (including hurricanes, cyclones, and flooding), transportation shortages or inadequate supply of equipment, merchandise, labor, material, or energy; (b) compliance with any applicable law; (c) war, acts of terrorism, strikes, natural disaster, or acts of God; or (d) any other cause beyond its reasonable control. Any delay in CruiseOne's performance resulting from any of said causes extends the time for performance accordingly or excuses performance, in whole or in part, as may be reasonable. Without limiting the generality of the foregoing, Franchisee acknowledges that services involving, or depending upon, computers or the Internet may be unreliable and that service interruptions thus will occur even in the exercise of the greatest care. Accordingly, CruiseOne disclaims any representations, warranties, and covenants—express or implied—that the services it is obligated to perform that involve, or depend upon, using computers, software, or the Internet will be provided free from interruption or malfunction.

18.17. **Performance Right.** If Franchisee defaults in performing any of its obligations under this Agreement, CruiseOne has the right (but not the duty) to perform Franchisee's obligations. If it does, Franchisee shall immediately reimburse CruiseOne for the actual costs of so performing.

18.18. **Joint and Several Liability; Joinder.** If Franchisee is an individual, then Franchisee and Franchisee's spouse, if applicable, must sign the Joinder agreement below. If Franchisee is an entity, then all Franchisee's legal and beneficial owners, as well as their spouses, will execute the Joinder agreement set forth below. By doing so, each person agrees, among other things, that he or she is bound by all the terms of this Agreement as if he or she were the Franchisee thereunder and agrees that he or she is jointly and severally liable with the others and Franchisee for all Franchisee's obligations under this Agreement. The parties are executing and delivering this Agreement on the Effective Date.

THE NEXT PAGE IS THE SIGNATURE PAGE

The parties are duly executing and delivering this Agreement on the Effective Date.

CRUISEONE:

CruiseOne, Inc.

By: _____
(signature)

Print Name: Drew Daly
Title: Senior Vice President/General Manager
Company Address: 1201 W Cypress Creek Rd, Suite 100,
Ft Lauderdale, Florida 33309-1955
Email: contractadministration@wth.com
Date: _____

THE FRANCHISEE:

Insert Franchisee name below *(complete blank immediately below with a company name only if Franchisee is a company instead of an individual)*:

By: _____
(signature)

Print Name: _____
Title *(complete only if a Company name is filled in above)*:

By: _____
(signature)

Print Name: _____
Title *(complete only if a Company name is filled in above)*:

Print Name: _____
Title *(complete only if a Company name is filled in above)*:

By: _____
(signature)

Print Name: _____
Title *(complete only if a Company name is filled in above)*:

Franchisee Address: _____

Personal Email: _____

Date: _____

JOINDER

The parties signing below constitute all Franchisee's beneficial and legal owners, as well as their spouses. Each of such parties agrees that he or she is jointly and severally liable with each other and Franchisee for all Franchisee's obligations under this Agreement, and is personally bound by all the terms thereof as if he or she were Franchisee thereunder.

(signature)
Print Name: _____
Ownership Percentage: _____%

(signature)
Print Name: _____
Ownership Percentage: _____%

(signature)
Print Name: _____
Ownership Percentage: _____%

(signature)
Print Name: _____
Ownership Percentage: _____%

SCHEDULE 1.1 GRANT/FRANCHISEE LEVEL

Franchisee is a Level ____ Franchisee.

SCHEDULE 1.2

LOCATION OF THE FRANCHISED BUSINESS/ DESCRIPTION OF THE CONTACT LOCATION

The Contact Location is _____.

Per 1.3 of the Franchise Agreement, Franchisee is not granted an exclusive or protected territory.

EXHIBIT 3.1.A NOTE AND GUARANTY

(SEE ATTACHED.)

Exhibit 3.1.a.
PROMISSORY NOTE

U.S. \$ _____

Date: __, ____, 20

Maturity Date: _____

FOR VALUE RECEIVED, the undersigned ("**Maker**"), hereby promises to pay to the order of CRUISEONE, INC. ("**Payee**"), at 1201 W Cypress Creek Rd, Suite 100, Ft Lauderdale, FL 33309-1955 (or at such other place or places as Payee may designate in writing, from time to time), the principal sum set forth above, or such lesser sum outstanding at the time when payment is due under this promissory note (the "**Note**"), in lawful money of the United States of America, together with interest due and payable thereon (collectively, the "**Debt**", if any, from and at the times and at the rates hereinafter provided.

Maker shall pay interest on the principal balances from time to time outstanding from the date hereof at a rate of interest equal to the Prime Rate, plus 6%. The "**Prime Rate**" is the "Prime Rate" reported in the "Money Rates" section of the Wall Street Journal (or any comparable interest index that Payee may select) on the date of this Note set forth above. Maker shall pay the entire principal amount of the Debt on the Maturity Date set forth above--together with accrued interest. Maker shall make principal and interest payments in equal monthly installments of \$ _____, on the 25th of each month, beginning with the month of the date of this Note set forth above.

Upon the Maturity Date, the interest rate under this Note is the lesser of (i) 18% per year or (ii) the maximum rate of interest permitted by applicable law (the "**Default Interest Rate**") and is due and payable ON DEMAND.

Payee may require Maker to pay amounts due under this Note by electronic funds transfer or by authorizing Maker to debit Payee's credit card or bank account. If it does so require, Payee shall promptly take any actions and execute any documents that may be necessary to implement the required manner of payment and otherwise make or authorize such payments in the manner Payee directs.

Upon the occurrence of an Event of Default (defined below), Payee may declare the entire principal amount outstanding hereunder, together with all interest accrued thereon, immediately due and payable. Upon such declaration, interest immediately begins to accrue on all principal balances due under this Note at the Default Interest Rate.

If any of the following events occur (each an "**Event of Default**"), Maker is in default under this Note:

- a) Maker fails to pay any installment of principal or interest when due or fails to timely pay or perform any of its other obligations under this Note;
- b) Maker defaults under the franchise agreement (the "**Franchise Agreement**") it is entering with Payee simultaneously with issuing this Note, or any other agreement with Payee or any of its affiliates, subject to any notice and cure period provided under such agreements;
- c) Maker transfers (as said term is defined in the Franchise Agreement) or otherwise assigns the Franchise Agreement or any interest therein or in Maker if Maker is a business entity (whether or not Payee consents thereto);
- d) if Maker—or any person signing on Maker's behalf—is an individual, such individual dies or becomes incapacitated; or, if Maker is a partnership, any partner dies; or if Maker—or any person signing on Maker's behalf or owning more than 50% of the ownership or voting interests in Maker—is an entity, and such entity dissolves;
- e) Maker makes any assignment for the benefit of creditors;
- f) Maker becomes insolvent or fails to pay its debts as and when they become due and payable;
- g) Maker is adjudicated bankrupt; or
- h) Any person files an action—voluntary or involuntary—for the purpose of declaring Maker bankrupt or insolvent or for the purpose of subjecting Maker to reorganization, receivership or dissolution.

Maker and all endorsers and guarantors of this Note, if any, hereby waive valuation and appraisal, demand, presentment, notice of non-payment, dishonor and protest. If suit is brought for the collection of this Note, or if it is necessary to place this Note in the hands of a collection agency or an attorney for collection—whether or not suit is instituted—Maker and all endorsers and guarantors of this Note, if any, shall pay reasonable collection and attorney's fees for undertaking such collection to Payee.

Attorney's fees include all fees and costs incident to any appellate, post-judgment, and bankruptcy proceedings that may result. Amounts due under this paragraph are treated as added to the principal amount due under this Note—with interest accruing thereon at the Default Interest Rate—and are due and payable on demand.

Broward County, Florida, is the proper and exclusive jurisdiction and venue for any proceedings arising out of this Note. Maker hereby consents—and waives all right to object—to the jurisdiction and venue of the federal and state courts closest to such location. Payee, however, may pursue any remedies in any jurisdiction and venue in which Maker is located. The provisions of this Note are governed by and must be interpreted and construed according to the internal laws of the State of Florida, without regard to principles of conflicts of laws.

All persons constituting Maker—or signing below on its behalf—are jointly and severally liable for all Maker’s obligations under this Note and are bound by all the terms hereof.

At any time, if any party fails or delays requiring performance by Maker or any person liable for Maker’s obligations under this Note, that failure does not affect Payee’s right to require performance or to exercise any right, power or remedy hereunder. A waiver by Payee of any breach of any provision of this Note must not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Note. No notice to or demand on any party in any case, of itself, entitles that party to any other or further notice or demand in similar or other circumstances.

This Note may be prepaid in whole or part without premium or penalty. This Note is negotiable. Payee may assign this Note to any assignee.

The following do not in any way release or affect Maker’s, or any endorser’s or guarantors, liability under this Note:

- a) Payee grants Maker, or any other party any extension of time to pay any sums due under this Note or perform any obligation herein or in any other document securing the payment of this Note; or
- b) Payee releases Maker or any other party; agrees not to sue Maker or any other party; suspends the right to enforce this Note against Maker or any other party; discharges Maker or any other party; or takes or releases any collateral or security.

This Note may not be amended or modified—nor may any waiver of any provisions hereof be effected—except by an instrument in writing executed by Payee. Each of Maker and all other persons signing this Note have executed this Note as a principal and not as surety or accommodation party.

“Including (include)” means “including (include), without limitation.” “Or,” as in “A or B” means “A or B or both.” “Herein,” “hereunder,” And “hereof” refer to this Note, and not to the specific sentence or paragraph in which that term occurs.

Time is of the essence as to all dates set forth herein. All references to Payee include any assignee or holder of this Note as well.

Nothing contained in this Note—nor any transaction related hereto—may be construed or operate to require Maker to pay interest at a greater rate than is now lawful in the circumstances. If any interest or other charges paid by Maker, or other parties liable for the payment of this Note, in connection with the Debt result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, then any such interest and other charges are waived by Payee. Any such excesses are automatically credited against the balance due under this Note. Payee shall pay Maker and any parties liable for the payment of this Note the portion of any excess that exceeds the balance due under this Note.

BY THEIR RESPECTIVE SIGNING AND ACCEPTING THIS NOTE, THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A JURY TRIAL OF ANY CLAIMS MADE BETWEEN THEM—WHETHER NOW EXISTING OR ARISING IN THE FUTURE. SUCH CLAIMS INCLUDE, WITHOUT LIMITATION, ANY CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS-CLAIMS, THIRD-PARTY CLAIMS AND INTERVENOR’S CLAIMS—WHETHER ARISING FROM OR RELATED TO THE NEGOTIATION, EXECUTION AND PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS DOCUMENT RELATES.

MAKER:

Insert Maker name below *(complete blank immediately below with a company name only if Franchisee is a company instead of an individual):*

By: _____ (signature)

Print Name: _____ Title *(complete only if a Company name is filled in above):*

Exhibit 3.1.a. GUARANTY

This Guaranty (this "**Guaranty**") is executed by the undersigned guarantors (each a "**Guarantor**," and collectively, the "**Guarantors**") and delivered to CruiseOne, Inc. ("**Franchisor**"), on _____, 20__.

In consideration of, and as an inducement to, Franchisor's accepting from _____ ("**Franchisee**") the Note Franchisee is issuing to Franchisor simultaneously herewith (the "**Note**") to evidence and embody certain payments Franchisee must pay Franchisor under the franchise agreement the parties are entering (the "**Franchise Agreement**"), each of the undersigned—constituting all Franchisee's legal and beneficial owners—hereby personally and unconditionally guarantees to Franchisor, and its successors and assigns, that:

- 1) Franchisee pays and performs all of its obligations under the Note (the "**Franchisee's Obligations**," Which obligations include, without limitation, the obligation to pay all principal and interest due thereunder); and
- 2) he or she is personally bound by each of Franchisee's Obligations as if he or she were the maker under the Note; and
- 3) he or she is personally liable for Franchisee's breach of any of Franchisee's Obligations.

Each of the undersigned waives:

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

Each of the undersigned agrees that:

- 1) his or her direct and immediate liability under this Guaranty is joint and several with each other guarantor, if any, under this or any other guaranty;
- 2) he or she must render any payment or performance required under the Note, upon demand, if Franchisee fails or refuses punctually to do so;
- 3) such liability is not contingent or conditioned upon Franchisor's pursuing any remedy against Franchisee or any other person; and
- 4) and such liability is not diminished, discharged, or otherwise affected by any extension of time, credit, or other indulgence that Franchisor may grant to Franchisee or to any other person (including, without limitation, the acceptance of any partial payment or performance, release of any collateral, the compromise or release of any claims, or amending any of the provisions of the Note or Franchise Agreement, whether or not any of the undersigned consent thereto, none of which in any way modify or amend this guaranty).

This Guaranty is a guaranty of payment and not of collection. This Guaranty is irrevocable and continues in full force and effect until all of Franchisee's Obligations are duly, finally and permanently paid, performed and discharged and are not subject to any right of reborrowing or extension by Franchisee, and Franchisor gives the Guarantors written notice of the full and final satisfaction of Franchisee's Obligations. Franchisee's Obligations are not considered fully paid, performed and discharged unless and until all payments by Franchisee, and any Guarantor, to Franchisor are no longer subject to any right on the part of any person whomsoever—including, without limitation, Franchisee, Franchisee as a debtor in possession or any trustee in bankruptcy—to disgorge such payments or seek to recoup the amount of such payments or any part thereof. This Guaranty remains in full force and effect and continues to be effective if (i) any petition is filed by or against Franchisee or any Guarantor for liquidation or reorganization, including, without limitation, under Title 11 of the United States Code, 11 U.S.C. Sec. 101 et seq. (the "**Code**"), (ii) Franchisee or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors or (iii) a receiver or trustee is appointed for all or any significant part of Franchisee's or any Guarantor's assets. This Guaranty continues in effect or is reinstated, as applicable, if at any time payment and

performance of Franchisee's Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by Franchisor, whether as a "voidable preference", "fraudulent conveyance" or otherwise, all as though such payment or performance had not been made. If any payment of Franchisee's Obligations, or any part thereof, is rescinded, reduced, restored or returned, Franchisee's Obligations are to be reinstated and deemed reduced only by such amount paid to Franchisor and not so rescinded, reduced, restored or returned.

In addition to the amounts guaranteed under this Guaranty, the Guarantors are jointly and severally obligated to pay (i) all of Franchisor's attorneys' fees and other costs and expenses that may be incurred by Franchisor to enforce this Guaranty and (ii) interest (including postpetition interest to the extent a petition is filed by or against Franchisee under the Code) at the Default Interest Rate (as defined in the Note) on any of Franchisee's Obligations not paid when due.

The state and county where Franchisor's principal office then is located are the proper and exclusive jurisdiction and venue for any proceedings arising out of this Guaranty. On the date hereof, the Franchisor's principal office is located in Broward County, Florida. Each of the undersigned hereby consents—and hereby waives all right to object—to the jurisdiction and venue of the federal and state courts closest to such location. Franchisor, however, may pursue any remedies in any jurisdiction and venue in which any Guarantor is located. The provisions of this Guaranty are governed by and to be interpreted and construed according to the internal laws of the State of Florida, without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his or her signature on the day and year set forth in the first paragraph hereof.

GUARANTORS: OWNERSHIP PERCENTAGE IN FRANCHISEE:

_____%
Print Name:

_____%
Print Name:

_____%
Print Name:

Exhibit 16. SUCCESSOR FRANCHISE AGREEMENT ADDENDUM

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement (the "Agreement") is hereby made and entered into on this ____ day of _____, 20__ (the "Effective Date"), by and between: (i) CruiseOne, Inc., a Florida corporation with a business address at 1201 W Cypress Creek Road, Suite 100, Ft. Lauderdale, Florida 33309 (the "Franchisor"); and (ii) [Enter Franchisee Name], a(n) [Enter State] [Enter Entity Type] with a business address at [Enter Franchisee Address] (the "Franchisee").

BACKGROUND

A. On [Enter Date], Franchisor and Franchisee entered into a franchise agreement (the "Franchise Agreement"), pursuant to which Franchisee obtained the right and undertook the obligation to own and operate a CruiseOne franchised business (the "Franchised Business").

B. Contemporaneous with the execution of this Agreement, Franchisee is entering into a successor franchise agreement (the "Successor Franchise Agreement") pursuant to which Franchisee renews the Franchised Business for an additional term of five (5) years (the "Renewal").

C. The parties desire to amend the Successor Franchise Agreement to recognize the renewal of the franchise relationship, pursuant and subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Agreement and for other mutual consideration between the parties, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Background; Definitions.**

a. The parties agree and acknowledge that the Background portion of this Agreement, including all definitions, representations, and provisions set forth therein, is hereby incorporated by reference as if fully set forth in this Section.

b. For purposes of this Agreement, if a capitalized term in this Agreement is not specifically defined herein, that term will be given the same definition that the term is afforded in the Successor Franchise Agreement, as applicable.

2. **Mandatory Initial Training.** Section 2.1 of the Successor Franchise Agreement is hereby deleted in its entirety.

3. **Initial Franchise Fee.** Section 3.1(a) of the Successor Franchise Agreement is hereby amended to state that Franchisee is not required to pay an Initial Franchise Fee.

4. **Conditions Precedent to Operating the Franchised Business.** Section 4.1 of the Successor Franchise Agreement is deleted in its entirety.

5. **Certification of Performance.** Section 4.10 of the Successor Franchise Agreement is deleted in its entirety.

6. **Franchisee's Termination Right.** Section 11.6 of the Successor Franchise Agreement is deleted in its entirety.

7. **Construction of Language.** The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. The parties have had a reasonable opportunity to review this Agreement. In the event of an ambiguity or if a question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all of the parties, and no presumptions or burdens of proof shall arise in favor of any party by virtue of the authorship of any of the provisions of this Agreement. Headings are for reference purposes and do not control interpretation.

8. **Entire Agreement.** The Successor Franchise Agreement and this Agreement constitute the entire, full, and complete agreement between the parties concerning the subject matter herein and supersede any and all prior agreements. In the event of a conflict between the terms of the Successor Franchise Agreement and this Agreement, the terms of this Agreement shall control. Except as amended by this Agreement, all other terms and conditions of the Successor Franchise Agreement are hereby ratified and confirmed, including the provisions related to governing law, venue and dispute resolution that will also apply to this Agreement.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR

CRUISEONE, INC.

FRANCHISEE

[ENTER FRANCHISEE NAME]

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit B
to the Franchise Disclosure Document
TABLE OF CONTENTS- OPERATIONS MANUAL

CHAPTER ONE - INTRODUCTION.....10

| | | |
|-------|---|----|
| 1 | Welcome and Thank You! | 10 |
| 2 | How to Use This Manual | 11 |
| 2.1 | Confidential Use | 11 |
| 2.2 | Assignment of Manual | 12 |
| 3 | Mission, Purpose, Values | 13 |
| 3.1 | Mission | 13 |
| 3.2 | Purpose | 13 |
| 3.3 | Values | 13 |
| 4 | You Are the CEO of Your Own Business | 14 |
| 5 | The Franchisee/Franchisor Relationship | 15 |
| 5.1 | Defining the Relationship | 15 |
| 5.2 | Franchisee Code of Ethics | 15 |
| 5.2.1 | Communication | 15 |
| 5.2.2 | Mistakes and Errors | 16 |
| 5.2.3 | Conflict Resolution | 16 |
| 5.3 | Franchisee Profile and Form | 16 |
| 5.4 | The Role of the Franchisor | 17 |
| 5.4.1 | CruiseOne Support Personnel | 17 |
| 5.4.2 | Cruise Line Support Personnel | 18 |
| 5.5 | The Role of the Franchisee | 18 |
| 5.5.1 | Obligations to Yourself and Your Business | 19 |
| 5.5.2 | Obligations to CruiseOne, Inc. | 20 |
| 5.5.3 | Obligations to People You Work With | 20 |
| 5.5.4 | Obligations to Your Clients | 21 |
| 6 | Successor Franchise Agreement | 22 |
| 7 | Transfer of Franchise | 22 |

CHAPTER TWO -SELECTING PROFESSIONAL ADVISORS.....25

| | | |
|---|------------------------------|----|
| 1 | Selecting an Attorney | 25 |
| 2 | Selecting an Accountant | 27 |
| 3 | Selecting a Banker/Lender | 28 |
| 4 | Selecting an Insurance Agent | 30 |

CHAPTER THREE - ESTABLISHING A BUSINESS ENTITY.....31

| | | |
|-----|-------------------------------------|----|
| 1 | Naming and Identification | 31 |
| 1.1 | Correct Use of the Name | 31 |
| 1.2 | Sample Check Heading Names | 32 |
| 1.3 | Internet Advertising Prohibition | 32 |
| 2 | Independent Contractor Relationship | 33 |
| 3 | Independently Owned and Operated | 34 |
| 4 | Tax Identification Numbers | 35 |

CHAPTER FOUR - CREATING A BUSINESS PLAN.....36

| | | |
|-----|--------------------------|----|
| 1 | Importance of the Plan | 36 |
| 2 | Business Plan Summary | 38 |
| 2.1 | Variables | 39 |
| 3 | Expense Forms | 40 |
| 3.1 | Initial Capital Expenses | 40 |
| 3.2 | Annual Expenses Form | 41 |

| | | |
|-----|---------------------------------------|----|
| 3.3 | Setting Sales Goals | 42 |
| 4 | Recommended Reports and Records | 43 |
| 4.1 | Monthly Report..... | 43 |
| 4.2 | Quarterly Report | 43 |
| 4.3 | Annual Report | 43 |

CHAPTER FIVE - OBTAINING INSURANCE44

| | | |
|-----|--|----|
| 1 | General Requirements..... | 45 |
| 1.1 | Evidence of Coverage..... | 45 |
| 2 | Required Insurance | 46 |
| 2.1 | Travel Agent's Professional Liability Insurance/Errors & Omissions | 46 |
| 2.2 | Workers' Compensation..... | 47 |
| 2.3 | Homeowner's Rider..... | 47 |
| 2.4 | Insurance Required by Law | 48 |

CHAPTER SIX - LICENSES, PERMITS AND CERTIFICATIONS..... 49

| | | |
|-------|--|----|
| 1 | Business Licensor Business Tax Certificate | 49 |
| 2 | Sales Tax Certificates | 50 |
| 3 | Local Requirements..... | 50 |
| 4 | Telephones..... | 51 |
| 4.1 | Answering Services | 51 |
| 4.1.1 | Arranging Phone Service..... | 51 |
| 5 | Bank Accounts | 53 |
| 6 | Equipment..... | 54 |
| 7 | Information Technology..... | 54 |

CHAPTER SEVEN -COMMUNICATION57

| | | |
|-------|-----------------------------|----|
| 1 | Introduction..... | 57 |
| 2 | Preferred Methods | 58 |
| 3 | General Standards..... | 58 |
| 4 | Graphic Standards | 59 |
| 4.1 | Service Mark Usage | 59 |
| 4.2 | Corporate Color Usage..... | 59 |
| 4.3 | Supporting Typography | 60 |
| 4.4 | Singular/Plural Name..... | 60 |
| 4.4.1 | Singular..... | 60 |
| 4.4.2 | Plural..... | 60 |
| 4.5 | Email Address..... | 61 |

CHAPTER EIGHT - OPERATING THE FRANCHISE62

| | | |
|-----|---|----|
| 1 | Franchise Requirements | 62 |
| 1.1 | Training | 62 |
| 1.2 | Books, Records and Reports | 63 |
| 2 | Definitions | 64 |
| 2.1 | Annual Commissionable Gross Sales | 64 |
| 2.2 | Contract Year | 64 |
| 2.3 | Gross Departed Revenue..... | 64 |
| 3 | Fees | 64 |
| 3.1 | Royalty Fee..... | 64 |
| 3.2 | Marketing Contribution..... | 67 |
| 3.3 | Administrative Service Fee | 67 |
| 3.4 | Other Administrative Fees | 68 |

| | | |
|-------|--|----|
| 3.5 | Commissions | 68 |
| 3.5.1 | Collection | 68 |
| 3.5.2 | Loss of Commissions | 68 |
| 4 | Operational Requirements | 69 |
| 4.1 | Business Requirements | 69 |
| 4.2 | CLIA and IATAN Numbers | 69 |
| 4.3 | Computer Systems | 70 |
| 4.4 | Reservations Systems | 70 |
| 4.5 | Notice of Pending Bookings | 70 |
| 4.6 | Payment Types | 70 |
| 4.7 | Preferred Suppliers, Approval of New Suppliers & Travefy | 71 |
| 5 | Policies and Procedures | 72 |
| 5.1 | Seminars at Sea | 72 |
| 5.2 | Familiarization Trips and Agent Rates | 72 |
| 5.2.1 | Familiarization(FAM) Trips | 72 |
| 5.3 | Agent Rateand Reduced Rate Trips | 73 |

CHAPTER NINE – PERSONNEL75

| | | |
|------|---|----|
| 1 | Overview and Disclaimer | 75 |
| 2 | Laws and Requirements | 76 |
| 3 | Franchise Employee Policy | 77 |
| 4 | Employment Positions | 78 |
| 4.1 | Pied Piper | 78 |
| 4.2 | Business Manager | 78 |
| 4.3 | Administrative Assistant | 78 |
| 4.4 | Telephone Answering Service | 78 |
| 4.5 | Associate Program | 78 |
| 5 | Employee Requirements | 80 |
| 5.1 | Employee Errors & Omissions Insurance | 80 |
| 5.2 | Background Checks | 81 |
| 5.3 | Phone Number | 81 |
| 5.4 | Advertising | 81 |
| 5.5 | Business Cards | 82 |
| 5.6 | CruiseLine Recognition | 82 |
| 6 | Employees Becoming Franchisees | 83 |
| 7 | The Hiring Process | 84 |
| 7.1 | Interviewing | 84 |
| 7.2 | Legally Permitted Questions | 84 |
| 7.3 | Describing the Job | 84 |
| 7.4 | Ask Open-ended Questions | 85 |
| 7.5 | Ask About References | 85 |
| 7.6 | Ending the Interview | 85 |
| 7.7 | Follow-up | 85 |
| 7.8 | Document Your Impressions | 86 |
| 7.9 | Select the Right Candidates | 86 |
| 7.10 | Starting the New Employee | 86 |
| 8 | Paperwork | 87 |
| 8.1 | Creating an Employee Handbook | 87 |
| 8.2 | Making Personnel Files | 87 |
| 9 | Personnel Forms | 88 |
| 9.1 | Managing Personnel Files | 89 |
| 10 | Managing Staff | 90 |
| 10.1 | Training and Coaching | 90 |
| 10.2 | Counseling and Documentation | 90 |

10.3 Performance Appraisals 91

| | | |
|--------|--|----|
| 10.4 | Termination | 92 |
| 10.4.1 | How to Terminate | 92 |
| 10.4.2 | Your Responsibilities at Termination..... | 93 |
| 11 | Employment Forms | 94 |
| 11.1 | Associate's Training and E&O Application | 94 |

CHAPTER TEN –MARKETING..... 96

| | | |
|-----|---|----|
| 1. | Marketing Your Business | 96 |
| 2. | Marketing Plan | 96 |
| 3. | Marketing Allocation & the Marketing Contribution | 96 |
| 4. | Branding Your Business & Yourself | 97 |
| 5. | Marketing Inside Out..... | 98 |
| 6. | Marketing Programs Available For Use..... | 98 |
| 7. | Advertising Approval and Restrictions | 99 |
| 8. | Marketing Policies..... | 99 |
| 8.1 | Logo, Advertising & Style Guidelines..... | 99 |
| 8.2 | Online Marketing Policy..... | 99 |
| 8.3 | Facebook Policy..... | 99 |
| 8.4 | You Tube Policy..... | 99 |

| | |
|---------------------------------------|------|
| Business Center User Guidelines | 100. |
|---------------------------------------|------|

STYLE GUIDE.....

Exhibit C
to the Franchise Disclosure Document
FINANCIAL STATEMENTS

CruiseOne, Inc.
(A Wholly Owned Subsidiary of
World Travel Holdings, Inc.)

Financial Report
December 31, 2024

Contents

| | |
|---|------|
| Independent auditor's report | 1-2 |
| Financial statements | |
| Balance sheets | 3 |
| Statements of income | 4 |
| Statements of changes in shareholder's equity | 5 |
| Statements of cash flows | 6 |
| Notes to financial statements | 7-15 |

Independent Auditor's Report

Board of Directors and Shareholder
CruiseOne, Inc.

Opinion

We have audited the financial statements of CruiseOne, Inc. (the Company) (a wholly owned subsidiary of World Travel Holdings, Inc.), which comprise the balance sheets as of December 31, 2024, 2023 and 2022, the related statements of income, changes in shareholder's equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

Emphasis of Matter

As discussed in Notes 2 and 5, the entity engages in a number of related party transactions with World Travel Holdings, Inc., its parent company. Our opinion is not modified with respect to this matter.

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 issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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-related matters that we identified during the audit.

RSM US LLP

Boston, Massachusetts
March 31, 2025

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Balance Sheets
December 31, 2024, 2023 and 2022

| | 2024 | 2023 | 2022 |
|--|----------------------|----------------------|----------------------|
| Assets | | | |
| Current assets: | | | |
| Cash | \$ 14,024,684 | \$ 12,780,192 | \$ 11,704,793 |
| Accounts receivable, net | 931,632 | 900,977 | 1,140,683 |
| Prepaid expenses and other current assets | 330,372 | 166,053 | 110,357 |
| Due from World Travel Holdings, Inc. | 14,645,020 | 10,489,139 | 4,370,588 |
| Total current assets | 29,931,708 | 24,336,361 | 17,326,421 |
| Property and equipment, net | 419,604 | 377,142 | 571,283 |
| Intangible assets, net | 6,213 | 15,793 | 25,373 |
| Long-term receivables | 59,339 | 34,998 | 90,986 |
| Right-of-use asset, net | 1,663,952 | 1,902,292 | 558,136 |
| Total assets | \$ 32,080,816 | \$ 26,666,586 | \$ 18,572,199 |
| Liabilities and Shareholder's Equity | | | |
| Current liabilities: | | | |
| Accounts payable | \$ 2,375,664 | \$ 2,935,499 | \$ 3,003,835 |
| Current portion of promissory note | - | 10,833 | 32,500 |
| Right-of-use lease liability, current portion | 228,089 | 151,583 | 631,664 |
| Accrued expenses | 1,267,519 | 1,028,413 | 1,229,942 |
| Unearned revenue | 7,321,245 | 6,564,135 | 5,055,054 |
| Customer deposits | 1,539,538 | 2,855,623 | 3,075,398 |
| Total current liabilities | 12,732,055 | 13,546,086 | 13,028,393 |
| Unearned revenue, net of current portion | 4,212,540 | 3,376,320 | 2,631,854 |
| Promissory note, net of current portion | - | - | 10,833 |
| Right-of-use lease liability, net of current portion | 1,558,844 | 1,786,933 | 50,239 |
| Total liabilities | 18,503,439 | 18,709,339 | 15,721,319 |
| Shareholder's equity: | | | |
| Common stock, \$0.01 par value; 500 shares authorized, issued and outstanding | 5 | 5 | 5 |
| Additional paid-in capital | 2,339,225 | 2,339,225 | 2,339,225 |
| Retained earnings | 11,238,147 | 5,618,017 | 511,650 |
| Total shareholder's equity | 13,577,377 | 7,957,247 | 2,850,880 |
| Total liabilities and shareholder's equity | \$ 32,080,816 | \$ 26,666,586 | \$ 18,572,199 |

See notes to financial statements.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Statements of Income
Years Ended December 31, 2024, 2023 and 2022

| | 2024 | 2023 | 2022 |
|-------------------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | |
| Royalties from travel sales, net | \$ 21,488,636 | \$ 18,607,949 | \$ 13,864,184 |
| Franchise and other fees | 5,053,648 | 4,391,022 | 3,914,646 |
| Total revenues | 26,542,284 | 22,998,971 | 17,778,830 |
| Expenses: | | | |
| Selling, general and administrative | 20,651,706 | 18,472,638 | 15,588,679 |
| Amortization of intangible assets | 9,580 | 9,580 | 9,580 |
| Depreciation | 260,868 | 256,526 | 207,821 |
| Total expenses | 20,922,154 | 18,738,744 | 15,806,080 |
| Other income: | | | |
| Employee retention tax credit | - | 846,140 | - |
| Net income | \$ 5,620,130 | \$ 5,106,367 | \$ 1,972,750 |

See notes to financial statements.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Statements of Changes in Shareholder's Equity
Years Ended December 31, 2024, 2023 and 2022

| | Common Stock | | Additional | Retained | Total |
|-----------------------------------|--------------|-------------|---------------------|--------------------------|----------------------|
| | Shares | Par Value | Paid-in | Earnings | Shareholder's |
| | | | Capital | (Accumulated Deficit) | Equity |
| Balance, December 31, 2021 | 500 | 5 | 8,339,225 | (1,461,100) | 6,878,130 |
| Net income | - | - | - | 1,972,750 | 1,972,750 |
| Dividend | - | - | (6,000,000) | - | (6,000,000) |
| Balance, December 31, 2022 | 500 | 5 | 2,339,225 | 511,650 | 2,850,880 |
| Net income | - | - | - | 5,106,367 | 5,106,367 |
| Balance, December 31, 2023 | 500 | 5 | 2,339,225 | 5,618,017 | 7,957,247 |
| Net income | - | - | - | 5,620,130 | 5,620,130 |
| Balance, December 31, 2024 | 500 | \$ 5 | \$ 2,339,225 | \$ 11,238,147 | \$ 13,577,377 |

See notes to financial statements.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Statements of Cash Flows
Years Ended December 31, 2024, 2023 and 2022

| | 2024 | 2023 | 2022 |
|---|------------------|------------------|--------------------|
| Cash flows from operating activities: | | | |
| Net income | \$ 5,620,130 | \$ 5,106,367 | \$ 1,972,750 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | |
| Amortization of intangible assets | 9,580 | 9,580 | 9,580 |
| Depreciation | 260,868 | 256,526 | 207,821 |
| Amortization of right-of-use asset | 238,340 | 461,710 | 105,655 |
| Allowance for credit losses | - | (5,522) | (9,969) |
| Loss on sale of property and equipment | 17,011 | - | - |
| Changes in operating assets and liabilities: | | | |
| (Increase) decrease in: | | | |
| Accounts receivable | (30,655) | 245,228 | (727,822) |
| Prepaid expenses and other current assets | (164,319) | (55,696) | 42,501 |
| Due from World Travel Holdings, Inc. | (4,155,881) | (6,118,551) | (6,455,186) |
| Long-term receivables | (24,341) | 55,988 | 81,183 |
| Increase (decrease) in: | | | |
| Accounts payable | (559,835) | (68,336) | 1,402,276 |
| Accrued expenses | 239,106 | (201,529) | 710,025 |
| Lease liability | (151,583) | (549,253) | (197,151) |
| Unearned revenue | 1,593,330 | 2,253,547 | 1,445,550 |
| Customer deposits | (1,316,085) | (219,775) | (702,595) |
| Net cash provided by (used in) operating activities | 1,575,666 | 1,170,284 | (2,115,382) |
| Cash flows used in investing activities: | | | |
| Acquisition of property and equipment | (322,871) | (62,385) | (377,096) |
| Proceeds from sale of property and equipment | 2,530 | - | - |
| Net cash used in investing activities | (320,341) | (62,385) | (377,096) |
| Cash flows from financing activities: | | | |
| Payments on promissory note | (10,833) | (32,500) | (21,667) |
| Net cash (used in) provided by financing activities | (10,833) | (32,500) | (21,667) |
| Net increase (decrease) in cash | 1,244,492 | 1,075,399 | (2,514,145) |
| Cash: | | | |
| Beginning | 12,780,192 | 11,704,793 | 14,218,938 |
| Ending | \$ 14,024,684 | \$ 12,780,192 | \$ 11,704,793 |
| Supplemental disclosure of cash flow information: | | | |
| Operating cash outflow—payments on operating leases | \$ 212,405 | \$ 533,933 | \$ 592,631 |
| Supplemental schedule of noncash investing activities: | | | |
| Dividend to settle related party receivables | \$ - | \$ - | \$ 6,000,000 |
| Operating right-of-use asset obtained for a lease liability | \$ - | \$ 1,805,866 | \$ - |

See notes to financial statements.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 1. Organization and Business Activities

CruiseOne, Inc. (the Company) is a provider of cruise, air, hotel, car and land-based vacation packages sold through a network of approximately 2,200 franchisees. The Company is a wholly owned subsidiary of World Travel Holdings, Inc. (WTH). The Company serves customers located in the United States of America (the U.S.) and coordinates travel packages for destinations primarily within the U.S., Mexico, Europe and the Caribbean.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The financial statements of the Company have been prepared for inclusion in the Company's franchise disclosure document. The Company engages in a number of related-party transactions with WTH. Portions of certain revenue and expenses represent allocations made from items applicable to WTH as a whole. The financial statements as reported herein reflect all adjustments which are, in the opinion of management, necessary to present fairly the financial position as of and for the years ended December 31, 2024, 2023 and 2022, and the results of operations and cash flows for the years then ended. All adjustments made to the financial statements include those of a normal and recurring nature.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents: The Company considers all highly liquid investments purchased with a remaining maturity of three months or less to be cash and cash equivalents.

Revenue recognition: The Company recognizes revenue in accordance with Topic 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company's revenue consists of franchise royalties, initial upfront franchise fees, administrative service fees, training and other fees. The Company's products and services are marketed and sold primarily to customers in the U.S. and certain international markets. The Company's results of operations are substantially affected by economic conditions, which can vary significantly by market and can be impacted by consumer disposable income levels and spending habits.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Franchise agreements: The Company's franchise agreements include: (a) the right to use the Company's symbolic intellectual property over the term of each franchise agreement, (b) initial training services, and (c) ongoing administrative and support services. These promises are highly dependent upon and interrelated with the franchise right granted in the franchise agreement, so they are not considered to be individually distinct and, therefore, are accounted for as a single performance obligation. The performance obligation under the franchise agreement is the promise to provide daily access to the intellectual property over the term of each franchise agreement, which is a series of distinct services that represents a single performance obligation. Although the franchisor's underlying activities associated with the intellectual property will vary both within a day and day-to-day, the intellectual property is accessed over time and the customer (the franchisee) simultaneously receives and consumes the benefit from the franchisor's performance of providing access to the intellectual property (including other related activities).

Initial and renewal franchise fees are recognized as revenue on the straight-line basis over the term of the respective agreement. Continuing royalties are calculated as a percentage of travel sales and are related entirely to the Company's performance obligation under the franchise agreement. These royalties are considered variable consideration but because they relate to a license of intellectual property, they are not included in the transaction price. Instead, royalty revenue is recognized as the underlying booking departs. Royalty revenue is reported on a net basis and equals the net commission collected by the Company after deducting the portion earned by the franchisees. The principal factors in determining gross versus net presentation, is the consideration of the Company's relationship with the customer as an agent for the cruise line. The cruise line is considered the primary obligor and principally liable to customers in all situations as the customer does not receive any services, other than bookings, offered by the Company. Revenue recognized at a point in time totaled \$21,488,636, \$18,607,949 and \$13,864,184 for years ending December 31, 2024, 2023 and 2022, respectively, and revenue recognized over time totaled \$5,053,648, \$4,391,022 and \$3,914,646 for years ending December 31, 2024, 2023 and 2022, respectively.

The Company believes its franchise agreements do not contain a significant financing component because: (a) the timing of the upfront payment does not arise for the reason of provision of financing to the Company and (b) the sales-based royalty is variable and based on factors outside the Company or the franchisee's control.

The Company generally collects the booking amounts from the cruise line in advance of departure, which amounts, net of all cash payments to the suppliers and franchises are included in unearned revenue on the balance sheets until such time as the booking departs. Amounts collected from cruise lines but not yet paid to suppliers or franchisees are recorded as customer deposits. The Company does not recognize revenue in advance of collection and, therefore, has not recorded a contract asset. Opening balances as of January 1, 2022, were \$6,241,358 for unearned revenue and \$402,892 for accounts receivable, net of allowance for credit losses.

Accounts receivable and allowance for credit losses: Effective January 1, 2023, the Company adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), prospectively. This ASU replaces the incurred loss impairment model with an expected credit loss impairment model for financial instruments, including trade receivables. The amendment requires entities to consider forward looking information to estimate expected credit losses, resulting in earlier recognition of losses for receivables that are current or not yet due, which were not considered under the previous accounting guidance. The Company performed an assessment of its allowance for credit losses and determined that no adjustment was required to retained earnings upon adoption.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The Company carries its accounts receivable at cost less an allowance for credit losses. On a periodic basis, the Company evaluates its accounts receivable and establishes an allowance for credit losses, when deemed necessary, based on the history of past write-offs, collections and current credit conditions. Bad debts are written off against the allowance when identified. As of December 31, 2024, 2023 and 2022, management has recorded an allowance of approximately \$199,000, \$212,000 and \$218,000, respectively.

Franchisee loans: In February 2021, the Company announced a program designed to enable existing franchise owners to maximize financial assistance opportunities available to small business owners. Part of this program includes a commitment to make commercial loans totaling up to \$1 million available to the Company's franchise owners to be used for operational expenses. The loans bear interest at 4% per annum. As of December 31, 2024, there were no loans outstanding under this program. As of December 31, 2023, the Company had outstanding receivables with 21 franchisees of approximately \$27,000 classified in accounts receivable. As of December 31, 2022, the Company had outstanding receivables with 29 franchisees of approximately \$112,000 classified in accounts receivable and approximately \$34,000 classified in long-term receivables. Interest income recognized during 2024, 2023 and 2022 related to these loans was immaterial.

Property and equipment: Property and equipment are stated at cost. Maintenance and repairs are charged directly to operations when incurred. Depreciation and amortization are computed on the straight-line basis over the following estimated useful lives:

| | <u>Years</u> |
|------------------------|-------------------------------------|
| Computer software | 3 |
| Equipment | 3 |
| Furniture and fixtures | 10 |
| Leasehold improvements | Lesser of lease term or 10 years |

Leases: The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when: (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes most leases on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

The Company made an accounting policy election available not to recognize a ROU asset and lease liability for leases with a term of 12 months or less. For all other leases, the ROU asset and lease liability is measured based on the present value of future lease payments over the lease terms at the commencement date of each lease (or January 1, 2022, for existing leases upon the adoption of Accounting Standards Codification (ASC) 842, Leases). The ROU asset also includes any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Company made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with each lease term at the lease commencement date (or remaining term for leases existing upon the adoption of ASC 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating leases are included in lease payments only when it is probable, they will be incurred.

The Company has made an accounting policy election to account for lease and non-lease components in their contracts as a single lease component for all leases. The nonlease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Intangible assets: Identifiable intangible assets are comprised of CruiseOne-related brand names that were acquired by the Company. These intangible assets were recorded at fair value based on the valuations performed by an independent valuation specialist at the acquisition date and are being amortized on the straight-line basis over the remaining estimated useful lives. As of December 31, 2024, 2023 and 2022, the Company has not incurred an impairment charge.

Long-lived assets: Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset, while long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell and the related depreciation and amortization is ceased. As of December 31, 2024, 2023 and 2022, the Company has not incurred an impairment charge.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

Concentration of certain credit risks: Financial instruments that potentially subject the Company to significant credit risk consist primarily of cash and accounts receivable. As of December 31, 2024, 2023 and 2022, the Company had cash balances at various financial institutions in excess of the federally insured limits. The Company has not experienced any losses in such accounts. The Company believes that it is not subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

The Company provides credit to customers in the normal course of business. Accounts receivables are typically not collateralized and are derived from revenue earned from customers primarily located in the U.S. and are denominated in U.S. dollars. Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers comprising the Company's client base. The Company believes they are not exposed to any significant credit risk with respect to accounts receivable.

Income taxes: The Company files as a part of the WTH's consolidated tax return. WTH is taxed as an S corporation. As such, the Company will generally not incur taxes at the corporate level and each shareholder will be responsible to include its pro-rata share of taxable income on its individual tax returns. In some jurisdictions, the Company may incur nominal amounts of state income taxes if such jurisdictions do not recognize S corporation status. No provision for such amounts has been recognized, as it was determined that such taxes would not be material and would be paid by WTH.

The Company applies ASC 740-10, Income Taxes, which clarified the accounting for income taxes by prescribing a minimum probability threshold that an uncertain tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of the income tax provision. There was no liability for unrecognized tax benefits or related interest and penalties recorded as of December 31, 2024, 2023 and 2022.

Advertising expense: The cost of advertising is expensed as incurred and totaled approximately \$2,370,000, \$2,015,000 and \$1,513,000 for the years ended December 31, 2024, 2023 and 2022, respectively, which is included in selling, general and administrative expenses on the accompanying statements of income. The Company participates in cooperative advertising programs through WTH, whereby WTH's vendors will reimburse all or a portion of advertising costs, which are then allocated to the Company and recorded as a reduction of the expense. Given the reimbursements through the cooperative advertising programs, net advertising expense for the years ended December 31, 2024, 2023 and 2022, was \$0.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 3. Property and Equipment

The major classes of property and equipment, at cost, were as follows:

| | 2024 | 2023 | 2022 |
|--|-------------------|-------------------|-------------------|
| Equipment | \$ 2,763,227 | \$ 2,697,657 | \$ 2,647,826 |
| Furniture and fixtures | 380,843 | 438,857 | 432,457 |
| Leasehold improvements | 414,853 | 264,503 | 259,537 |
| Computer software | 563,099 | 458,250 | 457,062 |
| Property and equipment, gross | 4,122,022 | 3,859,267 | 3,796,882 |
| Less accumulated depreciation and amortization | (3,702,418) | (3,482,125) | (3,225,599) |
| Property and equipment, net | <u>\$ 419,604</u> | <u>\$ 377,142</u> | <u>\$ 571,283</u> |

Depreciation expense was approximately \$261,000, \$257,000 and \$208,000 for the years ended December 31, 2024, 2023 and 2022, respectively.

Note 4. Intangible Assets

The brand name asset represents the fair value associated with the CruiseOne-related brand names upon acquisition by the Company. These brand names are amortized on the straight-line basis over the estimated useful life of 10 years.

For each of the years ended December 31, 2024, 2023 and 2022, the Company recorded approximately \$10,000 of amortization expense related to the brand name asset.

A summary of the recorded values of intangible assets is as follows:

| | 2024 | | | 2023 | | | 2022 | | |
|------------|-------------------|--------------------------|-----------------|-------------------|--------------------------|------------------|-------------------|--------------------------|------------------|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Brand name | <u>\$ 845,801</u> | <u>\$ (839,588)</u> | <u>\$ 6,213</u> | <u>\$ 845,801</u> | <u>\$ (830,008)</u> | <u>\$ 15,793</u> | <u>\$ 845,801</u> | <u>\$ (820,428)</u> | <u>\$ 25,373</u> |

Future annual amortization expense for the brand name intangible asset is as follows:

| | |
|--------------------------|-----------------|
| Year ending December 31: | |
| 2025 | <u>\$ 6,213</u> |

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 5. Related Party Transactions

Cost allocations: The Company participates in risk and benefit plans with WTH, as well as cruise supply arrangements that WTH has negotiated with cruise lines. Human resources and finance activities of a limited nature are also performed for the Company by personnel of WTH. The accompanying financial statements included allocations for: (1) overhead costs shared by the Company and another subsidiary of WTH; and (2) corporate overhead charges from WTH. The overhead costs are generally paid for by WTH and are allocated to the Company based on headcount. The corporate overhead charges are allocated based upon estimated costs. For the years ended December 31, 2024, 2023 and 2022, the Company was allocated overhead costs of approximately \$16,519,000, \$15,571,000 and \$12,715,000, respectively, as well as \$250,000 of corporate overhead each year from WTH.

All allocated charges are included in selling, general and administrative expenses on the accompanying statements of income.

Defined contribution plan: WTH sponsors a 401(k) savings plan which covers substantially all full-time employees of the Company over age 21 that have a minimum of 90 days of service. The 401(k) plan permits employees to defer up to 70% of their eligible pay, subject to a maximum aggregate contribution. The parent matches, at its discretion, 50% of the first 6% of the employees' contributions and may also make additional voluntary contributions. During the years ended December 31, 2024, 2023 and 2022, the Company was allocated approximately \$251,000, \$210,000 and \$172,000, respectively, for charges related to the matching contribution to the 401(k) plan.

Due from World Travel Holdings, Inc.: As of December 31, 2024, 2023 and 2022, the Company had a receivable due from WTH in the amount of approximately \$14,645,000, \$10,780,000 and \$4,371,000, respectively. The amount represents cash advanced by the Company to WTH, net of overhead costs allocated. Payments and cost allocations are made on an ongoing basis. During the year ended December 31, 2022, the Company declared a dividend of \$6,000,000 to WTH to partially settle the related party receivable. This amount reduced both Due from World Travel Holdings, Inc. and additional paid-in capital, and had no negative effect on the Company's statements of income or cash flows from operations.

Note 6. Lease

The Company leases real estate under an operating lease agreement that was modified effective August 31, 2023, to reduce the square footage leased and extend the lease term through April 30, 2031. The lease includes two options to renew, at the Company's sole discretion, for five-year terms. The lease contains a termination option, where the rights to terminate is held by either the Company, the lessor or both parties. The Company's operating lease does not contain any material restrictive covenants or residual value guarantees.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 6. Lease (Continued)

Operating lease expense is recognized on a straight-line basis over the applicable lease term and is included in selling, general and administrative expenses on the accompanying statements of income. The components of lease expense are as follows for the years ended December 31, 2024, 2023 and 2022:

| | 2024 | 2023 | 2022 |
|------------------------|-------------------|-------------------|-------------------|
| Lease expense | \$ 294,095 | \$ 437,829 | \$ 511,117 |
| Variable lease expense | 169,192 | 60,296 | - |
| Total lease expense | <u>\$ 463,287</u> | <u>\$ 498,125</u> | <u>\$ 511,117</u> |

Supplemental information related to operating leases is as follows as of December 31, 2024, 2023 and 2022:

| | 2024 | 2023 | 2022 |
|---|---------------------|---------------------|-------------------|
| Right-of-use asset, net | <u>\$ 1,663,952</u> | <u>\$ 1,902,292</u> | <u>\$ 558,136</u> |
| Current portion of lease liability | \$ 228,089 | \$ 151,583 | \$ 631,664 |
| Lease liability, net of current portion | 1,558,844 | 1,786,933 | 50,239 |
| | <u>\$ 1,786,933</u> | <u>\$ 1,938,516</u> | <u>\$ 681,903</u> |
| Weighted-average remaining lease term | 6.33 years | 7.33 years | 1.08 years |
| Weighted-average discount rate | 3.25% | 3.25% | 0.78% |

Future undiscounted cash flows and a reconciliation to the lease liability recognized on the accompanying balance sheets for operating leases are as follows as of December 31, 2024:

| | |
|--|---------------------|
| Years ending December 31: | |
| 2025 | \$ 288,546 |
| 2026 | 297,222 |
| 2027 | 306,070 |
| 2028 | 315,221 |
| 2029 | 324,688 |
| Thereafter | 448,767 |
| Total lease payments | <u>1,980,514</u> |
| Less imputed interest | <u>(193,581)</u> |
| Total present value of lease liability | <u>\$ 1,786,933</u> |

Note 7. Promissory Note

In May 2021, the Company entered into a \$65,000 promissory note with a cruise line. The note does not bear interest and monthly payments of \$2,708 began in June 2022. The outstanding balance as of December 31, 2023 and 2022, was \$10,833 and \$43,333, respectively. The note was paid off in May 2024.

CruiseOne, Inc.
(A Wholly Owned Subsidiary of World Travel Holdings, Inc.)

Notes to Financial Statements

Note 8. Employee Retention Tax Credits

During the year ended December 31, 2023, WTH conducted an analysis as to whether it was entitled to employee retention credits (ERC) under the CARES Act as amended by the Taxpayer Certainty and Disaster Tax Relief Act of 2020 and the American Plan Act of 2021. Based on the analysis, WTH determined that it was entitled to an ERC of which approximately \$846,000 was allocated to the Company related to payroll taxes paid in 2020 through the third quarter of 2021. The Company determined it met all the criteria required under the gross receipts test or the eligible employer definition due to partial suspension of its business due to government orders as defined in the regulations for each quarter.

As accounting for payroll tax credits is not within the scope of ASC 740, Income Taxes, the Company has chosen to account for the ERCs by analogizing to the International Accounting Standards Board IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*. In accordance with IAS 20, an entity recognizes government grants only when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. The Company evaluated its eligibility for the ERC and determined that it met all the criteria to claim a refundable tax credit against the employer portion of Social Security, as such approximately \$846,000 is recognized as other income in the statement of income for the year ended December 31, 2023.

Note 9. Subsequent Events

The Company has evaluated subsequent events through March 31, 2025, the date the financial statements were available to be issued.

Exhibit D
to the Franchise Disclosure Document
STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

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

California Dept. of Financial Protection and Innovation
Commissioner 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., #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 W. Washington Street, Room E-11
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 Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division
Attn: Franchise Section
505 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce
85 7th 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

NYS Department of Law
Investor Protection Bureau
28 Liberty Street
New York, NY 10005
(212) 416-8236

North Dakota Securities Department
State Capital, 5th Floor
600 East Boulevard Avenue
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

Director, Department of Business Regulations
Rhode Island Division Of Securities 233 Richmond Street,
Suite 232
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-3185
(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

Virginia, Clerk, State Corporation Commission Tyler Building,
1st Floor
1300 East Main Street Richmond, VA 23219
(804) 371-9051

State of Washington
Director, Department of Financial Institutions Securities
Division
150 Israel Road SW
Olympia, WA 98501
(360) 902-8760

Wisconsin Commissioner of Securities
201 W Washington Ave., 3rd Floor
Madison, WI 53703
(608)266-855

LIST OF AGENTS FOR SERVICE OF PROCESS

The following list includes the names, addresses and telephone numbers of state agencies serving as our agents for service of process (to the extent we are registered in their states). The list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

California Dept. of Financial Protection and Innovation
Commissioner of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Department of Financial
Protection and Innovation
One Sansome St., Suite 600
San Francisco, CA 94104

Commissioner 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 203
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
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 7th Place East, Suite 280
St. Paul, MN 55101-2198

New York Department of State
One Commerce Plaza
99 Washington Ave., 6th Floor
Albany, NY 12231-0001

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 E. Boulevard Avenue
Bismarck, ND 58505

Director of Rhode Island
Division of Securities, Suite 232
233 Richmond Street
Providence, RI 02903-4232

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501-3185
(605) 773-3563

Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, VA 23219

Director, Department of Financial Institutions
Securities Division
150 Israel Road SW
Olympia, WA 98501

Wisconsin Commissioner of Securities
345 West Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

Exhibit E
to the Franchise Disclosure Document

CURRENT FRANCHISEE OUTLETS

Active Franchisee Roster as of December 31, 2024
(see next page)

Signed but Unopened as of December 31, 2024

| Name | City | State | Phone Number |
|--|--------------------|-------|----------------|
| Arlene Aninion & GloriAnn Aninion | Bakersfield | CA | (661) 218-9647 |
| Stephan Sungulyan | Los Angeles | CA | (323) 329-0512 |
| Tweed Chameleon LLC | San Diego | CA | (619) 777-6447 |
| Woronoff World Travels LLC | Denver | CO | (407) 595-5289 |
| Travis Pullen | Frankford | DE | (302) 402-6040 |
| Cruise Consultants & Services LLC | Cape Coral | FL | (239) 314-8817 |
| Dana Lurie | Coral Springs | FL | (954) 934-6404 |
| Kelvin Hernandez | Fruitland Park | FL | (407) 233-3765 |
| Reggie Travels, LLC | Jacksonville | FL | (904) 307-6539 |
| Theresa Stutzman & Ronald L. Stutzman | Milton | FL | (850) 436-3136 |
| Shari Falcon | North Miami | FL | (786) 486-2161 |
| Claveria's Travel LLC | Orlando | FL | (407) 504-1261 |
| Julia Marrero & Rodolfo Marrero | Orlando | FL | (407) 270-1738 |
| Larry B. Goldberg & Cindy D. Goldberg | Palm Beach Gardens | FL | (561) 594-9500 |
| Karl Sannicks | Palm Harbor | FL | (727) 647-2079 |
| Suresh Natarajan | St Johns | FL | (904) 417-8104 |
| Ms. Eri Connections LLC | Belleville | IL | (314) 718-0466 |
| Awaiting Adventures LLC | Champaign | IL | (708) 323-2525 |
| Sherri Doudt | Pendleton | IN | (765) 621-9878 |
| Vicki Ane Dos Santos & Brian G Dos Santos | New Bedford | MA | (774) 762-0245 |
| Nyonsuatee Kollue Bloom | Westminister | MD | (410) 246-4819 |
| Luis D Barrios Sulbaran & Hector J Bencomo Armas | Scarborough | ME | (281) 818-3318 |
| Michael Farrar | Riverview | MI | (424) 781-2797 |
| David Conran | St. Louis | MO | (314) 401-4733 |
| SavitArjun Tours & Travel Inc. | Belmont | NC | (704) 718-5253 |
| Brian D. Inman & Jennifer A. Inman | Newport | NC | (252) 275-8333 |
| Kathy H. Bryan & William H. Bryan | Point Harbor | NC | (757) 343-0358 |
| Vacation Visions LLC | Troutman | NC | (704) 980-9030 |
| Sheila Renee Benak & Robert Lee Benak | Lincoln | NE | (402) 440-8918 |
| LaKeesha Walrond | Fort Lee | NJ | (917) 540-0989 |
| Mary Celeste & Roselia & Emmanuel Molina | Las Vegas | NV | (725) 227-2628 |
| Megan Elizabeth Salisbury & Zachary Toussaint | Reno | NV | (775) 283-3436 |
| Yellow Ray Investments, LLC | Reno | NV | (775) 467-3086 |
| Michael Manusia & Brian B. Fugle | Attica | NY | (585) 591-6550 |
| JuanRaul I. Gonzalez | Buffalo | NY | (716) 250-9133 |
| Nicholas Pace | South Salem | NY | 9144069694 |
| Smither Travel LLC | Columbus | OH | (614) 656-7008 |
| Ram Pathak | Lewis Center | OH | (614) 233-1794 |
| Wine & Travel Enterprises, LLC | Powell | OH | (352) 350-3525 |
| TNV LLC | Westerville | OH | (614) 568-1388 |

| Name | City | State | Phone Number |
|---|--------------|-------|----------------|
| KAH Consulting, LLC & Frederick Richard Voelkel | Forest Grove | OR | (503) 585-3979 |
| BreezeBound Travels, LLC | Austin | TX | (512) 786-4999 |
| Kirsten Liliane Penaloza & Alejandro Penaloza | Austin | TX | (512) 243-7228 |
| Tiffany Fleming | Boerne | TX | (830) 470-4243 |
| Away We Globe LLC | Colleyville | TX | (402) 413-8770 |
| Monster Travel, LLC | Haslet | TX | (940) 648-4989 |
| Leonard Evans | Killeen | TX | (708) 574-6638 |
| Sudeepti Senapathi | Plano | TX | (214) 308-1782 |
| William F. Ratliff & Rachel Ratliff | Plano | TX | (214) 717-3594 |
| Z Gratitude Travel LLC | Alexandria | VA | (202) 681-3131 |
| Scott Duffy | Chesapeake | VA | (757) 651-7544 |
| Yusuf Muhammad and Lisa Muhammad | King George | VA | (540) 413-9096 |

Exhibit F
to the Franchise Disclosure Document

FRANCHISEE OUTLETS TERMINATED, NOT-RENEWED, ETC.

The following is a list of all franchisees whose franchise agreements were terminated, ceased operating, failed to renew, or transferred their outlets during 2024:

| Owner Name | Agency City | Agency State | Agency Phone |
|--------------------------|------------------|--------------|----------------|
| Mr. David Vensko | Kotzebue | AK | (907) 319-8173 |
| Deborah Myers | Springdale | AK | (719) 373-2926 |
| Ms. Beth McKinney | Athens | AL | (256) 262-7812 |
| Mr. Tony Dean | Opelika | AL | (334) 313-4778 |
| Ms. Linda Parker | Vestavia Hills | AL | (205) 545-2997 |
| Mr. Sonny Nguyen | Little Rock | AR | (501) 920-5650 |
| Ms. Beth Lewis | Rogers | AR | (479) 312-0826 |
| Ms. Raven Bourdo | Glendale | AZ | (623) 703-1127 |
| Ms. Maria Malice | Phoenix | AZ | 602-428-4116 |
| Bonnie Buchanan, MCC | Tucson | AZ | (520) 818-0800 |
| Tom Frederick | Tucson | AZ | (520) 749-4069 |
| Polly Mitchell | Anthem | AZ | (480)229-8483 |
| Mr. Garry Manansala | Fairfield | CA | (415) 234-0582 |
| Ms. Jennifer Nicol | Mokelumne Hill | CA | (209) 293-4430 |
| Ms. Laura North | Orange | CA | (714) 282-1600 |
| Mr. Sal Castillo | Palmdale | CA | (661) 202-3212 |
| Rosaline Raj | San Jose | CA | (408) 438-5974 |
| Steve Faber | San Rafael | CA | (415) 485-0100 |
| Ms. Sarah Thomas | Castle Rock | CO | (913) 820-1676 |
| Mr. Jason Packer | Colorado Springs | CO | (719) 368-3822 |
| Mike Jordan | Ft. Garland | CO | (719) 379-3133 |
| Amanda Mutah | Highlands Ranch | CO | (720) 955-9448 |
| Ms. Christina Estrada | Monument | CO | (210) 998-9233 |
| Meghann Martinez | Lakewood | CO | (303) 901-1551 |
| Vern Engbar | Denver | CO | (303) 489-9998 |
| Mr. Felix Barreras | Washington | DC | (202) 515-1034 |
| Ms. Michelle Littleton | Lincoln | DE | (302) 538-5888 |
| Ms. Nakita Cusich | Brandon | FL | (813) 442-1468 |
| John Dews | Clearwater | FL | (727) 798-3748 |
| Mr. Alan Dominguez | Daytona Beach | FL | (386) 516-3174 |
| Mrs. Yolanda Martinez | Debary | FL | (407) 635-8686 |
| Mrs. Elizabeth Dominguez | Fernandina Beach | FL | (904) 366-6645 |
| Ms. Janette Collazo | Grand Island | FL | (352) 434-8128 |

| Owner Name | Agency City | Agency State | Agency Phone |
|----------------------------|--------------------|--------------|----------------|
| Mrs. Shawnda Musselman | Hernando Beach | FL | (352) 663-2990 |
| Mr. Brian Byrd | Jacksonville | FL | (904) 415-8973 |
| Mr. James Lherisson | Kissimmee | FL | (407) 460-6618 |
| Mrs. Pamela Richmond Brown | Kissimmee | FL | (689) 272-4902 |
| David Alwardt | Lakeland | FL | (863) 583-4022 |
| Mr. Vu Tran | Largo | FL | (616) 617-4646 |
| Mrs. Eleisua Goss | Lynn Haven | FL | (850) 630-9882 |
| Mr. Robert Lachhonna | Mascotte | FL | (561) 358-6955 |
| Mr. Orlando Oliveira | Miami | FL | (786) 287-1218 |
| Mrs. Robin Snell | Naples | FL | (239) 560-8596 |
| Ms. Samantha McFadden | New Smyrna Beach | FL | (386) 663-4491 |
| Mrs. Cammy Brotherton | Ocala | FL | (352) 844-6371 |
| Mr. John Trotta | Orange Park | FL | (904) 638-4488 |
| Mr. Gregory Dunbar | Orlando | FL | (321) 332-7913 |
| Ms. Jacqueline Loisage | Orlando | FL | (407) 847-0062 |
| Mr. Scott Howie | Palm Beach Gardens | FL | (561) 508-4645 |
| Mrs. Carla Spitnale | Palmetto | FL | (941) 292-7030 |
| Mrs. Sandra Trujillo | Pembroke Pines | FL | (754) 581-7974 |
| Ms. Tracy Pagano | Pembroke Pines | FL | (954) 769-0324 |
| Ms. Dianne Patterson | Saint James City | FL | (239) 224-8551 |
| Ms. Angelia Michalak | St. Augustine | FL | (904) 945-4263 |
| Ms. Eleanor Harter | St. Cloud | FL | (407) 593-0587 |
| Ms. Elizabeth Gordon | Tamarac | FL | (954) 816-8641 |
| Andy Skolnick | The Villages | FL | (352) 751-1122 |
| Mr. Kris Lagassee | Titusville | FL | (352) 217-5164 |
| Ms. Carol Raffensberger | Vero Beach | FL | (772) 766-2226 |
| Mr. Branden Freeman | Winter Haven | FL | (863) 370-5802 |
| Agustin Lorenzo | Ocala | FL | (347) 392-0931 |
| Alan Richman | Lantana | FL | (561) 899-3206 |
| Annette Rivera | Coral Springs | FL | (407) 864-4367 |
| Dedra Hicks | Summerfield | FL | (941) 518-1782 |
| Timothy Socko | Ocala | FL | (352) 425-6304 |
| Ms. Elizabeth Allum | Ball Ground | GA | (404) 788 7482 |
| Ms. Regina Tarpley | Blue Ridge | GA | (706) 946-3030 |
| Ms. Junay Bledsoe | Canton | GA | (770) 742-2119 |
| Mrs. Janet Cox Dillard | Conyers | GA | (619) 302-1542 |
| Mr. Michael Cross | Grayson | GA | (404) 793-4827 |
| Ms. Lynn Suggs | Newnan | GA | (678) 621-2264 |
| Tina Gethers | Stockbridge | GA | (954) 399-7472 |
| Mrs. Maggie Borden | Villa Rica | GA | (678) 469-8521 |
| Don Shirley | Acworth | GA | (512) 660-2006 |
| Rhonda Wegmann | Shellman Bluff | GA | (201) 841-4004 |

| Owner Name | Agency City | Agency State | Agency Phone |
|--------------------------|------------------|--------------|----------------|
| Robyn Whittaker | Stockbridge | GA | (757) 803-0298 |
| Mr. Joshua Heward | Ankeny | IA | (515) 783-1176 |
| Mr. Kenneth Schroeder | Council Bluffs | IA | (402) 913-0649 |
| Ms. Stephanie Turner | Meridian | ID | (208) 991-8006 |
| Robert Ryan | Boise | ID | (208) 401-5907 |
| Mr. Cody Newburgh | Round Lake Beach | IL | (224) 426-8479 |
| Ms. Liza Smith | Schaumburg | IL | (808) 650-3519 |
| Mr. Nathan Alexander | Bloomington | IN | (812) 671-2831 |
| Mrs. Lacey Riddle | Evansville | IN | (812) 457-7737 |
| Ms. Trish Fountain | Florence | KY | (859) 439-3009 |
| Ms. Andrea McNaughton | Grand Rivers | KY | (270) 559-6789 |
| Bonnie Roth | Louisville | KY | (502) 426-3647 |
| Ms. Wendy Hamm | Northbridge | MA | (508) 714-2423 |
| Ms. Jennifer Charles | Rehoboth | MA | (774) 259-6641 |
| Mr. Rafael Torres | West Boylston | MA | (774) 764-9053 |
| Ms. Stacey Lavelly | Westborough | MA | (774) 200-7079 |
| Mr. Rafael Rodriguez III | Brunswick | MD | (301) 244-0755 |
| Ms. Adrienne Clarke | Chevy Chase | MD | (202) 351-6888 |
| Ms. Daniela Zdravkovic | Clarksburg | MD | (240) 994-9419 |
| Ms. Dawn Diaz Saldano | Owings Mills | MD | (773) 454-7568 |
| Ms. Kelly Cornwell | Pasadena | MD | (443) 719-1991 |
| Mr. Erick Mwirigi | Silver Spring | MD | (202) 845-2489 |
| Mr. Ojealero Isemede | Upper Marlboro | MD | (301) 523-0595 |
| Ms. DaJaneil McCree | Southfield | MI | (313) 583-9723 |
| Julie Wells | Waterford | MI | (248) 408-4419 |
| Ms. Leslie Rodriguez | Kansas City | MO | (816) 804-5807 |
| Ms. Veverly Young | Rolla | MO | (480) 358-8109 |
| Ms. Denise Moore | Diberville | MS | (228) 207-4342 |
| Mr. Michael Naquin | arden | NC | (337) 520-4073 |
| Ms. Aixa Addington | Gastonia | NC | (980) 505-7650 |
| Mr. Derrick Mills | Rolesville | NC | (919) 323-5841 |
| Ms. Jayna Davis | Statesville | NC | (833) 482-8222 |
| Mr. Tim Clarke | Barnstead | NH | (603) 825-5139 |
| Mr. James Wilson | Atco | NJ | (856) 465-5400 |
| Mr. Robert Brown | Bloomfield | NJ | (973) 473-3254 |
| Ms. Laynnea Myles | Franklin Park | NJ | (732) 201-5229 |
| Mr. John Parisi | Howell | NJ | (732) 751-4990 |
| Mr. Michael Colosi | Sewell | NJ | (856) 405-9984 |
| Pat Zale | Sicklerville | NJ | (856) 566-9151 |
| Mr. David Alexander | West Orange | NJ | (862) 800-5472 |
| Cheri Diekhaus | Freehold | NJ | (201) 481-0153 |
| Ms. Anna Marie Carpio | Henderson | NV | (206) 376-9200 |

| Owner Name | Agency City | Agency State | Agency Phone |
|------------------------------|---------------------|--------------|----------------|
| Ms. Elizabeth Peyton | Las Vegas | NV | (702) 623-6387 |
| Ms. Tawnya Caldwell | Las Vegas | NV | (615) 669-8812 |
| Mr. Damall Martin | North Las Vegas | NV | (702) 620-3094 |
| Mr. Edwin Santiago | Buffalo | NY | (716) 261-8983 |
| Ms. Alexandra Galiano-Presti | Commack | NY | (631) 343-7843 |
| Ms. Patricia Ferrari | Levittown | NY | (516) 244-4825 |
| Mr. Matthew Nortz | Lowville | NY | (315) 681-5569 |
| Mr. Danny Santacruz | Middle Village | NY | (347) 527-2398 |
| Mr. Juan De Leon | Remsenburg | NY | (516) 924-0041 |
| Ms. Samantha Pyle | South Richmond Hill | NY | (718) 322-4033 |
| Ms. Marlene Dingley | Troy | NY | (518) 285-0133 |
| Harold Ciappa | Goshen | NY | (845) 641-0399 |
| Mr. Devin Stears | Amelia | OH | (606) 375-8401 |
| Kathy Kosmos | N Royalton | OH | (440) 582-3701 |
| Mr. John Tarpy | Sylvania | OH | (567) 455-6501 |
| Ms. Lisa Stockton | Norman | OK | (405) 820-8959 |
| Ms. Liz Miller | Portland | OR | (503) 455-8833 |
| Mr. Michael Zakovics | West Linn | OR | (971) 258-1663 |
| Mr. Philip Pearce Pearson | Allentown | PA | (610) 732-7590 |
| Mr. Daniel Bowman | Bethlehem | PA | (610) 410-7600 |
| Ms. Serena Taylor | East Stroudsburg | PA | (570) 534-0297 |
| Ms. Seneca Cottom | Harrisburg | PA | (717) 402-6060 |
| Mr. Edgardo Padro | Philadelphia | PA | (267) 968-0132 |
| Ms. Amie Anderson | Chapin | SC | (803) 429-4847 |
| Mr. Michael DeMarais | Charleston | SC | (980) 201-9800 |
| Mr. Ron Satterfield | Hartsville | SC | (843) 535-2814 |
| Ms. Cynthia Butler | Mullins | SC | (843) 430-3060 |
| Allen Carpenter | Simpsonville | SC | (864) 757-4909 |
| Mr. Jon Marcklinger | Simpsonville | SC | (864) 438-0863 |
| Mrs. Sonia Ceruti | Arlington | TN | (901) 203-2465 |
| Ms. Pamela Stone | Ashland City | TN | (931) 338-6733 |
| Mr. Jim Davis | Bean Station | TN | (865) 767-3465 |
| Ms. Tawnya Cline | Hendersonville | TN | (629) 235-5275 |
| Ms. Janey Flood | Jackson | TN | (731) 736-3763 |
| Mr. Carl Hollingsworth | Lebanon | TN | (615) 562-5625 |
| Mr. Lance Reid | Big Spring | TX | (432) 301-0021 |
| Mr. Alan Mayhew | Burleson | TX | (817) 797-7382 |
| Mrs. Raina Andres | Converse | TX | (210) 858-6831 |
| Mr. Miguel Vidargas | Dallas | TX | (214) 603-1030 |
| Ms. Joanne Stanley | Dripping Springs | TX | (512) 496-4366 |
| Mr. Randy Beck | Flower Mound | TX | (972) 989-5797 |
| Mrs. Michelle Louis | Fort Worth | TX | (818) 497-7704 |

| Owner Name | Agency City | Agency State | Agency Phone |
|---------------------|----------------|--------------|----------------|
| Ms. Kynze Rodgers | Fort Worth | TX | (817) 647-5466 |
| Ed Gagliardo | Garland | TX | (972) 276-2080 |
| Ms. LATASHA GRIFFIN | Harker Heights | TX | (801) 502-1892 |
| Ms. Arlene Phillips | Houston | TX | (832) 800-7766 |
| Mr. Robert Turner | Leander | TX | (512) 938-8125 |
| Ms. Irene Ramirez | Odessa | TX | (432) 530-8894 |
| Mr. Ryan Wilson | Richmond | TX | (469) 625-8009 |
| Amelia Ellis | Texas City | TX | (409) 292-3232 |
| Grace Jacobson | The Woodlands | TX | (832) 288-0889 |
| Henry McEwin | Weatherford | TX | (817) 594-3096 |
| Dan Latham | Spring | TX | (513) 200-2608 |
| Nicholas Robran | Prosper | TX | (903) 521-2647 |
| Reginia Sanborn | Italy | TX | (972) 935-3937 |
| Mr. Tory Davis | Ephraim | UT | (435) 851-7620 |
| Ms. Rachel Curby | Grantsville | UT | (801) 859-3514 |
| Mr. Abdul Basit | Chantilly | VA | (571) 401-1602 |
| Mr. James Shotwell | Harrisonburg | VA | (540) 212-9780 |
| Mr. Chris Dawson | Richmond | VA | (804) 647-6993 |
| Ms. Sarah Kubala | Stafford | VA | (214) 399-8336 |
| Mrs. Kim Hawkes | Lynden | WA | (435) 994-9126 |
| Mrs. Keri Group | Spokane | WA | (509) 808-8868 |
| Ms. Karen Bergesen | Grafton | WI | (262) 348-8961 |
| Ms. Lisa Baker | Independence | WV | (763) 273-4288 |

¹ If you buy the franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the franchise system.

Exhibit G
to the Franchise Disclosure Document

FRANCHISEE QUESTIONNAIRE

CruiseOne, Inc.

FRANCHISEE QUESTIONNAIRE

Do not sign this questionnaire if you are a resident of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin, or the business is to be operated in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin.

As you know, CruiseOne, Inc. ("CruiseOne") and you are preparing to enter into a Franchise Agreement for operating a CruiseOne/Dream Vacations franchised business. The purpose of this Questionnaire is to determine whether any statements or promises were made to you, either orally or in writing, that CruiseOne has not authorized and that may be untrue, inaccurate or misleading, to help ensure that CruiseOne has complied with its franchise obligations and to ensure that your decision to purchase a CruiseOne/Dream Vacations franchise is based upon your own independent investigation and judgment. Please review each of the following questions carefully and provide an honest and complete response to each question. Once you have completed the questions, review the acknowledgments that follow and fill in the information required by acknowledgment 7. Then, if you are satisfied that the acknowledgments are correct in all respects, please sign and date this Questionnaire.

Questions

1. Have you received and personally reviewed the CruiseOne Franchise Disclosure Document, (including, but not limited to, any addenda, exhibits, and other attachments), for the state where you reside and where your franchised business will be located?

Yes _____ No _____

2. Did you receive your CruiseOne Franchise Disclosure Document at least 14 calendar days before you paid any money and before you signed any agreement to buy your franchise?

Yes _____ No _____

3. Have you received and personally reviewed your Franchise Agreement (including, but not limited to, any addenda, exhibits, and other attachments)?

Yes _____ No _____

4. Have all blanks in the Franchise Agreement, all related agreements (including but not limited to the agreements listed above), each attachment (if any), and all inserts and changes (if any) been completed and delivered to you in final form at least 14 calendar days before you signed them?

Yes _____ No _____

5. Have you discussed the benefits and risks of operating a CruiseOne/Dream Vacations franchise with an attorney, accountant or other professional advisor?

Yes_____No_____

6. If you did not speak with a professional advisor as noted in Question #5 above, did you have the opportunity to do so?

Yes_____No_____

7. Do you understand that the success or failure of your franchise will depend in large upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes_____No_____

8. Has any employee or other person speaking on behalf of CruiseOne, Inc. made any written or oral statement or promise concerning the actual or projected revenues, profits or operating costs of a CruiseOne business (other than what is clearly included in your Franchise Disclosure Document or Franchise Agreement)?

Yes_____No_____

9. Has any employee or other person speaking on behalf of CruiseOne, Inc. made any written or oral statement or promise regarding the amount of money you may earn in operating your CruiseOne/Dream Vacations franchise (other than what is clearly included in your Franchise Disclosure Document or Franchise Agreement)?

Yes_____No_____

10. Has any employee or other person speaking on behalf of CruiseOne, Inc. made any written or oral statement or promise concerning the likelihood of success that you should or might expect to achieve from operating your CruiseOne/Dream Vacations franchise?

Yes_____No_____

11. Has any employee or other person speaking on behalf of CruiseOne, Inc. made any written or oral statement, promise or agreement concerning the advertising, marketing, training, support services or assistance that CruiseOne, Inc. will furnish to you that is contrary to, or different from, the information contained in your Franchise Disclosure Document or Franchise Agreement?

Yes_____No_____

12. Has any employee or other person speaking on behalf of CruiseOne, Inc. made any other written or oral statement, promise or agreement relating to your CruiseOne/Dream Vacations

franchise that is contrary to, or different from, the information contained in your Franchise Disclosure Document or Franchise Agreement?

Yes _____ No _____

13. If you have answered "Yes" to any of questions 8 through 12, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of questions 8 through 12, please leave the following lines blank.

Acknowledgments

Do not sign these acknowledgments if you are a resident of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin, or the business is to be operated in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington or Wisconsin.

1. No employee or other person speaking on behalf of CruiseOne, Inc. made any other written or oral statement, promise or agreement relating to the financial statements or financial conditions of any of CruiseOne, Inc.'s affiliates (including any parent corporation or individual owner), which statement, promise, or agreement is contrary to, or different from, any information contained in my Franchise Disclosure Document or Franchise Agreement.
2. I have made my own independent determination that I have adequate working capital to develop, open and operate my franchise.
3. I am not relying on any promises of CruiseOne, Inc. which are not contained in my CruiseOne Franchise Agreement.
4. I understand that my investment in a CruiseOne/Dream Vacations franchise has substantial business risks and that there is no guarantee that it will be profitable.
5. I have been advised by CruiseOne, Inc. and its representatives to seek professional legal and financial advice in all matters concerning the purchase of my CruiseOne/Dream Vacations franchise.

6. I acknowledge that the success of my CruiseOne/Dream Vacations franchise depends in large part upon my ability as an independent business person and my active participation in the day to day operation of the business.

7. The name(s) of the person(s) with whom I dealt in the purchase of my CruiseOne/Dream Vacations franchise is/are_____.

8. I hereby disclaim that I have relied on the financial condition of any of CruiseOne, Inc.'s affiliates (including any parent corporation or any individual owner) except for any information pertaining to the financial condition of any of those affiliates disclosed in the Franchise Disclosure Document or Franchise Agreement.

You understand that your answers are important to us and that we will rely on them. You also understand that_____and other officers, directors, employees and representatives of CruiseOne, Inc. (and, if you have had any contact with any of CruiseOne, Inc.'s affiliates, of such affiliates) have acted in a representative and not an individual capacity in all conduct with you; and that none is personally liable for any reason. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions and acknowledgements.

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.

Date:_____

Print Name: _____

Signature above

Schedule 1 to the Franchise Disclosure Document

STATE SPECIFIC DISCLOSURES

(Attached as required.)

CRUISEONE, INC.
CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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.

Registration does not constitute approval, recommendation or endorsement by the commissioner of the Department of Financial Protection and Innovation.

1. In Item 3 of the disclosure document, "Litigation," shall be amended by the addition of the following paragraphs:

Neither the franchisor nor any person in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such person from membership in that association or exchange.

2. 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 of the State of California.
3. The franchise agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.
4. Item 6 of the Franchise Disclosure Document is hereby revised to note that the highest interest rate allowed in California is 10%.
5. The following paragraphs are added at the end of Item 17 of the disclosure document:

A. Termination and Non-Renewal:

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, the law, as amended from time to time, will control.

B. Post Termination Non-Competition Covenants:

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

C. Liquidated Damages Provision:

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

D. Termination upon Insolvency, Bankruptcy or Reorganization:

Where the Franchise Agreement provides for termination upon insolvency, bankruptcy or reorganization, such a provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

E. Material Modifications:

Section 31125 of the Franchise Investment Law requires us to give you a disclosure document approved by the Commissioner of the Department of Business Oversight before we ask you to consider a material modification of your Franchise Agreement.

6. Our website has not been reviewed or approved by the California Department Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.
7. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
8. Spousal liability: Your spouse will be liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
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.

CRUISEONE, INC.
CALIFORNIA ADDENDUM TO THE FRANCHISE AGREEMENT

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE
STATE OF CALIFORNIA ARE HEREBY AMENDED AS FOLLOWS:**

1. Section 31125 of the California Corporation Code requires the Franchisor to give you a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to solicitation of a proposed material modification of an existing franchise.
2. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
3. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec 101 et seq.).
4. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This may not be enforceable under California law.
5. The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.
6. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
HAWAII ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

THESE FRANCHISES 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 (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT 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.

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.

CRUISEONE, INC.
HAWAII ADDENDUM TO THE FRANCHISE AGREEMENT

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE
STATE OF HAWAII ARE HEREBY AMENDED AS FOLLOWS:**

1. No release language set forth in the Franchise Agreement shall relieve the franchisor or any other party, directly or indirectly, from liability imposed by the laws concerning franchising in the State of Hawaii.

2. The Franchise Agreement is hereby supplemented with the following provision:

Hawaii Law. Pursuant to Section 482E-6(3) of the Hawaii Revised Statutes, for so long as such statute remains in effect and so provides, upon termination or refusal to renew the franchise, Franchisee shall be compensated for the fair market value, at the time of termination or expiration of the franchise, of Franchisee's inventory, supplies, materials and furnishings purchased from the Franchisor or a supplier designated by the Franchisor, exclusive of personalized materials which have no value to the Franchisor. If the Franchisor refuses to renew a franchise for the purpose of converting the franchised business to one owned by the Franchisor, the Franchisor, in addition to the remedies provided in this paragraph, shall compensate Franchisee for the loss of goodwill. The Franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, materials and furnishings pursuant to this paragraph, and may offset from such compensation any moneys due to the Franchisor.

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.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. Section 705/1 through 705/44 the Franchise Disclosure Document for use in the State of Illinois shall be amended as follows:

The following are revisions to Item 17 of the disclosure document:

Your rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside of Illinois is void. However, a franchise agreement may provide for mediation in a venue outside of Illinois.

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 the Illinois Franchise Disclosure Act **or any other law of Illinois** 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.

CRUISEONE, INC.
ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF ILLINOIS ARE HEREBY AMENDED AS FOLLOWS:

1. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of Illinois is void."
2. Your rights upon termination and non-renewal are set forth in Sections 19 and 20 fo the Illinois Francise Disclosure Act.
3. Illinois law governs the Franchise Agreement.
4. 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 Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
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.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

CRUISEONE, INC.
INDIANA ADDENDUM TO THE FRANCHISE AGREEMENT

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE
STATE OF INDIANA ARE HEREBY AMENDED AS FOLLOWS:**

1. Any Franchise Agreement executed in and operative within the State of Indiana shall be governed by applicable Indiana franchise laws and the right of any franchisee to institute a civil action or initiate proceedings within the State of Indiana shall not be deemed to have been abridged in any form or manner by any provisions contained in the Franchise Agreement.
2. In compliance with Indiana Code section 23-2-2.7-1(9), any provisions in the Franchise Agreement relating to non-competition upon the termination or non-renewal of the Franchise Agreement shall be limited to a geographic area not greater than the territory granted in the Franchise Agreement and shall be construed in accordance with Indiana Code section 23-2-2.7-1(9).
3. Indiana Code section 23-2-2.7-1(10) prohibits the choice of an exclusive forum other than Indiana.
4. Indiana Code section 23-2-2.7-1(10) prohibits the limitation of litigation. The Indiana Secretary of State has interpreted this section to prohibit provisions in contracts regarding liquidated damages. Accordingly, any provisions in the Franchise Agreement regarding liquidated damages may not be enforceable. To the extent that any provision of the Franchise Agreement conflicts with Indiana Code section 23-2-2.7-1 (10), Indiana law will control.
5. Indiana Code sections 23-2-2.7-1 (1) and 23-2-2.5-30 impose different time limitations for litigation brought for breach of the Agreement or violation of Indiana law in connection with the Agreement. To the extent that any provision of the Agreement conflicts with Indiana law, Indiana law will control.
6. In compliance with Indiana Code section 23-2-2.7-1 (10), any inference contained in the Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief shall, when applicable to a Franchise Agreement executed in and operative within the State of Indiana, hereby be deleted, understood to mean and replaced with the words "may seek."
7. Indiana Code sections 23-2-2.5 and 23-2-2.7 supersede the choice of law clauses of the Franchise Agreement.
8. Indiana Code section 23-2-2.7-1 makes it unlawful for a franchisor to terminate a franchise without good cause or to refuse to renew a franchise on bad faith.

9. In compliance with Indiana Code section 23-2-2.7-1 (5), any requirement that the Franchisee must execute a release upon termination of the Franchise Agreement shall not be mandatory and is hereby made discretionary. However, Franchisee shall execute all other documents necessary to fully rescind all agreements between the parties.
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.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

Item 17 of the disclosure document shall be amended as follows:

The general release required as a condition of the renewal, sale, and/or assignment/transfer of an existing franchise by a franchisee shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law requires the franchisor to file an irrevocable consent to be sued in Maryland. Accordingly, the Summary of the Choice of Forum (provision (v.)) is amended to provide that you may file a lawsuit alleging a cause of action arising under the Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction within the State of Maryland.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Termination upon bankruptcy may not be enforceable under Federal Bankruptcy Law, 11 U.S.C. Section 101 et seq.

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.

CRUISEONE, INC.
MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

THE FRANCHISE AGREEMENT TO WHICH THIS ADDENDUM IS ATTACHED AND INCORPORATED IS HEREBY AMENDED AS FOLLOWS:

1. Despite anything to the contrary contained in the Franchise Agreement, the general release required as a condition of the renewal, sale, and/or assignment/transfer of an existing franchise by a franchisee shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
2. Despite the provisions of Section 18, the Franchisee may sue in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
4. 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. Provisions in the Franchise Agreement providing for termination upon bankruptcy of the Franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. § 101 et seq.).

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.

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 undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
MICHIGAN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES FOUND IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(A) A prohibition on the right of a franchisee to join an association of franchisees.

(B) A requirement that a franchisee assent to release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (1) the term of the franchise is less than 5 years and (2) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of the 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:

(1) the failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(2) the fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(3) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(4) the failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provision 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.

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 ADDRESSED TO:
DEPARTMENT OF ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION
670 LAW BUILDING, 525 W. OTTAWA STREET
LANSING, MICHIGAN 48913
Telephone (517) 373-7117

CRUISEONE, INC.
MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF MINNESOTA

With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C. 14, subsections 3, 4 and 5 which require, except in certain specified cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement or Area Development Agreement.

Notwithstanding anything to the contrary in the Franchise Agreement or Area Development Agreement, pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the Franchisor is prohibited from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Notwithstanding anything contained in the Franchise Agreement or Area Development Agreement to the contrary, the Franchisor shall protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes, symbols, and other commercial symbols belonging to the Franchisor and which the Franchisee has been permitted to use under the Franchise Agreement or Area Development Agreement.

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.

CRUISEONE, INC.
MINNESOTA ADDENDUM TO THE FRANCHISE AGREEMENT

**ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE
STATE OF MINNESOTA ARE HEREBY AMENDED AS FOLLOWS:**

1. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring Franchisee to consent to liquidated damages.
2. Notwithstanding anything contained in the Franchise Agreement to the contrary, the Franchisor shall protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes, symbols, and other commercial symbols belonging to the Franchisor and which the Franchisee has been permitted to use under the Franchise Agreement.
3. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80c. 14, Subds. 3, 4 and 5 which require, except in certain specified cases, that a 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. Any reference contained in the Franchise Agreement to the effect that the Franchisor "is entitled" to injunctive relief, or any imputation that the Franchisee can waive any rights under any law shall, in any Franchise Agreement entered into in the State of Minnesota be deleted and replaced with the words, "may seek."
5. Notwithstanding anything to the contrary in the Franchise Agreement, pursuant to Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, the Franchisor is prohibited 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.
6. Minn. Rule 2860.4400J prohibits Franchisor from requiring a waiver of a jury trial.
7. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Rule 2860.4400D which prohibits Franchisor from requiring Franchisee to assent to a general release as a requirement to renew or extend the term of the Franchise Agreement.

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 undersigned agree and acknowledge that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES 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. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise,

securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled **"Requirements for franchisee to renew or extend,"** and Item 17(m), entitled **"Conditions for franchisor approval of transfer":**

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled **"Termination by franchisee":** You may terminate the agreement on any grounds available by law.
5. The following is added to the end of the "Summary" sections of Item 17(v), titled **"Choice of forum",** and Item 17(w), titled **"Choice of law":**

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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.

CRUISEONE, INC.
NEW YORK ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF NEW YORK ARE HEREBY AMENDED AS FOLLOWS:

1. The foregoing choice of law should not be considered a waiver of any right conferred upon Franchisor or upon Franchisee by the General Business Law of the State of New York, Article 33.
2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, 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.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
NORTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises subject to the North Dakota Franchise Investment Law, the following information supersedes on supplements, as the case maybe, the corresponding disclosures in the main body of the text of the Franchise Disclosure Document.

1. Item 17 is amended by the addition of the following language to the original language that appears therein;
 - (a) Covenants not to compete upon termination or expiration of an Franchise Agreement are generally unenforceable in North Dakota, except in certain instances as provides by law.
 - (b) Any provision in the Franchise Agreement which designates jurisdiction or venue or requires a franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota. As such, each provision providing that the jurisdiction or venue is outside of North Dakota is deleted.
 - (c) Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
 - (d) Any provision requiring a franchisee to sign a general release upon renewal of the Franchise Agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
 - (e) Any provision in the Franchise Agreement requiring a franchisee to agree to the mediation of disputes at a location that is remote from the site of a franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the site of mediation or litigation will be agreeable to all parties and may not be remote from a franchisee's place of business.
 - (f) Apart from civil liability as set forth in Section 51-19-12 of the N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the North Dakota Franchise Investment Law, those provisions contain substantive rights intended to be afforded to North Dakota residents and it is

unfair to franchise investors to require them to waive their rights under North Dakota Law. As such, any provision in the Franchise Agreement that requires a franchisee to waive those substantive rights shall be void.

- (g) Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. As such, the Franchise Agreement shall be governed by North Dakota law.
- (h) Any provision in the Franchise Agreement requiring an FRANCHISEE to consent to termination or liquidated damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
- (i) Any provision in the Franchise Agreement or Area Development Agreement requiring a franchisee to consent to a waiver of exemplary and punitive damages is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

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.

CRUISEONE, INC.
NORTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

1. The following sentence is added to the end of Section 10:

The release required by this Section will not apply to any claim you may have under the North Dakota Franchise Investment Law.

2. The following sentence is added to the end of Section 13:

If any of the above provisions in this section concerning restrictions on competition are inconsistent with the North Dakota Franchise Investment Law or the Rules and Regulations promulgated thereunder, then the North Dakota laws shall apply.

3. The following sentence is added to the end of Sections 12.7 and 13:

North Dakota law prohibits us from requiring you to consent to pay liquidated damages.

4. The following sentence is added to the end of Sections 15, 18.9, and 18.11:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to mediation outside of North Dakota, consent to jurisdiction of courts outside North Dakota, consent to the application of laws of a state other than North Dakota, or consent to a waiver of trial by jury is void.

5. The following sentence is added to the end of Section 18.10:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to a waiver of exemplary and punitive damages is void.

6. The following sentence is added to the end of Section 10.2:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to sign a general release upon renewal or transfer of the Franchise Agreement is void.

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. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

CRUISEONE, INC.

By:_____

Print Name:_____

Title:_____

FRANCHISEE

By:_____

Print Name:_____

Title:_____

CRUISEONE, INC.
RHODE ISLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

For franchises and franchisees subject to the Rhode Island statutes and regulations, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Franchise Disclosure Document.

Item 17:

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in the franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

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.

CRUISEONE, INC.
RHODE ISLAND ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF RHODE ISLAND ARE HEREBY AMENDED AS FOLLOWS:

1. Pursuant to the Rhode Island Franchise Investment Act, the choice of jurisdiction and venue provisions of this Franchise Agreement shall be governed by Section 19-28.1-14 of the Act.
2. Pursuant to Section 19-28.1-15 of the Act, any condition, stipulation or provision in this Franchise Agreement requiring a franchisee to waive compliance with or relieving a person of a duty of liability imposed by or a right provided by this Act or a rule or order under this Act is void. An acknowledgment, provision, disclaimer or integration clause or a provision having a similar effect in the Franchise Agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate this Act or a rule or order under this Act. This section shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under this Act.
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.

The undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
SOUTH DAKOTA ADDENDUM TO THE FRANCHISE AGREEMENT

1. Neither the franchisor nor any person identified in Item 2 has any material arbitration proceeding pending, or has during the 10-year period immediately preceding the date of this Disclosure Document been a party to concluded material arbitration proceedings.
2. Although the Franchise Agreement requires all arbitration proceedings to be held where the American Arbitration Association designates, the site of any arbitration started pursuant to the Franchise Agreement will be at a site mutually agreed upon by you and us.
3. We may not terminate the Franchise Agreement for a breach, for failure to meet performance and quality standards and/or for failure to make royalty payments unless you receive thirty (30) days prior written notice from us and you are provided with an opportunity to cure the defaults. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota.
4. The laws of the State of South Dakota will govern matters pertaining to franchise registration, employment, covenants not to compete, and other matters of local concern; but as to contractual and all other matters, the Franchise Agreement will be subject to the applications, construction, enforcement and interpretation under the governing law of Florida.
5. Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside of the State of South Dakota or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the South Dakota Franchise Act.
6. Any provision that provides that the parties waive their right to claim punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.
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.

CRUISEONE, INC.

By: _____

Name: _____

Title: _____

Date Signed: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Date Signed: _____

CRUISEONE, INC.
VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

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

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

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.

CRUISEONE, INC.
WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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.

CRUISEONE, INC.
WASHINGTON ADDENDUM TO THE FRANCHISE AGREEMENT,
QUESTIONNAIRE, AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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 undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20_____.

FRANCHISOR

FRANCHISEE

CRUISEONE, INC.
WISCONSIN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

NOTICE TO PROSPECTIVE FRANCHISEES IN THE STATE OF WISCONSIN

IN THE STATE OF WISCONSIN CHAPTER 135 OF THE WISCONSIN FAIR DEALERSHIP LAW GOVERNS THIS AGREEMENT. YOU MAY WANT TO REVIEW THIS LAW.

For franchises and franchisees subject to the Wisconsin Fair Dealership Law, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the Franchise Disclosure Document.

Item 17:

For Wisconsin Franchisees, ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract between Franchisor and Franchisee inconsistent with the Law.

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.

CRUISEONE, INC.
WISCONSIN ADDENDUM TO THE FRANCHISE AGREEMENT

ALL FRANCHISE AGREEMENTS EXECUTED IN AND OPERATIVE WITHIN THE STATE OF WISCONSIN ARE HEREBY AMENDED AS FOLLOWS:

The Franchisor and Franchisee hereby acknowledge that the Franchise Agreement shall be governed by The Wisconsin Fair Dealership Law (Wisconsin Statutes, 1979-1980, Title XIV-A, Chapter 135, Sections 135.01 through 135.07) which makes it unlawful for a franchisor to terminate, cancel or fail to renew a franchise without good cause, as well as providing other protections and rights to franchisees. To the extent anything in the Franchise Agreement is contrary to the laws in the State of Wisconsin, said laws shall prevail.

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 undersigned hereby acknowledge and agree that this addendum is hereby made part of and incorporated into the foregoing Franchise Agreement.

CRUISEONE, INC.

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

Schedule 2 to the Franchise Disclosure Document

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document to be registered or filed with the states, or to 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:

| STATE | EFFECTIVE DATE |
|--------------|----------------|
| 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.

Schedule 3 to the Franchise Disclosure Document

RECEIPT PAGES

RECEIPT

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

If CruiseOne offers you a franchise, CruiseOne must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If CruiseOne does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, the Florida Division of Consumer Affairs, Tallahassee, Florida, or the authorized state administrator listed in Exhibit D.

Franchise Seller(s): Deborah M. Fiorino, Drew Daly, Joelle Delva, Natalie Loza, Milton Dunlop, Mary C. Antoine, Lynda Webster, Kacee Vojdani, Sherri Carter, Michael McNamara, and Christopher Azamar @ CruiseOne, Inc., 1201 W Cypress Creek Rd, Suite 100, Ft Lauderdale, FL 33309-1955, (954) 958- 3700.

CruiseOne's agent in this state authorized to receive service of process is listed in Exhibit D.
Issuance date: April 8, 2025.

I received a disclosure document dated April 8, 2025, that included the following Exhibits:

- A - Franchise Agreement
- B - Table of Contents-Operations Manual
- C - Financial Statements
- D - State Administrators/Agents for Service of Process
- E - List of Current Franchisee Outlets and Franchisees Signed but Not Operational as of FYE
- F - List of Franchisee Outlets Terminated, Not-Renewed, Etc.
- G - Franchisee Questionnaire
- Schedule
 - 1 – State Specific Disclosures
 - 2 – State Effective Dates
 - 3 – Receipt Pages

Date: _____

Your name (please print): _____

Your signature: _____

You should return one copy of the signed receipt either by signing, dating, and (1) sending it electronically through AdobeSign; (2) mailing it to CruiseOne, Inc. 1201 W Cypress Creek Rd, Suite 100, Ft Lauderdale, FL 33309-1955; or (3) emailing (as an attachment) a copy of the signed receipt to Contract Administration; or contractadministration@wth.com. You may keep the second copy for your records.

RECEIPT

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

If CruiseOne offers you a franchise, CruiseOne must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If CruiseOne does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, the Florida Division of Consumer Affairs, Tallahassee, Florida, or the authorized state administrator listed in Exhibit D.

Franchise Seller(s): Deborah M. Fiorino, Drew Daly, Joelle Delva Natalie Loza, Milton Dunlop, Mary C. Antoine, Lynda Webster, Kacee Vojdani, Sherri Carter, Michael McNamara and Christopher Azamar @ CruiseOne, Inc., 1201 W Cypress Creek Rd, Suite 100, Ft Lauderdale, FL 33309-1955, (954) 958- 3700.

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Date: _____

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