

**These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.**

Cobblestone Hotels, LLC  
Income Statement  
For the Six Months Ending June 30, 2025

	Current Month		Year to Date	
<b>Revenues</b>				
Application Fees Revenue	\$ 10,000.00	1.23	\$ 25,000.00	0.52
Cobblestone Rewards Fees	173,387.67	21.25	686,383.11	14.25
Initial Franchise Fees Revenue	9,452.07	1.16	72,025.07	1.50
Boarders Franchise Fee	21,386.10	2.62	129,026.41	2.68
Centerstone Franchise Fees	9,838.31	1.21	52,775.04	1.10
Key West Franchise Fees	13,143.42	1.61	79,601.80	1.65
Cobblestone Franchise Fees	303,169.18	37.16	1,853,216.58	38.49
Training Revenue	0.00	0.00	8,982.00	0.19
Call Center Revenue	2,100.85	0.26	12,174.92	0.25
Computer/Email Revenue	6,423.40	0.79	34,179.03	0.71
Misc. Other Revenue	154.62	0.02	188,759.90	3.92
Interest Revenue	0.00	0.00	4,165.52	0.09
Advertising Revenue - Sojern	26,138.34	3.20	170,202.92	3.53
Marketing Fees Revenue	62,824.25	7.70	379,600.84	7.88
Key West Marketing Fees	800.00	0.10	5,200.00	0.11
Reservation System Revenue	159,654.76	19.57	1,008,205.67	20.94
Convention Sponsorship Revenue	17,350.00	2.13	106,500.00	2.21
Convention Attendee Revenue	0.00	0.00	(636.73)	(0.01)
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Total Revenues	815,822.97	100.00	4,815,362.08	100.00
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<b>Cost of Sales</b>				
Management Payroll	19,243.16	2.36	115,340.24	2.40
Office Payroll	23,521.16	2.88	171,829.94	3.57
Employee Benefits	144.05	0.02	548.91	0.01
Computer/Email Expenses	6,182.64	0.76	38,064.78	0.79
Boulders Commissions	1,513.00	0.19	9,065.40	0.19
Workman's Compensation	0.00	0.00	2,353.00	0.05
Reservation System Expenses	24,590.46	3.01	159,960.35	3.32
Reservation System Fees	84,658.77	10.38	859,017.35	17.84
Rewards System Fees	36,000.00	4.41	216,000.00	4.49
Room Redemptions	970.74	0.12	5,775.64	0.12
Employer Payroll Taxes	3,096.63	0.38	23,685.40	0.49
Cobblestone Rewards	8,300.00	1.02	63,510.00	1.32
401K Expenses	1,378.47	0.17	9,499.99	0.20
Health Insurance Expenses	2,468.48	0.30	14,121.61	0.29
SEO Marketing Expenses	32,640.87	4.00	199,875.13	4.15
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Total Cost of Sales	244,708.43	30.00	1,888,647.74	39.22
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Gross Profit	571,114.54	70.00	2,926,714.34	60.78
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<b>Expenses</b>				
Convention Marketing Lit	0.00	0.00	18.72	0.00
Convention Signs/Banners	0.00	0.00	44.75	0.00
Convention Promo Materials	0.00	0.00	430.40	0.01
Convention Awards	0.00	0.00	78.54	0.00
Convention VIP Event	3,000.00	0.37	3,000.00	0.06
Convention GM Lodging	0.00	0.00	21,946.90	0.46
Convention Employee Travel	0.00	0.00	1,107.92	0.02
Convention Website/Media	0.00	0.00	2,299.00	0.05
Training Expenses	171.03	0.02	1,108.01	0.02
Training Travel Expenses	1,874.95	0.23	3,688.98	0.08
Training Dining Expenses	239.18	0.03	6,643.63	0.14
Credit Card Commissions	(177.00)	(0.02)	(796.50)	(0.02)
Donation Expenses	0.00	0.00	400.00	0.01
Bank Charges	537.71	0.07	1,043.00	0.02
Printing Expenses	0.00	0.00	368.38	0.01
Office Lease	1,000.00	0.12	6,000.00	0.12

For Management Purposes Only

Cobblestone Hotels, LLC  
Income Statement  
For the Six Months Ending June 30, 2025

	Current Month		Year to Date	
Dues & Subscriptions	164.85	0.02	1,531.65	0.03
Licenses & Permits	430.00	0.05	4,471.04	0.09
Recruitment Expense	0.00	0.00	4,030.22	0.08
Postage Expenses	122.86	0.02	566.69	0.01
Professional Fees	12,029.30	1.47	73,393.77	1.52
Accounting Fees	333.62	0.04	51,291.80	1.07
Training & Seminars	0.00	0.00	200.49	0.00
Travel & Lodging Expenses	3,533.73	0.43	7,422.20	0.15
Dining Expenses	305.40	0.04	2,640.60	0.05
Cobblestone Wrkshp Dining	1,131.40	0.14	1,131.40	0.02
Opening GM Reimbursement	1,700.00	0.21	8,200.00	0.17
Opening Travel Expenses	1,412.06	0.17	6,189.38	0.13
Opening Dining Expenses	290.19	0.04	1,162.47	0.02
Telephone Expenses	71.18	0.01	213.54	0.00
Cell Phone Expenses	150.00	0.02	1,050.00	0.02
Office Supplies Expenses	290.79	0.04	1,968.71	0.04
Computer & Copier Expenses	19.20	0.00	216.38	0.00
QA Travel Expenses	2,134.52	0.26	25,999.93	0.54
QA Dining Expenses	134.25	0.02	2,034.59	0.04
Quality Assurance Expenses	0.00	0.00	1,440.00	0.03
Franchise Advisory Expenses	0.00	0.00	750.00	0.02
Marketing Expenses	657.45	0.08	38,026.85	0.79
Other Expenses	263.20	0.03	658.00	0.01
State Taxes	0.00	0.00	1,337.29	0.03
Insurance Expenses	4,003.93	0.49	29,952.38	0.62
Depreciation Expenses	243.87	0.03	1,463.22	0.03
Amortization of Intangibles	7,425.00	0.91	44,550.00	0.93
Trade Show Expenses	567.00	0.07	2,518.30	0.05
Development Material Expenses	0.00	0.00	65.11	0.00
Franchise Advertising	1,137.50	0.14	47,519.37	0.99
Brand Loyalty Marketing	57,265.87	7.02	349,364.31	7.26
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Total Expenses	102,463.04	12.56	758,741.42	15.76
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Net Income	\$ 468,651.50	57.45	\$ 2,167,972.92	45.02
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## Cobblestone Hotels, LLC

Balance Sheet

June 30, 2025

## ASSETS

## Current Assets

Old National Checking Acct	\$	3,478,312.34
Northwestern Checking Acct.		310,380.97
Horicon Checking Account		114,883.91
Horicon Certificate of Deposit		720,368.85
Accounts Receivable		409,577.90
A/R - Other		871.78
Prepaid Expenses		30,630.29
Prepaid Advertising Expenses		3,500.06
Prepaid Insurance		30,900.01
Advanced Deposits		25,000.00
Tango Card Advance Deposit		31,217.00

## Total Current Assets

5,155,643.11

## Property and Equipment

Intangibles	567,000.00
Trademarks - Boulders	208,150.00
Trademarks - Centerstone	309,000.00
Trademarks - Key West	324,000.00
Equipment	15,739.59
Accumulated Depreciation	(14,520.37)
Goodwill - Accumulated Amort	(392,175.00)
Trademarks - Boulders Amort	(208,150.00)
Trademarks-Centerstone Amort	(309,000.00)
Trademarks-KeyWest Amort	(224,100.00)

## Total Property and Equipment

275,944.22

## Other Assets

Forgivable Note - Oshkosh	76,774.87
Forgivable Loan - Waukon	30,000.00
Forgivable Loan - Ord	18,000.00
Forgivable Loan - Brush	25,000.00
Forgivable Loan - Manchester	20,000.00
Forgivable Loan - Clarinda	20,000.00
Forgivable Loan - Fort Madison	20,000.00
Forgivable Loan - Monticello	20,000.00
Forgivable Loan - Clarion	17,871.81
Forgivable Loan - Maryville	8,052.08
Forgivable Loan - Manning	17,158.89
Forgivable Loan - Boone	20,000.00
Forgivable Loan - Holstein	16,572.39
Forgivable Loan - Denison	13,368.14
Forgivable Loan - Lakin	19,815.85
Accum Amort - Manchester	(12,416.89)
Accum Amort - Clarinda	(12,416.89)
Accum Amort - Fort Madison	(12,416.89)
Accum Amort - Monticello	(12,416.89)
Accum Amort - Clarion	(11,169.77)
Accum Amort - Maryville	(4,965.41)
Accum Amort - Manning	(10,652.76)
Accum Amort - Boone	(12,333.55)
Accum Amort - Holstein	(10,288.48)
Accum Amort - Denison	(8,299.31)
Accum Amort - Lakin	(6,507.72)
Accum Amort - Brush	(26,041.85)
Accum Amort - Ord	(8,302.32)
Accum Amort - Waukon	(28,750.00)
Accum Amort - Oshkosh	(33,908.87)

Cobblestone Hotels, LLC  
Balance Sheet  
June 30, 2025

Total Other Assets		131,726.43
		131,726.43
Total Assets	\$	5,563,313.76
		5,563,313.76

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	\$	164,435.85
401K Payable		789.17
AZ Sales Tax Payable		121.92
MN Sales Tax Payable		31.53
ND Sales Tax Payable		2,164.41
OH Sales Tax Payable		38.21
PA Sales Tax Payable		501.19
TX Sales Tax Payable		972.57
WI Sales Tax Payable		44.57
UT Sales Tax Payable		171.03
WA Sales Tax Payable		769.16
Deferred Revenue		1,784,167.12
Loyalty Liability-Short Term		137,320.00
Shareholders Payable		1,245,609.00
		3,337,135.73
Total Current Liabilities		3,337,135.73
Long-Term Liabilities		
Loyalty Liability-Long Term		152,995.50
		152,995.50
Total Long-Term Liabilities		152,995.50
Total Liabilities		3,490,131.23
Capital		
Capital - Brian		1,050,000.00
Capital - Jeremy		350,000.00
Dividends Paid - Jeremy		(425,531.00)
Dividends Paid - Kim		(1,911,448.89)
Dividends Paid - Kim Trust		(27,089.34)
Retained Earnings		869,278.84
Net Income		2,167,972.92
		2,073,182.53
Total Capital		2,073,182.53
Total Liabilities & Capital	\$	5,563,313.76
		5,563,313.76