

If you fail to pay a Monthly Royalty, we have the right to require you to pay the balance to us immediately, to reduce the size of your Territory, to terminate your Franchise Agreement, and/or to seek any other remedy permitted by law.

d. *Minimum Annual Royalty.* You must pay us a “Minimum Annual Royalty” each calendar year during the Term. In the first calendar year in which you operate the Casago Business, your Minimum Annual Royalty will be an amount we agree to in the Franchise Agreement based on the Tier for your Territory and the time of year at which you start operating the Casago Business. In subsequent calendar years, the amount of the Minimum Annual Royalty will be based on the Tier for your Territory and will increase each year during the Term, as set forth in the below table:

Minimum Annual Royalty Requirements				
	Tier 4	Tier 3	Tier 2	Tier 1
Calendar Year 1	As agreed upon in Franchise Agreement			
Calendar Year 2	\$8,750	\$17,500	\$35,000	\$52,500
Calendar Year 3	\$13,125	\$26,250	\$52,500	\$78,750
Calendar Year 4	\$17,500	\$35,000	\$70,000	\$105,000
Calendar Year 5+	\$21,875	\$43,750	\$87,500	\$131,250

If you fail to pay the Minimum Annual Royalty, we have the right to require you to pay the balance to us immediately, to reduce the size of your Territory, to terminate your Franchise Agreement, and/or to seek any other remedy permitted by law.

3. **Manner of Payment.** With the exception of the Initial Franchise Fee, you must pay all fees and other amounts owed to us and/or our affiliates through an electronic funds transfer program (the “EFT Program”), under which we automatically deduct all payments owed to us and/or our affiliates, from the bank account you provide to us for use in connection with EFT Program (the “EFT Account”). You must deposit all revenues from the operation of your Casago Business into this bank account within three days upon receipt, including cash, checks, and credit card receipts. For purposes of payment, at least ten (10) days prior to opening the Casago Business, you must provide us with: (i) your bank’s name, address and account number; and (ii) a voided check from the bank account if required by your bank for EFT payments. You must immediately notify us of any change in your banking relationship, including any change to the EFT Account. We reserve the right to require you to pay any amounts payable under the Franchise Agreement by other means as we may specify from time to time.
4. **Transition Services Fee.** If you purchase a Vacasa Market, you will enter into a Transition Services Agreement with Vacasa at the same time that you enter into the Franchise Agreement. Under the Transition Services Agreement, Vacasa will provide certain transition services to you for an initial period of operation of your Casago Business (which will typically be during the first 90 to 120 days of operation) and you will pay Vacasa the transition services fee. [A copy of the Transition Services Agreement is attached to this Franchise Disclosure Document as Exhibit D to the Asset Purchase Agreement \(discussed in Item 1 above\).](#)