



FRANCHISE DISCLOSURE DOCUMENT



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www.casago.com

Franchise

We franchise the right to operate a single “Casago” full-service property management business providing short-term vacation and corporate housing rentals and property management services.

The ~~estimated~~ initial investment required for the establishment of a Casago Business ranges from \$~~51,275~~23,000 to \$~~413,000~~378,000. This amount includes \$~~16,000~~14,000 to \$~~117,000~~112,000 that must be paid to us or ~~our affiliates prior to opening an 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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our corporate office at 15475 North Greenway Hayden Road, Suite B-2, Scottsdale, Arizona AZ 85260, or via telephone at (480) 877-535-3264 525-0999.

The terms of your Franchise Agreement will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contracts. Read all of your contracts carefully. Show your contracts 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. ~~The Issue~~

Issuance Date of this Franchise Disclosure Document is: May ~~12~~16, ~~2023~~2024

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

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

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

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

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

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

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

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

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

### Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends that 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 A.

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

## Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation and/or litigation only in Arizona or in the state where Franchisor's headquarters is then-located. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Arizona or in the state where Franchisor's headquarters is then-located than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
4. **Mandatory Minimum Payments.** You must make minimum royalty payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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Exhibit A -- List of State Administrators/Agents for Service of Process

Exhibit B -- Table of Contents of Operations Manual

Exhibit C -- Financial Statements

Exhibit D -- Franchise Agreement

Exhibit E -- Sample Termination and Release Agreement

Exhibit F -- List of Franchisees

Exhibit G -- List of Franchisees Who Have Left the System

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

The Franchisor

To simplify the language in this Franchise Disclosure Document, “Casago” “we” or “us” means Casago International LLC, the franchisor of this business. “You” or “Franchisee” means the person who buys the franchise and includes your owners if you are a corporation or other business entity.

Casago International LLC is an Arizona limited liability company formed on May 14, 2020. Our principal business address is 15475 North Greenway Hayden Road Suite B2, Scottsdale, [Arizona AZ 85260](#). We began offering Casago franchises in April of 2021. We do not do business under any name other than our corporate name and the name “Casago”. We have not offered franchises in any other line of business. Additionally, we do not engage in any other major business activities outside of the Casago franchise system. Our agents for service of process are listed in Exhibit A of this Disclosure Document.

~~Certain of our affiliates operate five (5) Casago Businesses that are operated in a substantially similar manner as the franchise being offered in this Disclosure Document utilizing the Marks and System.~~

Parents, Predecessors and Affiliates

~~We currently have three (3) affiliates, High Desert Travel, Inc., our affiliate, is an Arizona corporation company formed on January 30, Casago Utah, LLC, a Utah limited liability company, and Signature Rentals California, 2006, with Inc., a California corporation. High Desert Travel, Inc. has its principal business address of at 15475 N Greenway Hayden Loop, Suite B2, Scottsdale, [Arizona AZ 85260](#). Our affiliate licenses the use of our registered trademark to us but does not otherwise provide products or services to our franchisees and does not offer/sell franchises in any line of business. It operates Casago Businesses in Phoenix, Sedona and Tucson, AZ and has been in operation since January 2006. Casago Utah, LLC has its principal address at 1960 Sidewinder Dr Ste 104, Park City, UT 84060. It operates a Casago Business in Park City, Utah and has been in operation since July 2019. Signature Rentals, Inc. is located at 120 W Mission St, Santa Barbara, CA 93101. It operates a Casago Business in Santa Barbara, CA and has been in operation since August 2016.~~ Other than as disclosed here, we have no other parents, predecessors, or affiliates.

The Franchised Business

We offer franchises for the establishment, development, and operation of a full-service property management business that focuses on short-term vacation rentals pursuant to the terms and conditions of the Casago franchise agreement (each a “Casago Business” or a “Franchised Business”). Additional services Casago Businesses offer include, but are not limited to, recruiting and onboarding rental property owners, marketing of rental units, developing pricing strategies for rental properties, operating trust account for fees due to owners, processing guest payments, managing check in and out of guests, and managing housekeeping, maintenance and repair of properties, in addition to any other products or services that we may designate in the future (the “Approved Products and Services”).

Each Casago Business operates according to our unique system, which includes uniform specifications of products and services, standards of care, customer services practices, principles for working with owners,

renters, employees and vendors, scheduling procedures, marketing, advertising, a proprietary learning system, software, and procedures for the operation and management of a Casago Business (the “System”).

You will provide all Approved Products and Services that we designate. Your Casago Business will operate under the mark “Casago” and other associated marks that we now and in the future may designate as part of the System (collectively, the “Proprietary Marks”). However, existing operators who become Casago Businesses will bear the “Casago” mark in a blended format for a predetermined amount of time, after which time will operate only under our Proprietary Marks only. You will operate your Casago Business within a territory (the “Territory”) that we designate and identify on the data sheet of the Franchise Agreement (the “Data Sheet”). You may operate the Franchised Business from a home office location, which must be within the Territory or within a ~~10~~30-minute driving radius of the Territory. We do not require you to lease office space. If you choose to operate the Franchised Business from a leased premises, you must ~~secure our approval~~notify us of the ~~proposed site before signing a lease for the premises and that site~~location, which must be located in your Territory. For reference purposes, your home office location, or, if applicable, your ~~approved~~leased premises, is referred to as the “Approved Location”. You will not be permitted to operate your Franchised Business at any location other than your Approved Location unless you secure our prior written consent.

Existing operators will adhere to a brand conversion timeline, during which time their current brand will transition to Casago as the primary headline. This transition is expected to occur over a period of up to three years. However, the phrase "Powered by Casago" must be integrated into all digital or print advertising materials per brand standards no more than 90 days after signing the Franchise Agreement.

We have a multi-market account program (the “Multi-Market Account Program”) in which we have the exclusive right to negotiate and enter into agreements to provide services to customers with operations spanning more than one geographic market (collectively, “Multi-Market Accounts”). So long as your Casago Business remains in good standing within our System, we may, but are not required, to offer you the option to perform such work in your Territory (defined below) but we may also provide such services ourselves or contract with a third-party including another Casago franchisee to perform such services in your Territory. See Item 12 for more information about our Multi-Market Account Program.

### Market and Competition

The market for your Casago Business will be owners and agents of residential rental properties. Your Casago Business will compete primarily with other property management service providers. The property management industry in general is a mature and highly competitive industry. The services provided by the Casago Business can be year-round or seasonal depending on geography since the market is primarily hosts of residential homes that are used as vacation rental locations. Your competitive advantage will be based on your compliance with our System standards, your focus on customer service, and your managerial and entrepreneurial abilities.

### Industry Specific Regulations

The Casago Business is subject to the laws and regulations in your county, state or municipality regarding the operation of the Casago Business. Specifically, your Casago Business may be subject to laws pertaining to real estate leasing, property management and short term or vacation rental regulations. You are advised to examine these laws and regulations before purchasing a franchise from Casago. You must comply with all laws and regulations ~~pertaining to businesses generally~~ and any laws pertaining to the

regulation of Casago Businesses, including, without limitation, all government regulations relating to occupational hazards and health-trade regulations, worker's compensation, and unemployment insurance.

You are also subject to employment laws such as the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime and working conditions. ~~You will also be subject to other laws or regulations that are not specific to the industry, but applicable to businesses generally, such as labor laws, including as they relate to classification of employees and independent contractors, insurance requirements, business licensing laws and tax regulations, and the Americans with Disabilities Act.~~ We have not investigated the laws or regulations applicable to your Casago Business. You are solely responsible for investigating all applicable federal, state, and local laws and regulations, and your cost to comply with such laws and regulations, and you should do so before purchasing a franchise from us. We strongly suggest that you consult with an attorney, consultant and/or financial advisor regarding such regulations prior to purchasing a franchise from us. Applicable laws and regulations are subject to change.

## ITEM 2 BUSINESS EXPERIENCE

### Steve Schwab: Founder and President

Steve is our Founder and has served as our President since our inception. Steve has also served as the Founder and CEO of our affiliate, High Desert Travel, Inc., located in Scottsdale, [ArizonaAZ](#), since January 2001. In addition, Steve has served as President of Zia Consulting, located in Scottsdale, [ArizonaAZ](#), since April 2003.

### ~~Ryan Dame: Vice President~~

~~Ryan has served as our Vice President since August 2020. Ryan has also served as Founder of Padzu Vacation Home, located in Scottsdale, Arizona, since July 2017. Previously, Ryan served as a Partner for Over Easy Breakfast Restaurant, located in Scottsdale, Arizona, from February 2017 to July 2019. Prior to that time, Ryan was Founder of Hit Rentals, located in Scottsdale, Arizona, from March 2014 to July 2017.~~

### Catrina Wakefield: Director, Business Development

Catrina has served as our Director of Business Development since our inception. Catrina has also served as Director of Global Business Development of our affiliate, High Desert Travel, Inc., located in Scottsdale, [ArizonaAZ](#), since April 2016. ~~Previously, Catrina served as a Senior Manager for The Connor Group in Dallas, Texas and Nashville, Tennessee, from September 2011 until September 2015.~~

### ~~Alex Husner: Chief Marketing Officer~~

~~Alex~~

### Jeremy Frost – Director of Strategic Partnerships

~~Jeremy~~ has served as our ~~Chief Marketing Officer~~ Director of Strategic Partnerships since ~~November 2022. Prior to this role, Alex~~ May 2023. ~~Jeremy~~ served as ~~Chief Marketing Officer of Condo World,~~

~~located in Myrtle Beach, South Carolina, an Executive Assistant and Project Manager for Ellison Ventures, LLC from January 2019 to June 2009 until October 2022~~2023.

**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcies are required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FEES**

Initial Franchise Fee

New Operators

You must pay an initial franchise fee of between \$14,000 and \$112,000 for the right to operate a Casago Business. The amount of the initial franchise fee will depend upon the “Tier” under which your Territory is classified. There are currently four Tiers, which are determined based on our market demographic evaluation (“MDE”) for your proposed Territory. We currently use industry-recognized, third-party short-term rental data and analytics to determine the MDE. We determine the MDE (and consequently, the Tier of your Casago Business), based on a number of demographic and market factors, including ~~population~~, the total number of currently available vacation home rental units in the Territory, the average total number of rented nights per unit, and the average daily rental rate in the Territory.

The initial franchise fee imposed for each Tier is disclosed in the below table:

Tier	Initial Franchise Fee
Tier 4	\$14,000
Tier 3	\$28,000
Tier 2	\$56,000
Tier 1	\$112,000

~~You~~  
Existing Operators

Existing Operators with established inventory will pay an initial, one-time franchise fee of \$28,000 regardless of the Tier that their Territory.

Whether you are a new operator or an existing operator, you will pay the Initial Franchise Fee in full at the time you sign your Franchise Agreement. ~~The Initial Franchise Fee is paid in consideration of the costs incurred by us in connection with the execution of your Franchise Agreement, as well as our lost or deferred opportunity to enter into a Franchise Agreement with other prospects.~~ The Initial Franchise Fee is non-refundable upon payment.

The Initial Franchise Fee for a second and any subsequent Casago Business will be eighty percent (80%) of the applicable then-current Initial Franchise Fee.

Veteran Discount

We will reduce our Initial Franchise Fee by twenty percent (20%) for the first Casago Business purchased by honorably discharged United States military veterans who will own a majority interest in the Casago Business, provided that the veteran meets our qualifications for new franchisees. This discount does not apply to ~~a your~~ second ~~or~~ and any subsequently purchased Casago ~~Business~~ Businesses.

Grand Opening Marketing Requirement

~~You~~

New Operators

If you are a new operator, you must expend between \$2,000 and \$5,000 (the “Grand Opening Marketing Requirement”) to conduct a grand opening marketing campaign (the “Grand Opening Marketing Campaign”) during your first sixty ~~(60)~~ (60) days of operation, the amount of which will vary depending upon your Territory ~~and the status of your existing business.~~ We ~~and you will agree upon~~ determine the exact amount of the Grand Opening Marketing Requirement ~~prior to signing~~ during the ~~Franchise Agreement~~ franchisee onboarding process while establishing your marketing strategy. We may designate a different time period for you to conduct the Grand Opening Marketing Campaign. ~~We must approve of your Grand Opening Marketing Campaign before it is conducted.~~ We reserve the right to collect the Grand Opening Marketing Requirement and conduct the Grand Opening Marketing Campaign for you. If we do so, at the time you sign your franchise agreement, your Grand Opening Marketing Requirement is non-refundable when paid.

Existing Operators

If you are an existing ~~business generates more than \$1,000,000 in annual revenue, we may waive the requirement that you conduct the~~ operator, you will not have a Grand Opening Marketing ~~Campaign~~ Requirement.

**ITEM 6  
OTHER FEES**

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<del>Based on a sliding scale and</del>	<del>Paid to us on the 15<sup>th</sup> of</del>	<del>Three and a half percent</del>	<del>Paid to us on the 15<sup>th</sup></del>
			See Notes 1

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<p>determined by your Gross Rental Revenues each year. The scale is as follows:</p> <p><u>\$0 to \$3,000,000: 3.5%</u></p> <p><u>\$3,000,001 to \$5,000,000: 3%</u></p> <p><u>\$5,000,001 to \$7,000,000: 2.5%</u></p> <p><u>\$7,000,001 to \$10,000,000: 2%</u></p> <p><u>Over \$10,000,001: 1.5%</u></p>	<p>each month for the preceding month via EFT. The balance of the <u>Minimum Annual Royalty</u>, if applicable, is due within five (5) days of invoicing.</p>	<p><del>(3.5%) of your Gross Rental Revenue. Each</del> You must pay us a “<u>Minimum Annual Royalty</u>” each year during the Term, <del>you must pay to us.</del> The amount of the <u>Minimum Annual Royalty</u> <del>(as disclosed in more detail in Note 1 below)</del> will depend on your Franchise’s Tier.</p> <p>See Notes 2(c) and 2(d) below for more information about <u>Royalty Fee and Minimum Annual Royalty</u>.</p>	<p><del>of each month for the preceding month via EFT. The balance of the Minimum Annual Royalty, if applicable, is due within five (5) days of invoicing.</del></p>
<p>System Marketing Fund Contribution</p>	<p><u>Currently not assessed</u>; If implemented, one half percent (0.5%) of your Gross Rental Revenue, which we may increase up to one percent (1%) at our discretion.</p>	<p>At the same time and in the same manner as the Royalty Fee.</p>	<p>The System Marketing Fund Contribution is used to maximize recognition of the <u>Proprietary</u> Marks and the System.</p>
<p>Local Marketing Requirement</p>	<p><del>Agreed upon amount as determined by Franchisee and Casago Marketing Account Manager approval.</del> <u>This amount varies depending on your territory.</u></p>	<p>Quarterly</p>	<p><del>All</del> <u>This is the amount you must spend to market in your Territory. It is paid to advertising materials must be approved by us prior to use/publication suppliers you choose, not to us.</u> We may require you to provide us with monthly reports detailing your local advertising expenditures. <del>If you are Your Local Marketing Requirement does not apply during the Grand Opening period (first 60 days after opening). If Franchisee is a new or existing operator generating less than the minimum Gross Rental Revenue threshold we designate, you</del> <u>\$1,000,000 annual rent revenue, Franchisor designates, Franchisee will be required to participate in the “Casago Marketing Service”, as designated by Franchisor, and</u></p>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			<p>expend all or some portion (as <del>we</del> <del>designate</del> <u>Franchisor designates</u>) of the Local Advertising Requirement on designated activities or materials that are provided by <del>our</del> <u>Franchisor's</u> designated or approved supplier(s) for these types of services (<del>which we refer to as an "Approved Supplier" in Item 8</del>).</p>
<u>Regional Advertising Cooperative</u>	<u>Amount set by cooperative.</u>	<u>As set by the cooperative</u>	<p><u>We have not currently established a Regional Advertising Cooperative. If such a Cooperative is established, any contribution you make to such Cooperative will be credited to your Local Advertising Requirement, and your maximum contribution to such Cooperative will not exceed your Local Advertising Requirement.</u></p> <p><u>Franchisor-owned outlets will have the same voting power in such Cooperatives as franchisee-owned outlets.</u></p>
<u>Casago Owner Marketing Service</u>	<u>Our then current fee. Currently \$750/month</u>	<u>At the same time and in the same manner as the Royalty Fee.</u>	<p><u>Payable to us to prepare marketing for your territory. This is in addition to your minimum Local Advertising Requirement.</u></p> <p><u>This is only required for operators generating less than \$1,000,000 annual rent revenue.</u></p> <p><u>This fee may be increased by us on thirty (30) days written notice.</u></p>
<u>Initial Franchise Training Fee</u>	<u>\$0 for any person attending the Initial Franchise Training at the time as the Franchisor owner and General Manager (if applicable).</u>	<u>Before training begins.</u>	<p><u>The Franchisor owner and General Manager (if applicable) must attend our Initial Franchise Training.</u></p>
<u>Initial</u>	<u>We do not charge for franchise owner and</u>	<u>Before training</u>	<u>If you and the four</u>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<p>Training Fee</p>	<p><del>four (4) additional employees in a leadership role to attend our Initial Training Program (defined in Item 7).</del>  <del>Additional employees can attend our Initial Training Program, upon your request and our approval, for our then current initial training fee, which is currently \$1,500 (the “Initial Training Fee”).</del>  <u>Additional Training Fees \$1,500 per person Upon request</u></p>	<p><del>begins.</del></p>	<p><del>(4)</del> <u>or any</u> employees you select to attend the Initial Training Program are not able to attend at the same time, we reserve the right to charge <del>the Initial</del> <u>an Additional</u> Training <del>Free</del> <u>Fee of \$1,500 per person</u> for those who attend at a later time unless previously agreed upon.</p> <p><del>This fee is only payable to us in connection with additional people who attend the Initial Training Program.</del></p> <p>If the initial staff member you select to attend the Initial Training Program with you fails to pass the Initial Training Program, you will be required to send a second staff member instead, and we reserve the right to charge you <del>the Initial</del> <u>an Additional</u> Training Fee to do so.</p> <p>If you must send a staff member to the Initial Training Program due to turnover during your ongoing operations, we reserve the right to charge you <del>the Initial</del> <u>an Additional</u> Training Fee.</p>
<p>Casago Professional Support Visits</p>	<p>Our costs incurred for travel and lodging.  Upon request</p>		<p>Up to <del>two times</del> <u>one time</u> per year, we <del>will</del> <u>may</u> conduct an onsite visit to <u>help support</u> your <del>Franchised Business. If</del></p>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
			<p><del>you fail to meet Casago standards during this visit, we reserve the right to conduct more than two in a year</del> <u>business needs</u>. You are responsible for the costs of our representatives' travel and lodging to conduct <del>these inspections</del> <u>onsite support visits</u>.</p> <p>Each visit is defined by one person for up to 3 days and 4 nights. You are responsible for the expense of economy travel and lodging.</p>
Technology Fee	Not currently assessed. If implemented, our then-current technology fee (the "Technology Fee").	Either (i) at the time of payment and in the same manner as your Royalty Fee (if paid to us), or (ii) at such date required by the vendor if paid to the vendor.	<p>This fee, if implemented, will support certain technology and IT-related services and/or other tools we determine to provide as part of the System, which may include, without limitation web hosting, System website, email hosting, customer relationship management systems, etc.</p> <p>We may require that this Technology Fee be paid, in whole or in part, to an <del>Approved Supplier</del> <u>us, an affiliate, or a designated supplier</u>. We reserve the right to increase the Technology Fee upon <del>thirty</del> <u>(30)-sixty (60)</u> days' notice.</p>
Annual Conference	Our then-current attendance fee. Currently estimated between \$500 to \$800 per attendee.	As incurred.	<p>We may schedule and hold an annual conference, as we deem necessary. You will be responsible for the costs and expenses you incur in connection with any annual conference (lodging, travel, meals, etc.), and we reserve the right to charge you our then- current attendance fee. <u>We currently do not require you to attend our annual</u></p>

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
<del>Vacation Rental Software</del> <del>—</del> <del>Online</del> <del>Travel Agency (OTA) Channel Connection</del> <del>Fee</del>	<del>A single Software Channel Connection currently being allocated to Casago.com is included in the Royalty. However, additional Direct OTA connections and customizations from the property management software will be provided at a current fee of 1% of Gross Rental Revenue that is booked via the OTA software channel connection. This fee is subject to increase up to 1.5% of Gross Rental Revenue booked.</del>	<del>At the same time and in the same manner as the Royalty Fee.</del>	<del>conference.</del> Payable directly to us. This rate is subject to change based on our costs and expenses in providing the same.
<del>Casago.com booking channel fee</del> <del>Booking Channel Fee</del>	<del>Then current fee, currently five percent (5%) of gross rental revenue for reservations booked via casago.com for rentals within the Territory (the “Booking Channel Fee”). We may increase the Booking Channel Fee up to seven and one-half ten percent (7.510%) during the term of the Franchise Agreement.</del>	<del>At the same time and in the same manner as the Royalty Fee.</del>	Payable directly to us. This rate is subject to change based on our costs and expenses in providing the same. <a href="#">Casago allows the ability to add a guest facing fee or rate inflator to your casago.com listings.</a>
<del>Phone Service Fee</del>	<del>Then current fee. Currently, approximately \$30 per month, per line or user established.</del>	<del>At the same time and in the same manner as the Royalty Fee.</del>	<del>Franchisees are required to maintain at least one line within the Casago phone system to be used to direct calls from the Corporate IVR menu. Options are available to maintain phone service in entirety through the same service at negotiated vendor rates. In order to take part in the phone and SMS features within the PMS you must have an additional dedicated line. In such a case you would be set up as a cost center with the provider and fees are then payable directly to the vendor.</del>
Insufficient Funds	\$250 per incident	As incurred.	This fee applies to EFT returns for insufficient funds.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Interest on Late Payments	The higher of eighteen percent (18%) per annum or the maximum permitted by law	Fifteen (15) days after billing	Payable on all overdue amounts. Interest accrues from the original due date until paid in full.
Attorney Fees and Costs	Reimbursement of our actual costs.	As incurred.	You must reimburse us for our attorneys' fees and any court costs that we are forced to incur in connection with enforcing or protecting our rights under your Franchise Agreement, including the costs associated with a collection action for amounts that are past due.
Indemnification	Actual costs of indemnification.	When incurred.	You must reimburse us for our attorneys' fees and other costs that we incur in connection with any third-party claims brought against us that arise out of, or are related to, the operation of your Casago Business.
Insurance <a href="#">Reimbursement</a>	Will vary according to circumstance.	Upon our demand.	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you for our cost to do so, in which case we also reserve the right to charge an administrative fee of fifteen percent (15%) of the cost we expend on your behalf. Otherwise, these payments are made directly to your third-party insurance provider.
Emergency Management Fee	Up to Five percent (5%) of Gross Rental Revenue plus expenses.	Paid at the same time and in the same manner as the Royalty Fee	This only applies if we exercise our step-in rights to operate/manage your Casago Business if you fail to cure breaches or become disabled or deceased and do not have a succession plan in place with an appointed leader with the ability to run the business.

**Explanatory Notes**

1. General. The table above provides recurring or isolated fees or payments that you must pay to us or our affiliates or that we or our affiliates impose or collect in whole or in part on behalf of a third party or that you are required to spend by the Franchise Agreement. All fees and expenses described in this Item 6 are nonrefundable. Except as otherwise indicated in the chart above, we uniformly impose all fees and expenses listed and they are payable to us and ~~/or approved~~designated vendors and are fully earned upon receipt.

2. Royalty.

a. *Gross Rental Revenue*. “Gross Rental Revenue” includes all rental income that you derive or receive directly or indirectly from, through, by or on account of the operation of the Casago Business at any time after the signing of your Franchise Agreement, in whatever form and from whatever source, as well as business interruption insurance proceeds, all without deduction for expenses including marketing expenses. However, the definition of Gross Rental Revenue does not include income you earn from cleaning, maintenance, or any other fees that you may charge to renters or owners or sales tax that is collected from customers and transmitted to the appropriate taxing authorities.

b. *Gross Rental Revenue Report*. We will pull a Gross Rental Revenue Report (“Revenue Report”) each month, at the same time your Royalty Fee is collected. Each Revenue Report will set forth: (i) your Gross Rental Revenue generated during the period; (ii) your calculation of the Royalty and if applicable, System Marketing Fund Contribution; and (iii) any other information we may require. We may change the form and content of the Revenue Reports from time to time. If we are unable to pull a Revenue Report by the first (1st) of the month for any reason, then we may process an EFT transfer for that month based on the most recent Revenue Report ~~you submitted~~. The amount withdrawn will be adjusted once ~~you provide~~ accurate revenue data is provided and we will either credit you for the following month or withdraw additional funds as appropriate.

c. *Royalty*. ~~You are required to pay a monthly Royalty Fee of three and a half percent (3.5%)~~ Franchisee must pay Franchisor a monthly royalty equal to 3.5% of the Casago Business’ “Gross Rental Revenue”. However, the amount of the monthly royalty fee shall be reduced as determined by the sliding cumulative gross rental revenue scale below (the “Royalty”).

1. The first \$0 to \$3,000,000 of ~~your~~ Gross Rental Revenue each year will be billed at 3.5%.
2. The following \$3,000,001 to \$5,000,000 of Gross Rental Revenue each year will be billed at 3%.
3. The following \$5,000,001 to \$7,000,000 of Gross Rental Revenue each year will be billed at 2.5%.
4. The following \$7,000,001 to \$10,000,000 of Gross Rental Revenue each year will be billed at 2%.
5. Any Gross Rental Revenue each year over \$10,000,001 each year will be billed at 1.5%

Your cumulative Gross Rental Revenue generated each year resets annually on January 1<sup>st</sup>.

d. *Minimum Annual Royalty.* You must pay us a “Minimum Annual Royalty” each year during the Term. The amount of the Minimum Annual Royalty will depend on the Tier your Territory falls under, and will increase each year during the Term, as disclosed in the below table:

<b>Minimum Annual Royalty Requirements</b>				
	Tier 4	Tier 3	Tier 2	Tier 1
Year 1	\$4,375	\$8,750	\$17,500	\$26,250
Year 2	\$8,750	\$17,500	\$35,000	\$52,500
Year 3	\$13,125	\$26,250	\$52,500	\$78,750
Year 4	\$17,500	\$35,000	\$70,000	\$105,000
Year 5+	\$21,875	\$43,750	\$87,500	\$131,250

If you fail to pay the Minimum Annual Royalty during any given year during the Term of your Franchise Agreement, we have the right to require you to pay the balance to us immediately, to reduce the size of your Territory and/or to terminate your Franchise Agreement.

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 ~~immediately~~ deposit all revenues from the operation of your Casago Business into this bank account within ~~two~~three days upon receipt, including cash, checks, and credit card receipts. ~~At~~ 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. 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 fees due ~~under~~ by other means as we may specify from time to time.

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT ~~UNDER THE FRANCHISE AGREEMENT~~<sup>1</sup>**

<b>TYPE OF EXPENDITURE</b>	<b>AMOUNT LOW</b>	<b>AMOUNT HIGH</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Initial Franchise Fee <sup>2</sup>	\$14,000	\$112,000	Lump sum	When you sign the Franchise Agreement	Us

TYPE OF EXPENDITURE	AMOUNT LOW	AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Rent (3 Months) <sup>3</sup>	\$0	\$9,000	As arranged	As arranged	Landlord
Lease, Utility and Security Deposits <sup>4</sup>	\$0	\$18,000	Lump sum	As incurred	Landlord and Third Parties
Leasehold Improvements <sup>5</sup>	\$0	\$60,000	As arranged	As arranged	Third Parties
Furniture and Fixtures <sup>6</sup>	\$0	\$100,000	As arranged	As arranged	Suppliers
Equipment and Office Set Up <sup>7</sup>	<del>\$1,500</del> <u>\$0</u>	\$3,000	As arranged	As arranged	Suppliers
Vehicles <sup>8</sup>	\$0	\$26,000	As arranged	As arranged	Suppliers
Business Licenses, Registrations & Permits <sup>9</sup>	<del>\$25</del> <u>\$0</u>	\$500	As arranged	As arranged	Government Agencies
Professional Fees <sup>10</sup>	<del>\$2,000</del> <u>\$0</u>	\$5,000	As arranged	As arranged	Attorney, Accountant
Initial Inventory, Cleaning Supplies, Print Materials <sup>11</sup>	\$500	\$2,000	As arranged	As incurred	Suppliers and Third Parties
Insurance <sup>12</sup>	\$500	\$1,000	As arranged	As arranged	Insurance Companies
Training Expenses <sup>13</sup>	<del>\$15,500</del> <u>\$3,000</u>	\$25,000	As arranged	As arranged	Airline, Hotel, Meals, payroll.
Grand Opening Marketing <sup>14</sup>	<del>\$2,000</del> <u>\$0</u>	\$5,000	As arranged	Within sixty (60) days of commencing operations	Suppliers or Us, as we designate
Software <sup>15</sup>	<del>\$250</del> <u>\$0</u>	\$1,500	As arranged	As arranged	Suppliers

TYPE OF EXPENDITURE	AMOUNT LOW	AMOUNT HIGH	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional Funds (3 Months) <sup>16</sup>	<del>\$15,000</del> \$5,000	<del>\$45,000</del> \$10,000	As incurred	As arranged	As determined by you
<b>TOTAL<sup>17</sup></b>	<del>\$51,275</del> \$23,000	<del>\$413,000</del> \$378,000			

### Notes

**Note 1: General.** All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. The chart above estimates your initial investment to begin operating a Casago Business. Actual costs will vary for each franchise depending on a number of factors including market conditions and the geographic location of your Casago Business.

**Note 2: Initial Franchise Fee.** As of the date of this Disclosure Document, the Initial Franchise Fee is between \$14,000 and \$112,000 for a Casago Business, depending upon the Tier of your Casago Business. You must pay the Initial Franchise Fee in full upon signing the Franchise Agreement. See Item 5 of this Disclosure Document for more information on the Initial Franchise Fee.

**Note 3: Rent (3 Months).** You may operate the Casago Business from a home-based office, but you may not meet guests or owners at your home. ~~In certain markets, we may require that you operate from a suitable commercial office located in your Territory convenient to guests and property owners.~~ You may also elect to operate the Casago Business from ~~such a~~ suitable commercial office space. We estimate that you will not need more than a small office to operate your franchise. The high end of the range in this estimate represents the security deposit and first three months' rent for commercial office premises, if one should be required. The low end of the range assumes that you will operate your Casago Business from your home office and will therefore not have any rent payments.

**Note 4: Utility Deposits.** If you rent an office space, you may need to provide rent payment deposits, security deposits for your lease, and security deposits for your utilities (such as gas, water and/or ~~electric~~electricity). The low end of this range assumes that you will operate the Casago business from a home-based office and will therefore not be required to make additional utility and security deposits.

**Note 5: Leasehold Improvements.** The low end of the range presented in this estimate assumes you will operate the Casago Business from a home office, in which case you will not incur expenses for leasehold improvements. The high end assumes your office space will require remodeling to meet our standards and specifications.

**Note 6: Furniture and Fixtures.** The range reflects your cost to furnish your office space in accordance with our standards and specifications. ~~We currently require you to have up to two (2) desks, a conference~~

~~room table and a storage room.~~ The low end of this range assumes that you already have all necessary furniture and fixtures to commence operations of your Casago Business.

Note 7: Equipment and Office Set-Up. This is a range of expenses that will be incurred to obtain equipment to set up your office including a laptop or desktop computer with at least a 500 GB hard drive and 16 GB of RAM, a phone, and internet access at 30 MBS or better. The low end of this range assumes that you already own the specified equipment, and the high end of this range assumes that you will need to purchase all of the specified equipment.

Note 8: Vehicles. You are required to maintain one (1) ~~company~~ vehicle that you will use to service homes. As your rental inventory grows, you may need to obtain and maintain additional vehicles in order to efficiently operate the Casago Business. The low end of this range assumes that you will use your own personal vehicle in the operation of your Casago Business.

Note 9: Business Licenses, and Permits. These are estimates of the costs for obtaining local business licenses which typically remain in effect for one (1) year. The cost of these permits and licenses will vary depending on the location of the Casago Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement. The low end assumes you already have a business license or that one is not required.

Note 10: Professional Fees. We strongly recommend that you engage an accountant and a franchise attorney to advise you in your evaluation of the franchise we are offering. This range covers our estimated cost for you to do so. The low end assumes you already have an existing business in place.

Note 11: Initial Inventory, Cleaning Supplies, Print Materials. This estimate covers the costs we expect you will incur to obtain your initial inventory of general office supplies, cleaning supplies and print materials that you will need prior to opening.

Note 12: Insurance. These figures are estimates of the cost of the premiums for the insurance you must obtain and maintain for your Casago Business, as described in Item 8. Insurance premiums may be payable monthly, quarterly, semi-annually or annually, based on the insurance company's practices and your creditworthiness.

Note 13. Training Expenses. We provide initial training ~~for up to five (5) people including~~ you and your employees at no additional charge. These estimates include only your out-of-pocket costs associated with attending our initial training program (the "Initial Training Program"), including travel, lodging, meals and applicable wages. These amounts do not include any fees or expenses for training any other personnel. Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation. Our Initial Training Program lasts for approximately five (5) days, not including travel days, at our corporate headquarters or at another location we designate. This training may also be conducted virtually if deemed appropriate by Franchisor.

Note 14: Grand Opening Marketing. You must expend between \$2,000 and \$5,000 (the "Grand Opening Marketing Requirement") to conduct a grand opening marketing campaign (the "Grand Opening Marketing Campaign") during your first sixty (60) days of operation. We may designate a different time period for you to conduct the Grand Opening Marketing Campaign. We must approve of your Grand Opening Marketing Campaign before it is conducted. We reserve the right to collect the Grand Opening Marketing Requirement and conduct the Grand Opening Marketing Campaign for you. ~~If~~ However, if at the time you sign your franchise agreement, ~~you~~ you are an existing business ~~generates~~ and you generate

more than \$1,000,000 in annual rent revenue, we may waive the requirement that you conduct the Grand Opening Marketing Campaign. The low-end assumes you are an existing operator that generates more than \$1,000,000 in annual rent revenue.

Note 15: *Software.* In ~~connection with the~~addition to any required software ~~that we require you use necessary to run~~operate your Casago Business (the “Required Software”), you ~~must pay our Approved Supplier(s) their then current ongoing fees described more fully in Item 11 of this Disclosure Document. This estimate accounts for the fees you will pay in connection with the Required Software prior to commencing operations~~will also need to have accounting software and VOIP phone software to operate your Casago Business.

Note 16. *Additional Funds.* We relied upon our affiliates’ experience in operating five similar Casago Businesses in estimating this range. You will need capital to support ongoing expenses, such as payroll, rent payments if applicable, and advertising and marketing fees, if these costs are not covered by sales revenue for your first three months of operation. Our estimate does not include any sales revenue you may generate nor owner’s compensation. New businesses often generate a negative cash flow. We estimate that the amount given will be sufficient to cover ongoing expenses for the start-up phase of the business, which we calculate to be approximately three (3) months. This is only an estimate and there is no guarantee that additional working capital will not be necessary during this start-up phase or after.

Note 17. *Total.* We relied upon our affiliate’s experience in operating five similar Casago Businesses when preparing these figures. Your actual costs may vary greatly and will depend on factors such as your marketing and management skills, experience and business acumen; local economic conditions; the local market for the services; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. The costs outlined in this Item 7 are estimates taken into consideration for new operators. Existing property management businesses that convert to a Casago business may not be required to expend the amounts listed above in the event such obligation has already been fulfilled and otherwise meets our requirements and standards.

## ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Casago Business in ~~strict~~ conformance with ~~our~~the methods, standards, and specifications which we prescribe in our confidential operations and training manual and various other confidential manuals and writings prepared by us for use by you in operating a Casago Business (collectively the “Operations Manual”), and which we may change and modify in our sole discretion. The Operations Manual shall remain confidential and is our exclusive property. You shall not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of the Franchise Agreement as if they were fully written in the Franchise Agreement. We will provide you access to our Operations Manual during Initial Training. You shall ensure that your copy of the Operations Manual is current and up to date. If there is a dispute relating to the contents of the Operations Manual, the master copy, which we maintain at our corporate headquarters, will control.

### Approved Products and Services and Approved Suppliers

We formulate and modify our standards and specifications for products and services based upon the collective experience of us and our franchisees. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to the operation of the Casago Business, including

standards and specifications for services, products, signs, furnishings, supplies, fixtures and equipment by written notice to you or through changes in the Operations Manual. You may incur an increased cost to comply with these changes, which you must pay at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.

### Required Purchases

You must ~~offer products and services in the manner that we prescribe and otherwise~~ use our Required Software to operate ~~the your~~ Casago Business ~~in a manner,~~ which ~~will serve to emulate and enhance the image intended by the Casago System.~~ consists primarily of our property management software. In addition, any operator new or existing that is not generating more than \$1,000,000 in annual rent revenue is required to participate in our Owner Acquisition Marketing Service.

Other than our Required Software and Owner Acquisition Marketing Service, we do not currently require you to use any other particular products or services to operate your Casago Business, however, we may require you to use other required products or services in the future.

### Required and Preferred Suppliers

We have the right to require you to purchase certain items, including but not limited to the Required Software that we designate, ~~signage, and other equipment/inventory,~~ from us or other suppliers or distributors approved or designated by us (~~the “Approved~~ Required Suppliers) to: (i) better assure the quality of the Approved Products and Services; (ii) assure the supply of the Approved Products and Services; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies. You will not receive any material benefit from purchasing from approved or designated suppliers.

~~We have the right to require you to purchase certain items, including but not limited to the Required Software that we designate, signage, and other equipment/inventory, from us or other suppliers or distributors approved or designated by us (the “Approved Suppliers”) to: (i) better assure the quality of the Approved Products and Services; (ii) assure the supply of the Approved Products and Services; and/or (iii) enable us, in our sole discretion to take advantage of marketplace efficiencies. You will not receive any material benefit from purchasing from approved or designated suppliers.~~ We have identified preferred suppliers of products and services that franchisees typically use to operate their Casago Businesses (“Preferred Suppliers”). You are not required to use our Preferred Suppliers and may use any supplier you want for such products and services. While you must use the Required Suppliers we designate for our Required Software, you do not need to obtain our approval to use any suppliers of any other goods and services. However, you must ensure that the products and services you use to support your Franchise operations are generally accepted in the industry and that none of the products or services you use would adversely affect the image of the Casago Brand.

~~As of the Issue Date of this Disclosure Document~~ Currently, we are an ~~Approved~~ the Required Supplier for the ~~property management software that you are required to use. None of our affiliates are an Approved~~ Casago Owner Marketing Service. We also have one Required Supplier for ~~any items that you are required to purchase~~ our Required Software. Steve Schwab, our founder and CEO, owns an interest in our ~~vacation rental software vendor,~~ Required Supplier for our property management software. He also has an interest in our Preferred Supplier for our guest ~~screen~~ screening software ~~vendor~~ and our smart home technology vendor. Ryan Dame, our Vice President, owns an interest in our vacation rental software vendor. Otherwise, ~~as of the Issue Date of this Disclosure Document,~~ none of our officers own an interest in any of our ~~Approved~~ Required or Preferred Suppliers. We reserve the right to designate

ourselves or an affiliate of ours (if and when established) as ~~an Approved~~ Required Supplier with respect to any item you must purchase in connection with your Casago Business in the future, including for the services we provide as part of any Technology Fee we charge in the future.

We may develop proprietary products for use in your Casago Business, including private-label products that bear the Proprietary Marks, and we may require you to purchase these items from us or our affiliate(s).

We will provide you with a list of our ~~Approved~~ Required and Preferred Suppliers in writing as part of the Operations Manual or otherwise in writing, and we may update or modify this list as we deem appropriate. ~~As of the Issue Date, we have Approved Suppliers for the following items: (i) Required Software including but not limited to accounting software, scheduling software, internal communication software and other software that we designate from time to time; (ii) human resources consultants; and (iii) marketing materials. We do not currently require that you use a specific accounting vendor, but we reserve the right to do so.~~

~~We formulate and modify our standards and specifications for products and services based upon the collective experience of us and our franchisees. We have the right, under the Franchise Agreement, to change the standards and specifications applicable to the operation of the Casago Business, including standards and specifications for services, products, signs, furnishings, supplies, fixtures and equipment by written notice to you or through changes in the Operations Manual. You may incur an increased cost to comply with these changes, which you must pay at your own expense; however, no change will materially alter your fundamental rights under the Franchise Agreement.~~

#### Revenue from Required Purchases ~~and Right to Derive Revenue~~

The products or services we require you to purchase or lease from us or ~~an Approved~~ any Required Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your “Required Purchases.” We estimate that your required purchases and leases will account for ~~approximately twenty~~ less than one percent (~~20%~~) to thirty percent (~~30~~1%) of all purchases and leases necessary to open your Casago Business, and ~~approximately seven~~ less than one percent (~~7%~~) to nine percent (~~9~~1%) of all purchases and leases necessary to operate your Casago Business.

We and our affiliates reserve the right to derive revenue and other material consideration from your required purchases. In the fiscal year ended December 31, ~~2022~~ 2023, neither we nor any affiliate has derived any revenue from required franchisee purchases or leases.

## Purchasing Cooperatives and Right to Receive Compensation

We and/or our affiliates (if and when formed) may receive payments or other compensation from ~~Approved~~Required or Preferred Suppliers or any other suppliers on account of these suppliers' dealings with us, you, and/or other Casago Businesses in the System, such as rebates, commissions or other forms of compensation. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may also negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

There are currently no purchasing or distribution cooperatives in existence for the System.

## Supplier Approval

Casago International will continuously source suppliers and vendors to procure the best pricing to offer to our franchisees. ~~In the event you wish to purchase any unapproved item, including equipment and inventory, and/or acquire approved items from an unapproved supplier, you must provide us with the name, address and telephone number of the proposed supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. Casago has the right to disapprove any products that are not in line with the brand standards that we establish.~~

~~We are not required to approve any particular supplier. We may base our approval of any proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, price, production capacity, quality assurance systems, reputation, and quality of operation, and other factors we feel are appropriate. We are not required to approve an unreasonable number of suppliers for a given item, which approval might, in our reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. We may revoke our approval of particular products or suppliers when we determine, in our sole discretion, that such products or suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you must cease purchasing products from such suppliers. You must use products purchased from approved suppliers solely in connection with the operation of your Casago Business and not for any competitive business purpose.~~ You do not have the right to use any other supplier, other than our Required Suppliers, for Required Products or Services used to operate your Casago Business. You are not required to use our Preferred Suppliers for any particular products or services, or to obtain our approval to use any other suppliers for these goods and services. As such, we do not have a program to approve any such suppliers.

## Advertising

You must participate in all advertising and sales promotions we design to promote and enhance the collective success of all Casago Businesses operating under the System, including our System Marketing Fund, once implemented. In all aspects of these programs, including without limitation, the type/quantity/timing/placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by us will be final and binding upon you. We may also request that you purchase and/or make copies of (at your expense) and subsequently use certain other advertising or promotional materials that we designate for use in connection with the Casago Business.

You ~~must do not need to~~ obtain our approval before you use any advertising and promotional materials or plans in connection with your Casago Business. ~~We may revoke our approval of any previously approved advertising materials upon notice to you. We~~ However, we reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by any Cooperative, including the phrase "Franchises Available" and references to our telephone number and/or website. In addition,

we have the right to require you to remove or discontinue the use of any advertising material that we deem inappropriate, off brand or detrimental to the Casago brand.

### Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our Operations Manual or otherwise in writing, which we may modify from time to time as we deem appropriate in our reasonable discretion. We ~~may reserve the right to~~ designate ~~an Approved~~ Required Supplier for all or certain insurance coverage you must acquire and maintain in connection with your Casago Business operations and ownership, ~~and~~ For any insurance you are required to carry you must always furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required in the Franchise Agreement, which we may update and modify via the Operations Manual or otherwise. All policies must contain a waiver of subrogation in our favor and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

Our current requirements are as follows: (a) commercial general liability insurance with minimum limits of \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, property damage, contractual liability, personal injury, advertising injury; (b) comprehensive automobile liability coverage for all owned, non-owned and hired vehicles with limits of \$1,000,000 Combined Single Limit or \$1,000,000 per person, per accident and \$1,000,000 property damage; (c) property insurance coverage on all furniture, fixtures, equipment, and tenant improvements using 100% replacement cost valuation; (d) business interruption coverage equal to at least nine (9) months of operating expenses or an actual loss sustained form; (e) workers' compensation in the amounts required by state law; (f) employer's liability coverage of not less than \$500,000 covering all employees, subcontractors and agents; and (g) a commercial umbrella or excess liability policy with limits of at least \$1,000,000. Premiums depend on the insurance carrier's charges, terms of payment, and your history. All insurance policies must name us as an additional insured party. You should consult with an insurance advisor to decide the coverage that is best for you. You must use an insurance company that is satisfactory to us. We may change the amounts and types of coverage as we think best.

All insurance providers must have a Best's Insurance Guide minimum rating of A-VI or better. You must maintain any additional insurance required by your landlord or under applicable law. Under each insurance policy, we must receive at least 30 days' prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend said policy. Once obtained, you may not reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the insurance policies without our written consent. You must submit proof of insurance before you begin making leasehold improvements and deliver a complete copy of your then-prevailing policy of insurance within 30 days following the delivery of the certificate of insurance.

### Computer ~~Hardware and~~ Software

We ~~may require that~~ have the right to have you purchase ~~hardware and~~ software, other than our current Required Software, from us or our designated suppliers in the future. Our present ~~computer hardware and~~ software requirements are discussed further in Item 11 of this Disclosure Document and are also discussed in detail in our Operations Manual. We do not specify the type of computer hardware you are required to purchase or use to operate your Casago Business.

**ITEM 9**  
**FRANCHISEE'S OBLIGATIONS**

The table on the following pages lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in this agreement and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	1.3 and 7.1	Items 7, 8, 11 and 12
b. Pre-opening purchases/ leases	1.3 and 7.5	Items 6, 7, 8 and 11
c. Site development and other pre-opening requirements	1.3, 6.4, 7.2 and 7.4	Items 6, 7, 8 and 11
d. Initial and ongoing training	6.5, 6.6, 7.2 and 8	Item 6, 7 and 11
e. Opening	7.4	Item 7 and 11
f. Fees	3, 8.1, 12.4, 12.5, and 22.8	Items 5 and 6
g. Compliance with standards and policies/operations manual	3.5, 6.1, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11, 7.15 and 7.17	Items 8, 11 and 16
h. Trademarks and proprietary information	4, 5 and 7.16	Items 13 and 14
i. Restrictions on products/services offered	1.6, 6.1, 7.5, and 7.6	Items 8, 12 and 16
j. Warranty and customer service requirements	7.7.6 and 7.9	Item 16
k. Territorial development	N/A	Items 12
l. Ongoing product/ service purchases		

Obligation	Section in Franchise Agreement	Disclosure Document Item
	6.3, 7.5, 7.6, and 7.7.7	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	N/A	N/A
n. Insurance	9	Items 6, 7 and 8
o. Advertising	12	Items 6, 7, 8 and 11
p. Indemnification	13.2	Item 6
q. Owners' participation/management/staffing	7.7 and 7.22	Items 11 and 15
r. Records and reports	3.3, 10 and 11	Item 6
s. Inspections and audits	7.8, 11 and 16.1.9	Items 6 and 11
t. Transfer	14	Item 6 and 17
u. Renewal	2.2	Item 17
v. Post-term obligations	16 and 17.2	Item 17
w. Noncompetition covenants	17	Item 17
x. Dispute resolution	18	Item 17

**ITEM 10**  
**FINANCING**

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

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

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

**A. Pre-Opening Obligations**

Before you open your Casago Business, we will do the following:

~~If you elect to operate the Casago Business from an office location outside of your home, we will review, and subsequently approve or reject, your proposed site (Section 6.2 of the Franchise Agreement);~~

~~2. We~~During Initial Training, we will provide you access to our Operations Manual, which we will amend periodically. (Section 6.1 of the Franchise Agreement). The Table of Contents of the Operations Manual is included as Exhibit B to this document. The Operations Manual consists of 369 pages.

~~1. 3. We~~ will provide our tuition-free Initial Training Program for ~~up to five (5) people, including you~~anyone that you designate to attend. (Section 8.1 of the Franchise Agreement). More information about our Initial Training Program is provided below.

~~2. 4. We will, to the extent we deem necessary, provide you the standards and~~ we require for your Casago Business, and ~~designate suppliers from whom you can purchase equipment, inventory, goods and supplies~~provide you with a list of Required and Preferred Suppliers for the items necessary for the start-up of ~~the your~~ Casago Business, if any. (Section 6.3 of the Franchise Agreement). You may be required to purchase proprietary products and services we may in the future designate directly from us or our ~~approved and designated vendors~~Required Suppliers.

~~3. 5. We~~For new operators, we will approve your Grand Opening Marketing Campaign; provided, however, that we reserve the right to require that you pay the Grand Opening Marketing Requirement directly to us, and in such instance, we shall spend the Grand Opening Marketing Requirement to implement a marketing program on your behalf. (Section 6.4 of the Franchise Agreement). ~~Conversion franchises will consist of a preapproved press release to both public and owners as well as a~~ Existing operators will not be required to implement or prepare a Grand Opening Marketing Campaign.

~~4. We will provide existing operators with our brand conversion timeline for branding transition will take place and will be executed as an addendum to and our requirements for conversion set forth in our Operations Manual. (Section 6.1 of the Franchise Agreement.)~~

**B. Site Selection**

You may operate the Franchised Business from a home office location, which must be within ~~the your~~ Territory, or within a ~~1030~~30-minute driving radius of ~~the your~~ Territory. We do not require you to lease office space. If you choose to operate ~~the Franchised Business from out of~~ a leased ~~premises, you must secure our approval (which will not be unreasonably withheld) of the proposed site before signing a lease for the premises, and that site~~office space, we will not approve or disapprove your site. However, it must be located ~~in within~~ your Territory. ~~In determining whether to approve or disapprove a proposed site, we will consider the nature of the surrounding businesses and whether or not such businesses are offensive or objectionable from a brand protection perspective. If we do not approve or reject your proposed site within 15 days after you submit the proposed site to us for approval, the site will be deemed approved and you must provide us with information about where you will operate your Casago Business, and update us if you move where you operate.~~ For reference purposes, your home office location, or, if applicable, your

~~approved premises~~ leased office space, is referred to as the your “Approved Location”. You will not be permitted to operate your Franchised Business at any location other than your Approved Location unless you ~~secure our prior written consent, which we will not unreasonably withhold~~ relocate to another location within your Territory and notify us of your new location.

C. **Time to Open**

We estimate that it will take between 90 and 120 days from the signing of the Franchise Agreement to commence operations of your Casago Business. The actual length of this period will depend upon factors such as your ability to complete the Initial Training Program. Under the Franchise Agreement, you must open your Casago Business no later than four (4) months after we sign the Franchise Agreement. If the Casago Business has not been opened within four (4) months, we may, at our sole discretion, elect to terminate your Franchise Agreement, though we reserve the right to grant you an extension upon your reasonable request. (Sections 7.4 and 15.3.5 of the Franchise Agreement). Time to launch for existing operators will vary depending on factors such as the number of properties under management, software conversion, time to complete initial training and seasonality of business.

D. **Initial Training Program**

**TRAINING PROGRAM**

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Casago University - Culture	4	<u>-0</u>	Puerto Penasco, MX or other location that we designate
<del>Casago University</del>		<del>28</del>	<del>-</del> <del>Puerto Penasco, MX or</del>
<u>Casago University Software Training</u>	<u>28</u>	<u>0</u>	<u>Puerto Penasco, MX or</u> other location that we designate
Casago University System Set Up	8	<u>-0</u>	Puerto Penasco, MX or other location that we designate
Casago University - Accounting	<u>-0</u>	8	Puerto Penasco, MX or other location that we designate
Casago University – Owner Support	<u>-0</u>	8	Puerto Penasco, MX or other location that we designate
<del>Casago University – Revenue Management</del>	<u>-0</u>	4	Puerto Penasco, MX or other location that we designate
<del>In the field</del>			<del>In Market</del> <u>Puerto</u>

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON-THE-JOB TRAINING	LOCATION
Marketing & Business Development	<u>-0</u>	8	<u>Penasco, MX or other location that we designate</u>
On Site - Maintenance	<u>-0</u>	<u>84</u>	In Market
On Site - Housekeeping	<u>-0</u>	<u>84</u>	In Market
<b>Total Hours</b>	<b>40</b>	<b><u>4436</u></b>	

We will provide the Initial Training Program at no cost to ~~up to five (5) people, including you~~ all those who attend with you, provided they all attend at the same time. You must attend (if you are a partnership, corporation or limited liability company, your general partner, principal shareholder, or member/manager, as appropriate, must attend) and complete to our satisfaction, our tuition- free Initial Training Program. If you have a Designated Manager(s), (as defined in Item 15 and as described in Section 7.7.5 of the Franchise Agreement), then he/she/they must also attend the Initial Training Program.

If you and ~~the four (4)~~ any employees you select to attend the Initial Training Program are not able to attend at the same time, we reserve the right to charge ~~our then-current Initial~~ you an Additional Training Fee, which is currently \$1,500 per trainee, ~~for those who attend at a later time. Also, if you send attendees to complete our Initial Training Program after the first five (5) people, including you, you must pay our then-current Initial Training Fee, which is currently \$1,500 per trainee, and.~~ You must cover the cost of ~~the~~ each attendee’s travel, and payroll or living expenses.

The Initial Training Program lasts approximately five (5) days. Training will be held at our designated training facility at Casago University in Puerto Penasco, MX or a location we determine. Note, however, we may provide portions of the “Classroom Training” instruction via webinar or other online learning management system that allows us to track your participation, completion and, if appropriate, passing of any testing we determine appropriate for use in connection with our initial training. The Initial Training Program is held on a monthly basis, subject to the availability of our trainers. We will provide the training materials you will use during the Initial Training Program, which will include the Operations Manual and other materials that we prepare. We reserve the right, in our sole discretion, to reduce the length of the Initial Training Program for franchisees with an existing business that is being converted to a Casago Business, as we deem appropriate.

All training-related expenses, including ~~your~~ you and your personnel’s transportation to and from the training site, as well as their lodging, meals, and wages during training, are your sole responsibility. You must attend and complete our Initial Training Program to our satisfaction no earlier than thirty (30) days prior to commencing operations of the Casago Business.

Should you (and, if you have one, your Designated Manager) fail to complete the Initial Training Program to our satisfaction, at our option, the respective person may repeat the course, or in the case of a Designated Manager, you may designate a replacement Designated Manager and send such individual to the next available Initial Training Program. We may charge our then-current Initial Training Fee for a replacement Designated Manager to attend an Initial Training Program. Failure by you to complete the Initial Training Program to our satisfaction triggers our right to terminate the Franchise Agreement.

The Initial Training Program is conducted under the direction of Pilar Iturralde, Dean of Casago University, who has 15 years of industry experience with us or our affiliates and ~~10~~11 years of teaching experience in the subjects being taught.

In addition to the Initial Training Program set forth above, we will provide you with on-site training (“On- Site Training”) by one or more of our representatives for up to three (3) days at the Approved Location around the time that you commence operations of your Casago Business or at the time of acquiring initial property management inventory. During the On-Site Training, we will assist you and your staff with getting your Casago Business up and running. You will be responsible for the ~~reasonable~~travel and lodging costs for our representative to conduct On-site Training at your location. (Section 8.2 of the Franchise Agreement).

You are responsible for training your other employees. If we require you to attend additional training, we will ~~not~~ charge you for the additional training, however, you will be responsible for all expenses incurred by you and your personnel in connection with attending the additional training, including transportation to and from the training site, as well as lodging, meals, and wages during training. All training materials provided to you by us shall at all times remain our property and Confidential Information (as defined in Item 14), and you must agree not to challenge our or our affiliates’ title or rights in or to the training materials. You may not make any disclosure, duplication or other unauthorized use of any portion of the training materials. (Section 8.3 of the Franchise Agreement).

#### **E. Obligations After Opening**

1. We will provide you continuing consultation and advice, to the extent we mutually deem necessary and as appropriate in our sole discretion, regarding the management and operation of the Casago Business. This guidance may, without limitation, pertain to standards, specifications, operating procedures and methods, use of suppliers, employee training, and advertising and marketing methods. We will provide this assistance, in our discretion, by telephone, ~~faesimile~~, email, intranet communication and on-site visits. If you require and request additional on-site assistance from us, subject to the availability of our personnel, we will provide you with this assistance and require you to pay our then-current Additional Training Fee, plus reasonable expenses, including our travel and lodging expenses. (Section 6.5 of the Franchise Agreement).

2. ~~To the extent we deem necessary, we~~We will provide specifications for and designate sources of ~~supply from which you agree to purchase equipment, inventory, goods and supplies necessary~~required software for the ongoing operations of your Casago Business. (Section 6.3 of the Franchise Agreement).

3. ~~We have the right, but not the obligation, to establish and maintain one or more toll free telephone numbers for the purpose of improving customer service and conducting customer follow up and satisfaction surveys. You must comply with our procedures related to nationwide and international service as we specify in the Operations Manual or otherwise in writing, and you may be required to pay a fee related to the operation and maintenance of the toll free telephone number(s).~~ (Section 6.7 of the Franchise Agreement).

4. ~~We may, in our discretion,~~may hold an Annual Conference at a location to be selected by us. We will determine the topics and agenda for this conference to serve the purpose, among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and our personnel regarding the Casago System operations and programs, and recognizing franchisees for their achievements. We may require you to attend the Annual Conference for up to three (3) days per year

and pay our then-current registration fee, which is currently estimated at between \$500 to \$800 per attendee. All expenses, including your and your employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are your sole responsibility. We may use expenditures from the Fund for purposes related to the Annual Conference, including costs related to production, programs, and materials. (Section 6.8 of the Franchise Agreement).

~~4.~~ ~~5.~~ We will continue to develop and modify our System and may designate additional products and services to be offered by you in operating your Casago Business. You must ~~sell all proprietary products~~ comply with the standards and services specifications we ~~designate~~ establish for ~~use in connection with the System from your~~ the Casago ~~Business~~ System. (Section 7.5 and 7.6 of the Franchise Agreement).

~~5.~~ ~~6.~~ We may, in our sole discretion, hold refresher and ongoing training courses, training courses upon a significant change to the System, or training courses to assist you in the operation of your Casago Business which we may require you to complete either in person or online. Up to four (4) days per year, we may require you and your Designated Manager(s) and/or employees, to attend such training at our then-current Additional Training Fee. All expenses, including you and your Designated Manager(s), and/or employee(s)' transportation, meal, and lodging expenses to attend such training will be your sole responsibility. (Section 6.6 of the Franchise Agreement).

~~6.~~ ~~7.~~ We may ~~send our professional support team, or such other representatives we deem appropriate, to inspect and observe, photograph and videotape the operations of your Casago Business, interview your clients and personnel, and inspect and copy any books, records and documents relating to the operation of the Casago Business from time to time to assist you in complying with the Franchise Agreement and all System Standards. We will also~~ send our professional support team to visit your office two up to one (21) times time per year to ~~evaluate cleanliness and serviceability of the properties. If you fail any inspection, we may send our team for additional visits~~ observe and assist you with operational needs in your territory. You are required to cover our team's costs for travel and lodging in connection with any such inspections. (Section 7.8 of the Franchise Agreement).

## Advertising

~~All advertising and promotion that you use in connection with your Casago Business must be approved by us and conform to the standards and requirements that we specify.~~ We may make available to you from time to time, at your expense, certain promotional materials. You must also participate in certain promotions, trade events and advertising programs that we establish as part of the System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 12). Your requirement to participate in advertising and promotion will be determined by either your local marketing requirements and/or by us.

~~If you wish to use~~ You are not required to obtain our approval for any advertising ~~or promotional~~ materials ~~other than those that~~ you use in connection with your Casago Business. However, we have ~~previously approved, then you must submit the materials you wish to use to us for our prior written approval at least fifteen (15) business days prior to publication. If you do not receive our written approval during that time period, however, the proposed materials are deemed disapproved, and you may not use such materials. We may~~ the right to require you to remove or discontinue the use of any advertising ~~or marketing~~ material, ~~including materials we previously approved, at any time that we deem inappropriate, off brand or detrimental to the Casago brand~~. (Franchise Agreement, Section 12.1). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Territory.

### *System Marketing Fund*

~~We~~ While we have not yet done so, we reserve the right to establish a System Marketing Fund (the “Fund”) for advertising and brand marketing purposes. (Section 12.5 of the Franchise Agreement). If we elect to establish the Fund all franchisees will be required to participate in the contribution, monthly to the Fund in the amount of one-half percent (0.5%) of the Casago Business’ Gross Rental Revenue, which we may increase up to one percent (1%). We have the right to use contributions to the Fund to develop, produce, and distribute national, regional and/or local advertising and promotions and to create advertising materials and public relations materials which promote the services offered by the System. (Section 12.5.1 of the Franchise Agreement). We may use contributions to the Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities and advertising agencies; the cost of developing and maintaining an Internet website and social media pages; and personnel and other departmental costs for advertising that we internally administer or prepare. Not all System franchisees will benefit directly or on a pro rata basis from the Fund’s expenditures. (Section 12.5.1 of the Franchise Agreement). While we do not anticipate that any part of the Fund will be used for advertising or public relations that are principally a solicitation for the sale of additional franchises, we reserve the right to include a notation in any Marketing Fund advertisement indicating “Franchises Available.” (Section 12.5.1 of the Franchise Agreement).

There is no requirement that the Fund be audited. We will prepare on an annual basis, an unaudited statement of contributions and expenditures for the Fund. If you submit a written request to us requesting to review the statement ~~on or before March 31~~, we will provide you with a copy of the statement after its preparation for the most recently completed fiscal year. ~~If you do not submit a written request by March 31<sup>st</sup> for the statement prepared for the most recently completed fiscal year, you will not be entitled to receive a copy of the statement.~~ (Section 12.5.5 of Franchise Agreement). During our fiscal year ended December 31, ~~2022~~2023, we did not collect any Fund contributions.

Our corporate Casago Businesses and any future company/affiliate-owned outlets may, but are not obligated to, contribute to the Fund in the same manner that each franchised Casago Business is required to contribute. (Section 12.5.4 of Franchise Agreement).

### *Local Marketing Requirement*

Casago will work with franchisee to develop a mutually agreed upon local, annual marketing plan that will be reviewed quarterly and based on the franchisee’s advertising and promotions goals, size of market as determined by Tier and MDE, market opportunity and revenue of business. The local advertising and promotions as we prescribe in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements (the “Local Marketing Requirement”). If you are a new or existing operator generating less than the minimum Gross Rental Revenue threshold we designate, you will be required to participate in the Casago Affiliate Owner Acquisition Marketing Service ~~and expend all or some portion (as we designate) of the Local Advertising Requirement on designated activities or materials that are provided by our designated or approved supplier(s) for these types of services. You acknowledge and agree that your.~~ Your Local Marketing Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising and promotions. (Section 12.7 of the Franchise Agreement). ~~You must upload all promotional~~

~~and advertising materials to the Casago advertising repository for collaborative advertising efforts.~~ If any material is deemed inappropriate, off brand or detrimental to our brand it will be removed, and all use of the material must cease. Your Local Marketing Requirement does not apply during the Grand Opening period (60 days after period).

### Casago Owner Acquisition Marketing Service

Any operator new or existing that is not generating more than \$1,000,000 in annual rent revenue will be required to participate in our Owner Acquisition Marketing Service at the then current monthly rate. Under this program franchisees pay us a monthly fee (currently \$750) to prepare and deploy marketing for your territory. The monthly fee for the Casago Owner Acquisition Marketing Service does not count towards your Local Marketing Requirement.

### *Grand Opening Marketing Requirement*

~~During the sixty (60) days after you commence operations, you~~ New operators must expend ~~the~~ a Grand Opening Marketing Requirement of at least between \$2,000 and \$5,000 in order to implement the Grand Opening Marketing Campaign. ~~You must obtain our approval for your expenditure of the Grand Opening Marketing Requirement prior to launching the Grand Opening Marketing Campaign. However, we reserve the right to require that you pay the Grand Opening Marketing Requirement directly to us, and in such instance, we will spend the Grand Opening Marketing Requirement to implement a marketing program on your behalf within sixty (60) days after you comment operations.~~ (Section 6.4 of the Franchise Agreement). ~~For conversion franchisees the Grand Opening Marketing expense will not be incurred however an agreed upon press release along with a timeline of branding transition will take place and will be executed as an addendum to the Franchise Agreement. If, at the time you sign your franchise agreement, your existing business generates more than \$1,000,000 in annual revenue, we may waive the requirement that you conduct the~~ Existing operators are not required to prepare or implement a Grand Opening Marketing Campaign.

### *Regional Advertising Cooperative*

There are currently no regional Advertising Cooperatives in existence for the System. However, we have the right, in our sole discretion, to designate any geographical area for purposes of establishing a regional Advertising Cooperative, and to determine whether an Advertising Cooperative is applicable to the Casago Business. If an Advertising Cooperative has been established applicable to the Casago Business at the time you begin operating under the Franchise Agreement, you must immediately become a member of this Advertising Cooperative. If an Advertising Cooperative is established at any later time during the term of the Franchise Agreement, you must become a member of this Advertising Cooperative within thirty (30) days after it begins operation. If your Casago Business is within the Territory of more than one Advertising Cooperative, you must be a member of only one. (Section 12.6 of the Franchise Agreement).

~~Each~~ We have the right to specify the manner in which any Advertising Cooperative will be ~~Cooperatives are organized and governed in a form and require any and manner, and will commence operation on a date, approved in advance by us~~ all Advertising Cooperatives to be legal entities of the state where they are located. Advertising Cooperatives must operate according to written bylaws which have been approved by us. Advertising Cooperatives must provide us a copy of their organizational documents and bylaws prior to commencing any marketing or other activities. Currently, each Franchisee must contribute to an Advertising Cooperative according to the Advertising Cooperatives rules and regulations, and bylaws, as determined by its members. Amounts contributed to Advertising Cooperatives may be

considered as spent for local advertising. (Section 12.6.1 of the Franchise Agreement). Each Advertising Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local advertising and promotions. (Section 12.6.2 of the Franchise Agreement). ~~No promotional or advertising plans or materials may be used by an Advertising Cooperative or furnished to its members without our prior approval. All plans and materials must be submitted to us in accordance with the procedure set forth in Section 12.1 of the Franchise Agreement. (Section 12.6.3 of the Franchise Agreement).~~ All activities and contributions to the Advertising Cooperative shall be determined by a majority vote of the member franchisees in the Advertising Cooperative, ~~subject to our approval, which we will not unreasonably withhold~~ (with franchisor-owned outlets holding the same voting power as franchised outlets). Such contributions shall not exceed the Local Marketing Requirement (Sections 12.6.4 and 12.6.6 of the Franchise Agreement).

Each member franchisee must ~~submit~~ make their respective contributions to the Advertising Cooperative, ~~no later than by the fifteenth (15<sup>th</sup>) of each month, for the preceding month, its respective contribution as provided in the Franchise Agreement together with other statements or reports as we date set by the Advertising Cooperative. We~~ may require ~~or as may be required by the~~ each Advertising Cooperative ~~with our approval to provide us statements and reports.~~ (Section 12.6.5 of the Franchise Agreement). No other annual or periodic financial statements need to be provided by the Advertising Cooperative other than those submitted by its member franchisees.

We may grant to any franchisee, in our sole discretion, an exemption for any length of time from the requirement of membership in an Advertising Cooperative, upon written request of the franchisee stating reasons supporting this exemption. Our decision concerning this request for exemption will be final. (Section 12.6.7 of the Franchise Agreement).

#### *Franchisee Advisory Council*

We have not currently established an advisory council (the “Advisory Council”), but we reserve the right to do so in the future. If we establish an Advisory Council, it will serve solely in an advisory capacity to us with respect to certain franchise initiatives. At our discretion, the Advisory Council may be comprised of our management representatives, and other franchisees in the System. We will have the right to modify or dissolve an Advisory Council (if created) at any time. (Franchise Agreement, Section 12.6).

#### Computer System

At this time the only required software is our designated property management system. We require that you to use VOIP software and accounting software, however, you are not required to use a Required Supplier for this software.

You must purchase and use ~~any and~~ all Required Software which we have developed or may develop and/or designate for use for the System, and you must also purchase such computer hardware as may be necessary for the efficient operation of the Required Software. We have the right to require you to update or upgrade ~~computer hardware components and/or~~ Required Software as we deem necessary from time to time. ~~In addition, we have the right to~~ We do not require you to ~~enter into a separate maintenance agreement for such computer hardware and/or Required Software. Although you must buy, use, and maintain~~ use any particular computer hardware ~~and Required Software meeting our standards and specifications, you.~~ You will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of the computer hardware and Required Software; and (ii) ~~any and~~ all

consequences that may arise if the computer hardware and Required Software is not properly operated, maintained and upgraded. (Section 7.9 of the Franchise Agreement).

We may develop and custom-design software programs related to the operation of your Casago Business (the "Proprietary Software Program"), ~~you. You must obtain~~, at your ~~own~~-expense, ~~must obtain~~ the computer hardware required to implement the Proprietary Software Program into your Casago Business, and you must comply with all specifications and standards prescribed by us regarding the Proprietary Software Program as provided from time to time in the Operations Manual or otherwise in writing. You shall only utilize the Proprietary Software Program as prescribed by us and the Proprietary Software Program will be considered to be a part of our Confidential Information. ~~We~~The Proprietary Software Program may generate and store certain data pertaining to reservation, guest, and homeowner information, and we shall have the unlimited right to independently access all data contained in the Proprietary Software Program, as well as any other software used by you in the operation of the Casago Business ~~pertaining to reservation, guest, and homeowner data, and you. You~~ must take any and all actions specified by us to ensure that we have ~~this~~ access to the Proprietary Software Program and/or other software. (Section 7.9.1 of the Franchise Agreement).

~~You are required to~~

In the future, we may require that you participate in any System-wide area computer network, intranet system or extranet system that we implement, and you may be required by us to use such area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Operations Manual; (iii) download ~~approved~~-local advertising and promotions materials; (iv) communicate with us and other System franchisees; and ~~(v)~~ (v) participate in online training. You must agree to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements. (Section 7.9 of the Franchise Agreement).

We currently require you to obtain and use computer equipment that meets at least the minimum operating requirements of ~~Casago's~~our prescribed or required software systems. With the exception of a manufacturer's warranty, neither any third party nor we have a contractual right or obligation to provide on-going maintenance, repairs, upgrades or updates to your computer system.

We estimate that the cost of obtaining the ~~required~~ computer ~~system~~hardware necessary to operate your Franchised Business will be roughly between \$1,500 and \$3,000 if you currently do not already own ~~none of the required~~necessary hardware to adequate operate the Required Software we require you to use for your Casago Business. You must keep your Computer System in good maintenance and repair ~~and~~. You must also install such additions, changes, modifications, substitutions, and/or replacements to the ~~Computer System or~~ Required Software as we direct from time to time in writing. ~~You may be required to enter into licenses and agreements with us or with designated or approved third party~~

~~vendors for technical support, warranty service, or collateral software licenses.~~

~~You and~~

You, your Designated Manager(s) and any employees interacting with customers must maintain ~~Casago~~ email accounts, ~~which will be provided to you and you that are able to be integrated into our required property management software. You~~ must give us electronic access to information on your Casago internal systems and hosted by software providers. No contractual limitation exists on our right to access the information. We may require you to upgrade or update your ~~computer hardware~~, Required Software

~~and other office equipment.~~ No contractual limitation exists on the frequency or cost of this obligation. We will have independent access to any data that you collect electronically.

### Internet

You must have and maintain adequate hardware and software in order to access the Internet at the bit speed that is effective to operate business in ~~you~~your market. We have established an Internet website that provides information about the System and the products and services offered by the Casago System. We have sole discretion and control over the website (including timing, design, contents and continuation). We will create interior pages on our website(s) that contain information about your Casago Business and other Casago Businesses. While we will prepare the page for your Casago Business you ~~will~~may be required, ~~at your expense,~~ to provide the content, images, and information necessary to do so. (Sections 12.3 of the Franchise Agreement).

You are currently permitted to establish social media websites designated by us (which may include Facebook, Instagram, and other platforms that we specify in the Operations Manual) in connection with your Casago Business (collectively, "Permitted Webpages"). ~~We may require that we have administrative access to any of your Permitted Pages. You may post to the Permitted Pages without submitting to us for prior approval so long as your posts are consistent with social media training, we may provide to you and the guidelines set forth in our Operations Manual, which we may modify from time to time.~~ Your Permitted Webpages should only contain content relevant to our mission and must meet our standards and otherwise support our brand, image and methodologies. We reserve the right to demand that you remove any Permitted Webpages or posts on Permitted Webpages, to delete links on your Permitted Webpage(s) from our website, and/or to revoke your right to continue using such Permitted Webpage(s), if we determine in our sole discretion that any content on a Permitted Webpage is detrimental to our brand and image. (Section 12.3 of the Franchise Agreement).

Casago International must be made aware of ~~and approve~~ any separate website, splash page, profile or other presence on the Internet, or otherwise advertised on the Internet or any other public computer network in connection with the Casago brand, System, or Casago Business. (Section 12.3 of the Franchise Agreement).

We have the right to modify our policies regarding both our and your use of Internet websites as we deem necessary or appropriate for the best interests of the System. (Franchise Agreement, Section 12.3). You acknowledge that we and/or our affiliates are the lawful, rightful, and sole owner of the Internet domain name. [www.casago.com](http://www.casago.com), as well as any other Internet domain names registered by us, and you unconditionally disclaim any ownership interest in such domain names and any colorably similar Internet domain names. You agree not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation, or visual variation of those words without our prior written approval (Franchise Agreement, Section 12.3).

## ITEM 12 TERRITORY

### Protected Territory

We will determine and grant you a protected Territory (the “Territory”) wherein you must operate your Casago Business. We will identify your Territory on the Data Sheet attached to your Franchise Agreement. We will determine the size and boundaries of your Territory based on the amount of rental inventory in the area and the size of area that you will be able to service efficiently and effectively. We will define the boundaries of the Territory using geographic boundaries, grid coordinates, zip codes, or such other specifications as we deem appropriate.

The size of your Territory may vary from other System franchisees based on the factors set forth above. We do not have a standard or minimal area around your Approved Location that we grant to all System franchisees as a Territory.

The amount of rental inventory in your area may fluctuate over time. We are under no obligation to modify your Territory in the event that the amount of rental inventory in your Territory changes over the Term of your Franchise Agreement.

You may market and advertise for homeowner acquisition to property owners whose property is solely within your Territory for the purpose of increasing or improving your rental portfolio. Additionally, you may accept property management contracts that are within a reasonable proximity of your territory, so long as the property is not located within another Casago franchisee’s territory. If you are contacted by a potential customer that owns a residence in the Territory of another Casago franchisee, you must refer the customer to that franchisee, and if that franchisee declines the customer in writing, you may provide services to the customer with our written permission only.

With our express written consent, you may provide services at locations outside your Territory that are not within the Territory of any other System franchisee. However, once a territory is sold to another System franchisee, you must immediately cease providing services to news customers located within the territory ~~and transfer all relevant customer information to the new System franchisee. Notwithstanding the foregoing, upon written permission from the new System franchisee,~~ While you may ~~continue to~~ provide services ~~to customers located within the~~ outside of your territory under the above terms, you may not market your services to homeowners outside of your exclusive territory ~~until the opening of the new Casago Business.~~

Except as otherwise provided in the Franchise Agreement and this Disclosure Document, for so long as you comply with the terms and conditions hereof, we will not establish and operate, nor license any party other than you to establish and operate, any Casago Business under the System and the Proprietary Marks within the Territory.

The Franchise Agreement does not grant you any franchisee options, rights of first refusal, or similar rights to acquire additional franchises unless otherwise agreed upon.

As disclosed in Item 6, you are obligated to pay to us a Minimum Annual Royalty. If you fail to meet your Minimum Annual Royalty requirement, we have the right to reduce the size of your Territory,

terminate your Franchise Agreement and/or require you to immediately pay the balance of the Minimum Annual Royalty to us.

#### Reservation of Rights under the Franchise Agreement

The rights granted under the Franchise Agreement do not include any right to: (i) offer any product or service via e-commerce; (ii) establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation of the Proprietary Marks; (iii) sell merchandise via wholesale; or (iv) otherwise distribute, market, or implement our products and services in any channel of distribution not specifically identified in the Franchise Agreement without our prior written consent.

Under the Franchise Agreement, we and our affiliates have the right, in our sole discretion, to: (i) own and operate Casago Businesses at any location(s) outside of your Territory under the same or different marks, or to license others the right to own and operate Casago Businesses at any location(s) outside your Territory under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (iii) ~~own and operate Casago Businesses or other businesses, or market similar products and services, at any location(s) inside your Territory under different marks, or to license others the right to own and operate Casago Businesses or businesses, or market products and services at any location(s) inside your Territory under different marks;~~ (iv) exclusively operate and license others the right to own and operate Casago Businesses under the Proprietary Marks and System in non-traditional sites including, but not limited to, hotels, residential homes, and commercial buildings; and (v) engage and license others to engage in any other activities not expressly prohibited in the Franchise Agreement.

Certain of our or our affiliate's products or services, whether now existing or developed in the future, may be distributed in your Territory by us, our affiliates, or our franchisees, licensees, or designees, in such manner and through such alternate channels of distribution as we, in our sole discretion, shall determine. The Franchise Agreement grants you no rights to: (i) distribute such products in alternate channels of distribution; or (ii) share in any of the proceeds received by any such party.

#### Multi-Market Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services to any business which owns, manages, controls, or otherwise has responsibility for buildings or common services in more than one geographic location and/or whose presence is not confined within any one franchisee's designated territory, a Multi-Market Account. After we sign a contract with a Multi-Market Account, we may, at our option, provide you the opportunity to perform the services under the Multi-Market Account contract. If we choose, or if you choose not to provide services to the Multi-Market Account, we may provide the services directly ourselves or authorize an affiliate, another franchisee or third-party to do so even if the job site is within your Territory without compensation to you. For this reason, you will not receive an exclusive territory. You may face competition from us either ourselves or other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

#### Relocation of Business

You may not relocate and/or operate your Casago Business in any location other than the Territory without our prior written approval. Should you relocate the Casago Business without such permission, the

new location will be treated as an entirely new franchise sale subject to new initial franchise fees as provided in the Franchise Agreement and to such other provisions as would apply to a new franchise sale. If you have obtained office space and your landlord terminates your right to possession of your Approved Location before the term of your Franchise Agreement expires, then you must determine a new location ~~that we approve of~~ within your Territory, or within a 30-minute radius of your Territory and notify of your new location within ~~sixty (60) days~~ your Territory.

**ITEM 13**  
**TRADEMARKS**

We grant you the right to operate the Casago Business under the proprietary word mark “Casago,” and such other trademarks as described more fully in the table below (collective, “the Proprietary Marks”). You may also use our other current or future proprietary trademarks to operate your Casago Business. The term “trademark” includes service marks, trade names, slogans, insignia, logos, labels, and trade dress. Our ~~affiliate High Desert Travel, Inc. is the current owner of the following Proprietary Mark, which is~~ Marks are currently registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) ~~as of the Issue Date of this Disclosure Document~~.

MARK	REGISTRATION NO.	REGISTRATION DATE	REGISTER
CASAGO®	<del>5,834,594</del> <u>5834594</u>	August 13, 2019	Principal
<u>OWNER CENTRIC®</u>	<u>90799535</u>	<u>December 20, 2022</u>	<u>Principal</u>

~~We obtained our right to use and license use of the Marks and the System under a license agreement with our affiliate High Desert Travel, Inc. dated October 1, 2020, under which we were granted a forty (40) year license.~~

~~We or High Desert Travel~~ We shall file all necessary affidavits and other documents with the USPTO to maintain federal registration for the ~~mark~~ Marks described above. There are currently no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, no pending interference, opposition, or cancellation proceedings; nor any pending material litigation involving the Proprietary Marks.

You must promptly notify us of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Proprietary Marks. We have the sole right, though not the obligation, to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation, and to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We also have the right, though not the obligation, to defend you against any third-party claim, suit, or demand arising solely out of your use of the Proprietary Marks in a manner expressly authorized by us. If we, in our sole discretion, determine that you have used the Proprietary Marks in accordance with the Franchise Agreement and the Operations Manual, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we, in our sole discretion, determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement and the Operations Manual, you will be required to pay for the defense or to reimburse us for costs we incurred in providing the defense,

including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner not in accordance with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

You cannot register any of the Proprietary Marks now or hereafter owned by us or any abbreviation, acronym or variation of the Proprietary Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain, and modify, or discontinue using of a website using the Proprietary Marks.

You may use only the Proprietary Marks that we designate and may use them only in the manner we authorize and permit. Any goodwill associated with Proprietary Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Proprietary Marks only for the operation of the Casago Business and only at the Casago Business or in advertising for the Casago Business. You must use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “SM,” “TM,” “S” or “R,” as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any services or products, which we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name. ~~We must approve your corporate name and all fictitious names under which you propose to do business in writing before use.~~ You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “Casago.” You must promptly register at the office of the county in which your Casago Business is located, or such other public office as provided for by the laws of the state in which your Casago Business is located, as doing business under your assumed business name.

All of your advertising must prominently display the Proprietary Marks and must comply with our standards for using the Proprietary Marks. You may use the Proprietary Marks including, without limitation, trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. ~~You must submit to us, and we must approve all advertising, publicity, signs, stationary, business cards, forms, decorations, furnishings, equipment, or other materials employing the Proprietary Marks, or related marks, before first publication or use. We will not unreasonably withhold our approval.~~ You must identify yourself as the owner of the Casago Business (in the manner we prescribe) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing.

We reserve the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder. You must discontinue using all Proprietary Marks which we have notified you, in writing, have been modified or discontinued within ten (10) days of receiving written

notice and must promptly begin using such additional, modified or substituted Proprietary Marks at your expense.

#### **ITEM 14** **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We do not own any registered patents or copyrights that are material to the franchise, however, we claim common law copyright and trade secret protection for several aspects of the System including our Operations Manual, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of this unauthorized use. We may revise any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new advertising, marketing, or other business materials.

During the term of the Franchise Agreement, you will receive information which we consider to be our trade secrets and confidential information, including but not limited to information regarding the set-up of a Casago Business; information about proprietary merchandise and services; any proprietary software we may now or in the future create; our Operations Manual (defined in Section 6.1); trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; standards and specifications for customer service; systems and training manuals; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition; ongoing training; recruitment, training and management of remote teams; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Casago Business which may be communicated to you or of which you may be apprised by virtue of your operation of a Casago Business (collectively, the “Confidential Information”). You shall not, during the term of the Franchise Agreement or after, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to your employees that must have access to it to operate the Casago Business. Certain additional information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, also constitute our trade secrets and Confidential Information. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential will be deemed Confidential Information for purposes of the Franchise Agreement. We have expended considerable time, effort, and money to develop the System, and the Confidential Information is not well known outside of the System. The Confidential Information is of great value to us, and we are implementing this non-disclosure policy in an effort to protect our trade secrets and Confidential Information.

~~If you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of the Casago Business, you must promptly notify us and provide us with all necessary related information, without compensation. Any such concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights, and other related intellectual property rights. You and your principals will assign to us any rights you may have or acquire, including the right to~~

~~modify the concept, process, or improvement, and otherwise must waive and/or release all rights of restraint and moral rights. You and your principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process, or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing these rights. You and your principals will irrevocably designate and appoint us as your agent and attorney in fact to execute and file any documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any concept, process, or improvement. In the event that these provisions are found to be invalid or otherwise unenforceable, you and your principals will grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process, or improvement if this use or sublicense would otherwise directly or indirectly infringe your rights.~~

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

You (or at least one of your principals if you are a corporation or partnership) must personally supervise the day-to-day operations of the Casago Business. You must devote your personal full-time attention and best efforts to the management and operation of the Casago Business. We may, in our sole discretion, but are not required to, permit you to delegate the day-to-day management of your Casago Business to a manager (the “Designated Manager”).

We must be informed of any newly appointed Designated Manager and your Designated Manager must successfully complete our Initial Training Program before assuming any managerial responsibility. Your Casago Business must be staffed by you (or one of your principals that has completed our Initial Training Program) and/or your Designated Manager at all times. You shall keep us informed at all times of the identity of any employee acting as a Designated Manager of a Casago Business. Designated Managers shall devote their full time and best efforts to the day-to-day operation and management of the Casago Business and shall not engage ~~in~~ competing activity while employed by you. Franchisee, and if applicable, its owners and partners (but not their spouses) must execute the form of Personal Guaranty attached to the Franchise Agreement as Exhibit A.

It is important to note that we are not your employer and that you will have the right to control all decisions related to recruiting, hiring, or firing any personnel at your Casago Business. Please note that nothing in this Disclosure Document or any agreement you enter with us will create any type of employer or joint employer relationship between (a) you and/or your personnel, and (b) us.

While we require that you have employees to sign a confidentiality agreement, we do not require you to have them sign post-termination non-competition clause. You will need to consult with local counsel regarding the enforceability of any such clauses with your employees, shareholders, managers, officers and/or directors.

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

You may offer for sale and sell only those services and products we designate, [unless we agree otherwise](#), and you must sell all services and products we designate. We have the right to change the types of designated services and products, and there are no limits on our right to do so. If you wish to sell additional services or products, you must follow the approval process outlined in Item 8 of this Disclosure Document.

If we discontinue any Approved Product or Service offered by the Casago Business, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us).

You may not perform work on Multi-Market Accounts except as permitted in the Franchise Agreement (see Items 1 and 12 for more detail regarding Multi-Market Accounts).

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

**THE FRANCHISE RELATIONSHIP ~~UNDER THE FRANCHISE AGREEMENT~~**

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

	Provision	Section in Franchise Agreement	Summary
a.	Term of franchise	2.1	Term of ten (10) years, beginning on the date we sign your Franchise Agreement.
b.	Renewal or extension of the term	2.2	You have the right to renew for successive ten (10) year terms, subject to meeting certain conditions.
c.	Requirements for you to renew or extend	2.2	In order to renew, you must: (a) notify us of your intent to renew at least ninety (90) days but no more than one hundred and eighty <del>(180)</del> <u>(180)</u> days, prior to expiration of the current term; (b) demonstrate that you have the right to operate the Casago Business from the Approved Location for the duration of the renewal term; (c) not be in breach of any agreements with us, our affiliates, or our major suppliers and vendors; (d) satisfy all monetary obligations to us, our affiliates, and our major suppliers and vendors; (e) sign our then-current form of franchise agreement, which may contain materially different terms than your Franchise Agreement; (f) <u>satisfy our then-current training requirements for renewal franchisees; and</u> (g) <u>sign a general release.</u>

	Provision	Section in Franchise Agreement	Summary
d.	Termination by you	No Provision	Not Applicable
e.	Termination by us without cause	No Provision	Not Applicable
f.	Termination by us with cause	15	We may terminate your Franchise Agreement with cause.
g.	Cause defined - default which can be cured	15.3	We may terminate your Franchise Agreement following a fifteen <del>(15)</del> <u>(15)</u> day cure period if you: (a) fail to pay sums owed to us, our affiliates, or our major vendors and suppliers; (b) under-report <u>Gross Rental Revenues</u> , Royalty or any advertising payments by more than two percent (2%) or fail to submit <del>timely reports or</del> payments for any two (2) reporting periods in a twelve (12) month period; (c) fail to immediately endorse and deliver to us any payments due to us

	Provision	Section in Franchise Agreement	Summary
		<p><a href="#">and</a> 15.4</p>	<p>from a third party that are erroneously remitted to you; (d) fail to maintain sufficient levels of inventory if applicable; (e) fail to open your Casago Business within <del>three</del><a href="#">four</a> (<del>3</del><a href="#">34</a>) months of the date we sign your Franchise Agreement; (f) fail to <del>maintain the required days and hours of operation at your Casago Business;</del> <del>(g) fail to</del> personally or have a Designated Manager(s) supervise the day-to-day operation of the Casago Business; <del>(h)</del><a href="#">g</a> fail to maintain the strict quality controls reasonably required by your Franchise Agreement and/or the Operations Manual; <del>(i)</del><a href="#">h</a> conduct yourself in a manner that reflects adversely on the System, the Proprietary Marks, or the services or products offered through the System; and <del>(k)</del><a href="#">j</a> fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your Casago Business.</p> <p>We may terminate your agreement following a thirty (30) day cure period if you fail to perform or comply with any one or more of the terms or conditions of your Franchise Agreement or any ancillary agreements between you and us or our affiliates.</p>
h.	Cause defined - default which cannot be cured	<p><del>15.1</del></p> <p><a href="#">15.1</a> <a href="#">and</a> <a href="#">15.2</a></p>	<p>Your Franchise Agreement will automatically terminate if: (a) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the Casago Business; (b) proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law, and the proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for you or the Casago Business without your consent, and the appointment is not vacated within sixty (60) days; or (c) you attempt to make an unauthorized sale or transfer of you or any interest in the Casago Business.</p> <p>We may terminate your Franchise Agreement upon notice but without providing you with an opportunity</p>

	Provision	Section in Franchise Agreement	Summary
			<p>to cure if: (a) you or your principals are convicted of or plead guilty or no contest to a felony or take part in any criminal misconduct relevant to the operation of your Casago Business; (b) you or your principals commit any fraud or misrepresentation in the operation of your Casago Business; (c) you or your principals make any misrepresentation or omission in connection with your franchise application; (d) you fail to successfully complete initial training;</p> <p><del>(e)</del> <u>(e)</u> we send you two (2) or more written notices to cure pursuant to Sections 15.3 or 15.4 of your Franchise Agreement in any twelve (12) month period; (f) you or your principals materially breach any other agreement with us or any of our affiliates, or threaten any material breach of any agreement, and fail to cure the breach within any permitted period for cure; (g) you or your principals materially violate any provision of the Franchise Agreement relating to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information; (h) you violate any health, safety or sanitation law, ordinance or regulation, or operate the Casago Business in a manner that presents a health or safety hazard to customers, or the general public; (i) you violate the in-term restrictive covenant in your Franchise Agreement; (j) a levy of writ of attachment or execution or any other lien is placed against you or your principals or any of their assets which is not released or bonded against within thirty (30) days; (k) you or your principals become insolvent; (l) you abandon the Casago Business; (m) you offer any unauthorized and unapproved products or services from the Casago Business;</p> <p><del>(n)</del> <u>(n)</u> you <del>order or purchase supplies, signs, furnishings, fixtures, equipment or inventory from any currently unapproved supplier or any supplier which we have not approved</del> <u>use a supplier, other than a Required Supplier, for any Required Products or Services</u>; (o) you misuse or make unauthorized use of our Proprietary Software Program; (p) you fail to maintain insurance or otherwise adhere to our insurance requirements; (q) you fail, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities to comply with any law or regulation applicable to the</p>

	Provision	Section in Franchise Agreement	Summary
			<p>Casago Business; (r) any government action is taken against you that results in any obligation upon us which in our sole judgment is uneconomical, not in our best interests, or would result in us having an unintended relationship or obligation;</p> <p><del>(s)</del> <u>(s)</u> you fail to comply with the anti-terrorist provision of your Franchise Agreement; (t) you take for your own personal use any assets or property of the Casago Business, including employee taxes, FICA, insurance or benefits; or (u) there are insufficient funds in your bank account to cover a check or EFT payment to us three (3) or more times within any twelve (12) month period.</p>
i.	Your obligations on termination/ non-renewal	<p><del>16.1</del></p> <p><u>16.1</u> and <u>16.2</u></p>	<p>Upon termination, non-renewal, or transfer, you must, at your own cost and expense: (a) cease immediately all operations under the Franchise Agreement; (b) pay us immediately all unpaid fees and pay us, our affiliates, and our major suppliers and vendors, all other monies owed; (c) discontinue immediately the use of the Proprietary Marks; (d) immediately return the Operations Manual, along with all other manuals and Confidential Information we loaned to you, and immediately and permanently cease use of the Confidential Information; (e) immediately cease using all telephone numbers and listings used in connection with the operation of the Casago Business and direct the telephone company to transfer all such numbers and listings to us or our designee or, if we direct, disconnect the numbers; (f) promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, and all items which are a part of the trade dress of the System, as we direct; (g) cease to hold yourself out as our franchisee; (h) take the necessary actions required to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark we licensed to you, and provide us with evidence of this within thirty (30) days after the termination, expiration or transfer of your Franchise Agreement; (i) permit us to make final inspection of your financial records, books, and other accounting records within six (6) months of the effective date of termination, expiration, or transfer; (j) comply with</p>

	Provision	Section in Franchise Agreement	Summary
			<p>the post- termination covenants set forth in Section 17 of your Franchise Agreement; (k) cease to use in advertising or in any other manner, any methods, procedures or techniques associated with us or the System; (l) transfer all rights and access to any Proprietary Software Program used in connection with the Casago Business; and (m) sign from time to time any necessary papers, documents, and assurances to effectuate any of the obligations listed in Section 16 of the Franchise Agreement.</p> <p>You appoint us as your attorney-in-fact to execute in your name and on your behalf, all documents necessary to discontinue your use of the Proprietary Marks and the Confidential Information.</p>
j.	Assignment of contract by us	14.5	We have the right to sell, transfer, assign and/or encumber all or any part of our assets and our interest in, and rights and obligations under, the Franchise Agreement in our sole discretion.
k.	“Transfer” by you - definition	14.3	A “transfer” occurs: (a) if you are a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of your voting stock or any increase in the number of outstanding shares of your voting stock which results in a change of ownership; <del>(b)</del> <u>(b)</u> if you are a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (c) if you are a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company.
l.	Our approval of transfer by franchisee	14.1	You shall not sell, transfer, assign or encumber your interest in the Casago Business without our prior written consent. Any sale, transfer, assignment or encumbrance made without our prior written consent will be voidable at our option and will subject your Franchise Agreement to termination.
m.	Conditions for our approval of transfer	14.3.2	We may condition our approval of a transfer on the following occurrences: (a) all of your monetary obligations to us, our affiliates, and our major suppliers and vendors are satisfied; (b) you have cured all existing defaults under the Franchise Agreement or any other agreement with us, our affiliates, and our major suppliers and vendors; (c) you and your principals, and the transferee, have executed a general release; (d) you or the

	Provision	Section in Franchise Agreement	Summary
			<p>transferee have provided us with the executed purchase agreement relating to the proposed transfer, along with all supporting documents and schedules; (e) the transferee has demonstrated that he/she meets our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; has adequate financial resources and capital to meet the performance obligations under the Franchise Agreement; and is not in the same business as us; (f) the transferee executes our then-current form of franchise agreement for the unexpired term of your Franchise Agreement; (g) the transferee satisfactorily completes our Initial Training Program; (h) you, your principals, and your family members comply with the post-termination provisions of your Franchise Agreement; (i) the transferee obtains all permits and licenses required for the operation of the Casago Business; (j) to the extent required, the lessors or other parties must have consented to the proposed transfer; (k) the transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises; (l) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Casago Business and the transferee's performance under its franchise agreement; (m) you must request that we provide the prospective transferee with our current form of franchise disclosure document; (n) our approval of the transfer shall not constitute a waiver of any claims we may have against you; (o) we may disclose to any prospective transferee such revenue reports and other financial information concerning you and your Casago Business; (p) in any event, we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise; and (q) you are responsible for the payment of all commissions or other monies due from the sale of the Casago Business if, (1) you listed the Casago Business with a broker, or <del>(2)</del> (2) the transferee is referred to us by a broker</p>

	Provision	Section in Franchise Agreement	Summary
			lead referral network or otherwise.
n.	Our right of first refusal to acquire your business	14.3.1	<p>If you propose to transfer either the Franchise Agreement or all, or substantially all, of the assets used in connection with the Casago Business or any interest in your lease to any third party, you shall first offer to sell the interest to us on the same terms and conditions as offered by such third party. You shall obtain a letter of intent containing the terms of the offer that is signed by you and the third party, (“Letter of Intent”). If we decline the offer within a thirty <del>(30)</del> <u>(30)</u> day period, you will have a period of up to sixty (60) days to complete the transfer described in the Letter of Intent subject to our transfer conditions. Any material change in the terms of the offer shall be deemed a new proposal subject to our right of first refusal. So long as you have obtained our prior written consent, 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 our first right of refusal.</p>
o.	Our option to purchase your business	16.3	<p>Upon termination or expiration of your Franchise Agreement, we have the option, but not the obligation, to purchase any personal property used in connection with operation of your Casago Business by providing you written notice within sixty (60) days after such termination or expiration and paying you the book value for such personal property within sixty (60) days of the notice. We may exclude from the personal property purchased any cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Casago Business’s operation <del>or that we have not approved as meeting our standards for the Casago Business.</del></p>
p.	Your death or disability	14.2	<p>In the event of your death, disability, or incapacitation, your legal representative must transfer your interest in the Franchise Agreement to a third party that we must approve, in our sole discretion. That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in Section 14 of the Franchise Agreement. If a certified Designated Manager is not managing the Casago Business, your</p>

	Provision	Section in Franchise Agreement	Summary
			<p>legal representative must appoint a manager that we approve no later than thirty (30) days from the date of death or disability. The newly appointed manager must complete our standard Initial Training Program at your expense. If we determine that the Casago Business is not being managed properly any time after your death or disability, we may, but have no obligation to, assume the Casago Business's management (or appoint a third party to assume its management). We may charge you (in addition to the Royalty, System Marketing Fund Contributions, and other amounts due under the Franchise Agreement) a reasonable amount of compensation, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the Casago Business's management.</p>
q.	Non- competition covenants during the term of the franchise	17.1	You may not: (a) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any business providing property rental or management services, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"), other than any other Casago Business; or (b) divert or attempt to divert any business or customer or prospect of the Casago Business to any Competing Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.
r.	Non- competition covenants after the franchise is terminated or expires	<p><del>17.2.1</del></p> <p><u>17.2.1 and 17.2.2</u></p>	<p>For a period of two (2) years after the expiration and nonrenewal, transfer or termination of your Franchise Agreement, you may not enter into any business competing in whole or in part with us in granting franchises or licenses to operate a Competing Business at the time your Franchise Agreement is terminated or otherwise expires and is not renewed.</p> <p>For a period of two (2) years after the expiration and nonrenewal, transfer or termination of your Franchise Agreement, regardless of the cause, you may not: (a) own, maintain, engage in, be employed by, or have any interest in any Competing Business</p>

	Provision	Section in Franchise Agreement	Summary
			at the time of termination or expiration and nonrenewal, (1) within your Territory, or (2) within a radius of twenty (20) miles of the perimeter of (i) your Territory, or (ii) any other Territory licensed by us as of the date of expiration or termination of your Franchise Agreement; or (b) interfere with our business relationships or with anyone or any entity with which we have a business relationship.
s.	Modification of the Franchise Agreement	22.1	The Franchise Agreement may not be modified except by a written document signed by both parties.
t.	Integration/ merger clauses	22.1	The Franchise Agreement constitutes the entire agreement by the parties. Nothing in the Franchise Agreement is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u.	Dispute resolution by arbitration or mediation	18.2-18.3	<p>You must bring all disputes before our President and/or Chief Executive Officer prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all claims or disputes between you and us must be submitted first to non-binding mediation in the city where Franchisor's headquarters is located in accordance with the American Arbitration Association's Commercial Mediation Rules then in effect (subject to state law).</p> <p>The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in Section 18.3 if such controversy, dispute, or claim concerns an allegation that a party has committed: (i) any non-<del>curable</del><a href="#">curable</a> default; or (ii) any default related to quality assurance.</p>
v.	Choice of forum	18.4	All claims not subject to mediation must be brought before a court of general jurisdiction in Scottsdale, <del>Arizona</del> <a href="#">AZ</a> or the city where Franchisor's headquarters is then-located or, if appropriate, the United States District Court where Franchisor's headquarters is then-located (subject to state law).
w.	Choice of law	18.1	The Franchise Agreement is governed by the laws of the State of Arizona (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise, but we reserve the right to do so in the future.

**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATION**

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.

We do not make any representations about a franchisee's future financial performance ~~representations or the past financial performance of company-owned or franchised outlets.~~ 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 ~~Casago Business~~outlet, however, we may provide you with the actual records of that ~~Casago Business~~outlet. If you receive any other financial performance information or projections of your future income, you should report it to ~~our~~the franchisor's management by contacting Steve Schwab ~~at Casago International LLC~~, 15475 N Greenway Hayden Road, Suite B2, Scottsdale, ~~Arizona~~AZ 85260 ~~or~~, ~~(602877) 888-9107~~525-0999, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System-wide Outlet Summary**  
**For ~~fiscal years ending December 31, 2020,~~ Years 2021, and 2022 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2021	0	2	+2
	2022	2	<del>2</del> <u>14</u>	<del>+19</del> <u>+12</u>
	<u>2023</u>	<u>14</u>	<u>31</u>	<u>+17</u>
Company-Owned or Affiliate-Owned	<del>2020</del>	<del>5</del>	<del>6</del>	<del>+1</del>
	2021	6	6	+0
	2022	6	6	+0
	<u>2023</u>	<u>6</u>	<u>6</u>	<u>0</u>
Total Outlets	<del>2020</del>	<del>5</del>	<del>6</del>	<del>+1</del>
	2021	6	8	+2
	2022	8	<del>27</del> <u>10</u>	<del>+19</del> <u>+12</u>
	<u>2023</u>	<u>20</u>	<u>37</u>	<u>+17</u>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(other than the Franchisor)**

For ~~fiscal years ending December 31, 2020~~, Years 2021, and 2022 to 2023

State	Year	Number of Transfers
<u>California</u>	<u>2021</u>	<u>0</u>
	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>1</u>
Total	<del>2020</del>	<del>0</del>
	2021	0
	2022	0
	<u>2023</u>	<u>0</u>

**Table No. 3**  
**Status of Franchised Outlets**  
For ~~fiscal years ending December 31, 2020~~, Years 2021, and 2022 to 2023

State	Year	<del>Outlet</del> <u>Outlets</u> at Start of Year	Outlets Opened	Termin - <u>nation</u> <u>satio</u> <u>ns</u>	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
<del>Idaho</del>	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<u>AL</u>	2021	0	<del>10</del>	0	0	0	0	<del>10</del>
	<u>2022</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>AZ</u>	2021	0	0	0	0	0	0	0
	2022	<del>10</del>	<del>30</del>	0	0	0	0	<del>40</del>
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>CA</u>	2021	0	0	0	0	0	0	0
	2022	0	3	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>CO</u>	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	<u>2023</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>FL</u>	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	<u>2023</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<del>West Virginia</del>	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<u>ID</u>	2021	0	1	0	0	0	0	1
	2022	1	<del>1</del>	0	0	0	0	<del>2</del>
	<u>2023</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
<del>Virginia</del>	<del>2020</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>

State	Year	Outlets at Start of Year	Outlets Opened	Termination - ratios	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
MN	2021	0	0	0	0	0	0	0
	2022	0	10	0	0	0	0	10
	2023	0	1	0	0	0	0	1
Oregon		2020	0	0	0	0	0	0
MT	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
California		2020	0	0	0	0	0	0
NV	2021	0	0	0	0	0	0	0
	2022	0	40	0	0	0	0	40
	2023	0	1	0	0	0	0	1
Montana		2020	0	0	0	0	0	0
OR	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Texas		2020	0	0	0	0	0	0
SC	2021	0	0	0	0	0	0	0
	2022	0	30	0	0	0	0	30
	2023	0	1	0	0	0	0	1
Florida		2020	0	0	0	0	0	0
TX	2021	0	0	0	0	0	0	0
	2022	0	32	0	0	0	0	32
	2023	2	3	0	0	0	0	5
Utah		2020	0	0	0	0	0	0
UT	2021	0	0	0	0	0	0	0
	2022	0	10	0	0	0	0	10
	2023	0	1	0	0	0	0	1
Colorado		2020	0	0	0	0	0	0
VA	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
WV	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Totals	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	1912	0	0	0	0	2114
	2023	14	17	0	0	0	0	31



**Table No. 4**  
**Status of Company-Owned and Affiliate-Owned Outlets**  
**For fiscal years ending December 31, 2020, ~~Years~~ 2021, and 2022 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired - Acquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year	
<b>Arizona</b>			<b>2020</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>AZ</b>	2021	3	0	0	0	0	3	
	2022	3	0	0	0	0	3	
	2023	3	0	0	0	0	3	
<b>California</b>			<b>2020</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>CA</b>	2021	1	0	0	0	0	1	
	2022	1	0	0	0	0	1	
<b>Utah</b>			<b>2020</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>UT</b>	2021	1	0	0	0	0	1	
	2022	1	0	0	0	0	1	
<b>West Virginia</b>			<b>2020</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>WV</b>	2021	1	0	0	0	0	1	
	2022	1	0	0	0	0	1	
	2023	1	0	0	0	0	1	
<b>Total</b>	<b>2020</b>	<b>5</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	
	2021	6	0	0	0	0	6	
	2022	6	0	0	0	0	6	
	2023	6	0	0	0	0	6	

**Table No. 5**  
**Projected Openings as of December 31, ~~2022~~ 2023**

**State Franchise Agreements Signed ~~But~~ Outlet Not Opened Projected New Franchised Outlets in the Next Fiscal Year Projected New Company-Owned Outlets in the Next Fiscal Year**

~~Idaho~~ **AL** 1 ~~3~~ 0  
**Texas** **CA** 1 0 ~~3~~ 0  
**California**  
**CO** 0 2 0  
**FL** 2 2 0  
**MO** 1 ~~5~~ 0  
**Utah**  
**OR** 0 1 0  
**TN** 0 2 0  
**Colorado**

TX 2 2 0  
WA 0 1 30  
Total 6 12 0

Our list of current franchisees is disclosed in Exhibit F, and our list of franchisees who have left the system is disclosed in Exhibit G as of December 21, 2023. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

There is presently no trademark specific franchisee organization associated with the System. ~~No franchisees have signed provisions during our~~ During the last three (3) fiscal years ~~restricting their ability to speak openly about their experience with us,~~ no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

## **ITEM 21** **FINANCIAL STATEMENTS**

Attached as Exhibit C are our audited financial statements as of December 31, 2023, 2022, ~~December 31, and~~ 2021, ~~and December 31, 2020,~~ as well as our unaudited ~~balance sheet and profit and loss statement~~ financials as of March ~~31~~ 30, 2023 2024. Our fiscal year-end is December 31.

## **ITEM 22** **CONTRACTS**

The following contracts, agreements and other relevant documents are attached as Exhibits to this Disclosure Document:

Exhibit D - Franchise Agreement

Exhibit A -- Personal Guaranty

Exhibit B -- Conditional Assignment of Franchisee's Telephone Numbers, Facsimile Numbers, and Domain Names

Exhibit C -- Confidentiality and Restrictive Covenant Agreement

Exhibit D -- Electronic Funds Withdrawal Authorization

Exhibit E -- Sample Lease Addendum Form and Collateral Assignment of Lease Form

Exhibit E -- ~~Sample~~ Sample Termination and Release Agreement

## **ITEM 23** **RECEIPTS**

Exhibit K of this Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by a prospective franchisee. You should sign both copies of the Receipts. You should retain one signed copy for your records and return the other signed copy to Steve Schwab at Casago International LLC, 15475 N Greenway Hayden Road, Suite 2B, Scottsdale, ~~Arizona~~ AZ 85260.

**EXHIBIT A**

**TO CASAGO INTERNATIONAL LLC'S FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

Exhibit A

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

**~~LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS~~**

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

<p><b><u>CALIFORNIA</u></b></p> <p>California Department of Financial Protection and Innovation TOLL FREE 1-(866) 275-2677</p> <p><u>LA Office</u> 320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500</p> <p><u>Sacramento Office</u> 2101 Arena Boulevard Sacramento, CA 95834 (866) 275-2677</p> <p><u>San Francisco Office</u> One Sansome St., Suite 600 San Francisco, CA 94104 (415) 972-8565</p>	<p><b><u>CONNECTICUT</u></b></p> <p>(state administrator) State of Connecticut Department of Banking Securities &amp; Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230</p> <p>(agent for service of process) Banking Commissioner</p>
<p><b><u>HAWAII</u></b></p> <p>(state administrator) Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p> <p>(agent for service of process) Commissioner of Securities State of Hawaii 335 Merchant Street Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><b><u>ILLINOIS</u></b></p> <p>Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>

<p><b><u>INDIANA</u></b></p> <p>(state administrator)  Indiana Secretary of State  Securities Division, E-<del>414-302</del><a href="tel:317-302-111">111</a>  <a href="tel:317-302-111">302</a> Washington Street  Indianapolis, Indiana 46204  (317) 232-6681</p> <p>(agent for service of process)  Indiana Secretary of State  201 State House  200 West Washington Street  Indianapolis, Indiana 46204  (317) 232-6531</p>	<p><b><u>MARYLAND</u></b></p> <p>(state administrator)  Office of the Attorney General  Securities Division  200 St. Paul Place  Baltimore, Maryland 21202-2021  (410) 576-6360</p> <p>(agent for service of process)  Maryland Securities Commissioner  200 St. Paul Place  Baltimore, Maryland 21202-2021  (410) 576-6360</p>
<p><b><u>MICHIGAN</u></b></p> <p>(state administrator)  Consumer Protection Division  Antitrust and Franchise Unit  Michigan Department of Attorney General  525 W. Ottawa Street  G. Mennen Williams Building, 1<sup>st</sup> Floor  Lansing, Michigan 48933  (517) 373-7117</p> <p>(agent for service of process)  Corporations Division  Bureau of Commercial Services  Department of Labor and Economic Growth  P.O. Box 30054  Lansing, Michigan 48909</p>	<p><b><u>MINNESOTA</u></b></p> <p>(state administrator)  Minnesota Department of Commerce  85 7<sup>th</sup> Place East, Suite 280  St. Paul, Minnesota 55101-2198  (651) 296-6328</p> <p>(agent for service of process)  Minnesota Commissioner of Commerce</p>
<p><b><u>NEW YORK</u></b></p> <p>(state administrator)  Office of the New York State Attorney General  NYS Department of Law  Investor Protection Bureau  28 Liberty Street, 21<sup>st</sup> Floor  New York, NY 10005  (212) 416-8236</p> <p>(agent for service of process)  New York Department of State  Attention: UCC  One Commerce Plaza,  99 Washington Avenue, 6th Floor  Albany, NY 12231  (518) 473-2492</p>	<p><b><u>NORTH DAKOTA</u></b></p> <p>North Dakota Securities Department  State Capitol, Fifth Floor, Dept. <del>414-600</del><a href="tel:701-328-414">414</a>  <a href="tel:701-328-414">600</a> East Boulevard Avenue  Bismarck, North Dakota 58505  (701) 328-4712</p>

<p><b><u>OREGON</u></b></p> <p>Department of Insurance and Finance  Corporate Securities Section  Labor and Industries Building  Salem, Oregon 97310  (503) 378-4387</p>	<p><b><u>RHODE ISLAND</u></b></p> <p>Securities Division  Department of Business Regulation,  Bldg. 69, First Floor  John O. Pastore Center  1511 Pontiac Avenue  Cranston, Rhode Island 02920  (401) 462-9582</p>
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**EXHIBIT B  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

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## **FRANCHISE OPERATIO**

**Casago Inc.**  
15475 N Greenway Hayden Loop  
Scottsdale, AZ 85260



# **FRANCHISE OPERATIONS MANUAL**

**Casago Inc.**

15475 N Greenway Hayden Loop suite B2 Scottsdale, AZ 85260

**Version 1.0**

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TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT

**FINANCIAL STATEMENTS**

~~CASAGO  
INTERNATIONAL LLC  
FINANCIAL  
STATEMENTS  
DECEMBER 31, 2022  
AND 2021~~

~~CASAGO INTERNATIONAL LLC DECEMBER 31, 2022  
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## INDEPENDENT AUDITOR'S REPORT

To the Members and Management Casago  
International LLC Scottsdale, Arizona

### Opinion

We have audited the accompanying financial statements of Casago International LLC (an Arizona Limited Liability Company), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and members' equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casago International LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Casago International LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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[Exhibits to Franchise Disclosure Document](#)  
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~~In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt that Casago International LLC's ability to continue as a going concern within one year after the state the financial statements are available to be used.~~

### ~~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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.~~

~~In performing an audit in accordance with generally accepted auditing standards, we:~~

- ~~• Exercise professional judgement 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 Casago International LLC's internal control. Accordingly, no such opinion is expressed.~~
- ~~• Evaluate the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.~~
- ~~• Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Casago International LLC's ability to continue as a going concern for a reasonable period of time.~~

~~We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.~~

Newtown, Pennsylvania May 9, 2023

Exhibit C

<b>CASAGO INTERNATIONAL LLC BALANCE SHEETS DECEMBER 31, 2022 AND 2021</b>		
	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 41,473	\$ —
Receivables		
Franchise	86,000	
Royalties	145,145	4
Other	13,212	—
Due from affiliate	38,579	—
<b>TOTAL CURRENT ASSETS</b>	<b>324,409</b>	<b>34</b>
Computer software, net	100,625	—
<b>TOTAL ASSETS</b>	<b>\$ 425,034</b>	<b>\$ —</b>

**LIABILITIES AND MEMBERS' EQUITY (DEFICIT)**

**CURRENT LIABILITIES**

Accounts payable	\$ 1,154,715	\$ 385,000
Credit card payable	42,451	21,000
Deferred franchise fees, current	42,343	—

<b>TOTAL CURRENT LIABILITIES</b>	<b>1,239,509</b>	<b>410,965</b>
Deferred franchise fees, net of current		
94,563		

<b>TOTAL LONG-TERM LIABILITIES</b>	<b>94,563</b>	<b>—</b>
------------------------------------	---------------	----------

Members' equity (deficit)	(909,038)	2,797
<b>TOTAL MEMBERS' EQUITY (DEFICIT)</b>	<b>(909,038)</b>	<b>2,797</b>
<b>CASAGO INTERNATIONAL LLC TOTAL SHAREHOLDERS AND MEMBERS' EQUITY (DEFICIT)</b>	<b>(909,038)</b>	<b>2,797</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</b>	<b>\$ 425,034</b>	<b>\$ 413,762</b>
<b>YEARS ENDED DECEMBER 31, 2022 AND 2021</b>		
	<b>2022</b>	<b>2021</b>

<b>REVENUES</b>		
Franchise fees	\$ 94,594	\$
Royalties	622,340	118
Licensing	192,080	68
Other	197,797	73
<b>TOTAL REVENUES</b>	<b>1,106,811</b>	<b>262</b>
<b>COST OF GOODS SOLD</b>	<b>1,119,596</b>	<b>180</b>
<b>GROSS PROFIT</b>	<b>(12,785)</b>	<b>81</b>
<b>OPERATING EXPENSES</b>		
Advertising & marketing	148,108	37
Amortization	11,500	2
Bad debt	15,956	
Bank charge fees	3,338	
Business development	12,572	11
Consulting	930	
Office expense	10,011	
Other taxes and fees	6,313	2
Photography and videography	95,335	90
Printing	29,711	3
Professional fees	14,360	30
Travel	347,304	60
Utilities	14,434	2
Website	189,178	41
<b>TOTAL OPERATING EXPENSES</b>	<b>899,050</b>	<b>290</b>
<b>LOSS FROM OPERATIONS</b>	<b>(911,835)</b>	<b>(209)</b>
MEMBERS' EQUITY (DEFICIT), BEGINNING	2,797	100
CONTRIBUTIONS	-	110
DISTRIBUTIONS		
<b>MEMBERS' EQUITY (DEFICIT), ENDING</b>	<b>\$ (909,038)</b>	<b>\$</b>
<b>CASAGO INTERNATIONAL LLC STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2022 AND 2021</b>		
	<b>2022</b>	<b>2021</b>

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (911,835)	\$ (20
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization	11,500	
(Increase) decrease in assets:		
Receivables		
Franchise	(86,000)	
Royalties	21,580	(16
Other	2,895	(1
Due from affiliate	(1,567)	(3
Increase (decrease) in liabilities:		
Accounts payable	765,534	385
Credit card payable	20,667	21
Deferred franchise fees	136,906	
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(40,320)</b>	<b>(14</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of computer software	-	(115
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>(115</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Member contributions	-	110
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>-</b>	<b>110</b>
<b>NET DECREASE IN CASH</b>	<b>(40,320)</b>	<b>(18</b>
CASH, BEGINNING	81,793	100,2
<b>CASH, ENDING</b>	<b>\$ 41,473</b>	<b>\$ 8</b>

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Casago International LLC (the “Company”) was formed as an Arizona limited liability company on May 14, 2020, for the purpose of selling and operating franchises under the brand name Casago Homes on the Go. The Company grants franchises for the establishment, development, and operation of a full-service property management business that focuses on short-term rental and corporate housing.

The Company commenced operations on September 3, 2020, the date the initial capital contribution was funded and recorded. The Company does not own or operate any businesses of this type being franchised. As of December 31, 2022, there were fifteen signed franchise agreements.

Basis of Presentation

The Company’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Use of Estimates

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

Concentration of Credit Risk—Cash

The Company maintains cash balances at financial institutions, which at various times during the year may exceed the threshold for insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Company believes it is not exposed to any significant credit risk on its cash.

Revenue Recognition

The Company generates revenue from the sale of franchise licenses under various agreements. This initial franchise fee is due at signing and is earned based on the recognition of specific performance obligations. The Company also generates revenue from royalty and system marketing fund contributions. From time to time the Company can charge various other fees as outlined in the Franchise Disclosure Document. See Note 2, “Revenue from Contracts With Customers” for further information regarding implementation and disclosures.

Other Revenues

The Company recognizes revenues from other fees from marketing management and other services provided to its franchisees as a single performance obligation when the services are rendered.

### Accounts Receivable

~~Accounts receivable is reported at the amount management expects to collect from outstanding balances. Account balances that are still outstanding after management has used reasonable collection efforts will be written off through a charge to the valuation allowance, and a credit to the allowance account. There is no valuation allowance recorded as of December 31, 2022 and 2021.~~

## ~~CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021~~

---

### ~~NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)~~

#### Income Taxes

~~No provision has been made for federal income taxes since the Company maintains a tax status as a limited liability company, with distributable partnership interests, whereby the income is taxed directly to the members. The same tax status is maintained for state income tax purposes.~~

~~The Company's income tax returns are subject to examination by the taxing authorities for a period of up to three years from the date they are filed. As of December 31, 2022, tax year 2020, 2021 and 2022 were open.~~

#### Limited Liability Company

~~Since the Company is a limited liability company, no member, manager, agent, or employee of the Company shall be personally liable for the debts, obligations, or liabilities of the Company, whether arising in contract, tort, or otherwise, or for the acts or omissions of any other member, director, manager, agent, or employee of the Company, unless the individual has signed a specific personal guarantee. The duration of the Company is perpetual.~~

~~As a limited liability company, each member's liability is limited to amounts reflected in their respective member equity accounts.~~

#### System Marketing Fund

~~The Company expects to administer a system marketing fund for the common benefit of the Casago Business franchisees. The funds are expected to be collected from franchisees based on a percentage of monthly gross sales. The Company will manage the franchise system marketing fund.~~

#### Advertising and Marketing Costs

~~Advertising and marketing costs will be charged to operations in the year incurred. Advertising and marketing costs were \$148,108 and \$37,927 for the years ended December 31, 2022 and 2021, respectively.~~

#### Franchised Outlets

~~The following data represents the Company's franchised outlets as of December 31 as follows:~~

	<u>2022</u>	<u>2021</u>
Franchises sold and unopened	4	-

Franchises purchased	-	-
Franchised outlets in operation	11	5

~~NOTE 2 — REVENUE FROM CONTRACTS WITH CUSTOMERS~~

~~The Company follows Financial Standards Board ASC Topic 606 Revenue from Contracts with Customers and Subtopic 952-606 Franchisors — Revenue from Contracts with Customers as of May 14, 2020, the date of formation.~~

~~CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021~~

~~NOTE 2 — REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)~~

~~Franchise Fees~~

~~The Company recognizes franchise fees in two (2) individual performance obligations. The amount allocated to the initial training program is earned at a point in time when performed. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee.~~

~~Variable Considerations~~

~~The franchise agreements contain variable considerations in the form of royalty and system market fund contributions. These fees are based on franchisee monthly sales and are recognized when the underlying sale occurs because the variable payment relates specifically to the performance obligation of using the license. There were no system market fund contributions for the years ended December 31, 2022 and 2021.~~

~~Licensing Fees~~

~~The Company receives licensing fees based on a percentage of gross rental dollars by the licensees' operations. The fees are recognized when the underlying sale occurs.~~

~~The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:~~

	<u><del>2022</del></u>	<u><del>2021</del></u>
Point in time:		
Franchise fees	\$ <u><del>90,295</del></u>	\$ <u><del>-</del></u>
Franchise royalties	<u><del>622,340</del></u>	<u><del>118,644</del></u>
Licensing fees	<u><del>192,080</del></u>	<u><del>68,380</del></u>
Other income	<u><del>197,797</del></u>	<u><del>75,177</del></u>

~~Total point in time~~ ~~1,102,512~~ ~~262,201~~

~~Over time: Franchise fees~~ ~~4,299~~  
~~\$ 1,106,811~~ ~~\$ 262,201~~

### Contract Assets and Liabilities

Contract assets consist of franchise contract costs paid to facilitate a franchise sale and are amortized over the life of the franchise agreements.

Contract liabilities consist of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Contract liabilities are a result of the collection of the initial franchise fee at the time of the signing of the franchise agreement and will fluctuate each year based on the number of franchise agreements signed. A summary of significant changes in deferred franchise fees is as follows:

### **CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

#### NOTE 2 — REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

	<u>2022</u>	<u>2021</u>
Deferred franchise fees—beginning of year	\$ —	\$ —
Revenue recognized during the year	(94,594)	-
Additions for initial franchise fees received	<u>231,500</u>	<u>—</u>
Deferred franchise fees—end of year	\$ <u>136,906</u>	\$ <u>—</u>

### Practical Expedients and Exemptions

Upon the adoption of ASC Subtopic 952-606, the Company utilized certain practical expedients and exemptions as follows:

The Company follows ASC Subtopic 952-606 which allows the Company to recognize pre-opening services as a single performance obligation.

### Contract Balances

Deferred franchise fee revenues are expected to be recognized as revenue over the remaining term of the associated franchise agreements as follows:

#### Year Ending December 31,

2023	\$ <u>42,341</u>
2024	10,984
2025	10,984
2026	10,984
2027	10,984
Thereafter	<u>50,629</u>
	\$ <u>136,906</u>

### ~~NOTE 3 — LIQUIDITY AND MEMBERS' EQUITY (DEFICIT)~~

~~The Company has sustained continued losses and negative cash flows from operations and, as a result, has an accumulated members' deficit of \$909,038 as of December 31, 2022. Since inception, the Company's operations have been funded through a combination of contributions from the Parent and proceeds from entities, affiliated by common control and ownership. The Company is growing and, as such, is incurring expenditures in the near term to benefit the future as it looks to grow the franchisee base and expand into new markets. Such expenses could be reduced or eliminated in order to improve operating cash flows as needed in the future.~~

### ~~CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021~~

---

### ~~NOTE 3 — LIQUIDITY AND MEMBERS' EQUITY (DEFICIT) (continued)~~

~~As of December 31, 2022, the Company had \$41,473 of unrestricted cash and current liabilities amounting to \$1,239,509.~~

~~As of the date these financial statements were available to be issued, the Company continues to focus on selling franchises and royalties are expected to increase. The Company believes that the combination of the actions taken will enable it to meet its funding requirements for one year from the date these financial statements were available to be issued. If necessary, management of the Company has been advised that the Members will continue to provide any financial assistance needed by the Company should its cash flows from operations combined with its cash balances are insufficient to meet its working capital needs. Management believes that the Members have the intent and ability to provide the funds needed, if any, to continue to fund the operations of the Company for at least one year from the date these financial statements were available to be issued.~~

### ~~NOTE 4 — RELATED PARTY TRANSACTIONS~~

~~There are ten (11) Casago Homes on the Go Business establishments operated by affiliates which have common ownership of the Company.~~

~~The Company received royalties from its corporate owned franchises totaling \$408,291, of which \$59,461 is part of accounts receivable.~~

#### Due to Affiliates

~~In the ordinary course of business, the Company periodically advances funds to and receives funds from entities related to the Company by common ownership and control. No interest is charged on these advances. Advances to and from these entities are unsecured and have no specific repayment terms. As of December 31, 2022, the amounts due from the Company's affiliates for these period advances aggregated \$38,579 and \$37,012, respectively, which is presented as "Due from affiliates" in the accompanying balance sheets.~~

~~In the normal course of business, the company reimburses Casago—Arizona and Casago University for expenses paid on its behalf.~~

~~As of December 31, 2022, the Company owed Casago—Arizona \$958,933 and Casago University \$101,673. These amounts are included in accounts payable.~~

~~NOTE 5—SUBSEQUENT EVENTS~~

~~The Company has evaluated events or transactions that have occurred after December 31, 2022 (the financial statement date) through May 9, 2023, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements. Since January 1, 2023, the Company has added five (5) more franchises.~~

~~CASAGO  
INTERNATIONAL LLC  
FINANCIAL  
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~~CASAGO INTERNATIONAL LLC DECEMBER 31, 2021  
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## INDEPENDENT AUDITOR'S REPORT

To the Members and Management Casago  
International LLC Scottsdale, Arizona

### Opinion

We have audited the accompanying financial statements of Casago International LLC (an Arizona Limited Liability Company), which comprise the balance sheet as of December 31, 2021, and the related statements of operations and members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casago International LLC as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Casago International LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Prior Period Financial Statements

The financial statements of Casago International LLC as of December 31, 2020 were audited by other auditors whose report dated April 20, 2021 expressed an unmodified opinion on those statements.

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## **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 that Casago International LLC's ability to continue as a going concern within one year after the state the financial statements are available to be used.

- 1 -

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## **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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the

Exhibit C

~~circumstances, but not for the purpose of expressing an opinion on the effectiveness of Casago International LLC's internal control. Accordingly, no such opinion is expressed.~~

- ~~• Evaluate the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.~~
- ~~• Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Casago International LLC's ability to continue as a going concern for a reasonable period of time.~~

~~We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.~~

*Keiser Giordano CPAs, P.C.*

Certified Public Accountants

Bristol, Pennsylvania  
April 27, 2022

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<b>CASAGO INTERNATIONAL LLC BALANCE SHEETS DECEMBER 31, 2021 AND 2020</b>		
	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 81,793	\$ 100,000
Receivables		
Royalties	166,725	
Other	16,107	
Due from affiliate	37,012	
<b>TOTAL CURRENT ASSETS</b>	301,637	100,000
Computer software, net	112,125	
<b>TOTAL ASSETS</b>	\$ 413,762	\$ 100,000

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable	\$ 389,181	\$
Credit card payable	21,784	

**TOTAL CURRENT LIABILITIES** 410,965 MEMB

Members' equity	2,797	100,273
<b>TOTAL MEMBERS' EQUITY</b>	<b>2,797</b>	<b>100,273</b>
<b>CASAGO INTERNATIONAL LLC</b> <b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b> <b>STATEMENTS OF OPERATIONS</b>	<b>\$ 413,762</b>	<b>\$ 100,273</b>

**AND MEMBERS' EQUITY YEARS**  
**ENDED DECEMBER 31, 2021 AND**

**CASAGO INTERNATIONAL LLC**  
**DECEMBER 31, 2023 AND 2022**

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Gior**  
CPAs, P.C.

## **INDEPENDENT AUDITOR'S**

To the Members and Management  
Casago International LLC  
Scottsdale, Arizona

### **Opinion**

We have audited the accompanying financial statements of Casago International LLC (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, operations and members' equity (deficit), and cash flows for the years ended December 31, 2023 and 2022, and the related financial statements.

In our opinion, the financial statements referred to above present fairly the financial position of Casago International LLC as of December 31, 2023 and 2022, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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. We believe that the audit evidence we have obtained is sufficient and appropriate to support our opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the maintenance of internal control relevant to the preparation and fair presentation of the financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an opinion. Reasonable assurance is a high level of assurance but is not absolute. An audit conducted in accordance with generally accepted auditing standards does not provide an absolute guarantee of the absence of material misstatement when it exists. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional or unintentional override of internal control, misstatements, including omissions, and the inherent limitation of the likelihood that, individually or in the aggregate, they would influence the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we are required to:

- Exercise professional judgement and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and design and perform audit procedures responsive to those risks. Such procedures include, but are not limited to, on a test basis, evidence regarding the amounts and disclosures.
- 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 Casago International LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events that raise substantial doubt about Casago International LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding the scope and timing of the audit, significant audit findings, and certain internal control deficiencies identified during the audit.

**CASAGO INTERNATIONAL LLC  
BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022**

---

**ASSETS**

**CURRENT ASSETS**

Cash  
Receivables  
    Franchise  
    Royalties  
    Other  
Prepaid commissions, net  
Prepaid expenses  
Due from affiliates

**TOTAL CURRENT ASSETS**

Prepaid commissions, net of current portion  
Computer software, net

**TOTAL ASSETS**

**LIABILITIES AND MEMBERS' EQUITY (DEFICIT)**

**CURRENT LIABILITIES**

Accounts payable and accrued expenses  
Credit card payable  
Deferred franchise fees, current

**TOTAL CURRENT LIABILITIES**

**LONG-TERM LIABILITIES**

Loan from partner  
Deferred franchise fees, net of current

**CASAGO INTERNATIONAL LLC**  
**STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY**  
**YEARS ENDED DECEMBER 31, 2023 AND 2022**

---

**REVENUES**

Franchise fees  
Royalties  
Licensing  
Other

**TOTAL REVENUES**

**COST OF GOODS SOLD**

**GROSS PROFIT**

**OPERATING EXPENSES**

Advertising & marketing  
Amortization  
Bad debt  
Bank charge fees  
Business development  
Consulting  
Office expenses  
Other taxes and fees  
Photography and videography  
Printing  
Professional fees  
Travel  
Utilities  
Website

**TOTAL OPERATING EXPENSES**

**NET LOSS FROM OPERATIONS**

**CASAGO INTERNATIONAL LLC  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss

Adjustments to reconcile net loss to net cash used in operating activities

Amortization

(Increase) decrease in assets

Receivables

Franchise

Royalties

Other

Prepaid commissions

Prepaid expenses

Due from affiliate

Increase (decrease) in liabilities

Accounts payable

Credit card payable

Deferred franchise fees

**NET CASH USED IN OPERATING ACTIVITIES**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Distributions to members

Due from member

**NET CASH PROVIDED BY FINANCING ACTIVITIES**

**NET DECREASE IN CASH**

**CASH, BEGINNING**

**CASH, ENDING**

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

---

**NOTE 1           SUMMARY OF SIGNIFICANT ACCOUNTING**

**Nature of Operations**

Casago International LLC (the “Company”) was formed as an LLC in 2020, for the purpose of selling and operating franchises under the Company grants franchises for the establishment, development, and management business that focuses on short term-rental and corporate

The Company commenced operations on September 3, 2020, the and recorded. The Company does not own or operate any bus December 31, 2023, there were thirty-three (33) signed franchise a

**Basis of Presentation**

The Company’s financial statements have been prepared on the a accounting principles generally accepted in the United States of Ar

**Use of Estimates**

The preparation of financial statements in conformity with accoun States of America requires management to make estimates and as and disclosures. Accordingly, actual results could differ from those

**Concentration of Credit Risk - Cash**

The Company maintains cash balances at financial institutions, wh the threshold for insurance provided by the Federal Deposit I believes it is not exposed to any significant credit risk on its cash.

**Revenue Recognition**

The Company generates revenue from the sale of franchise licenses fee is due at signing and is earned based on the recognition of spec generates revenue from royalty and system marketing fund contribut various other fees as outlined in the Franchise Disclosure Docume Customers” for further information regarding implementation and dis

**Other Revenues**

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

---

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING**

Income Taxes

No provision has been made for federal income taxes since the liability company, with distributable partnership interests, whereb The same tax status is maintained for state income tax purposes.

The Company's income tax returns are subject to examination by t years from the date they are filed. As of December 31, 2023, tax ye

Limited Liability Company

Since the Company is a limited liability company, no member, ma be personally liable for the debts, obligations, or liabilities of the otherwise, or for the acts or omissions of any other member, Company, unless the individual has signed a specific personal perpetual.

As a limited liability company, each member's liability is limited t equity accounts.

System Marketing Fund

The Company expects to administer a system marketing fund fo franchisees. The funds are expected to be collected from franch sales. The Company will manage the franchise system marketing f

Advertising and Marketing Costs

Advertising and marketing costs will be charged to operations in costs were \$335,231 and \$148,108 for the years ended December 3

Franchised Outlets

The following data represents the Company's franchised outlets as

8

	<u>2023</u>
Franchises sold and unopened	7

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

---

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Franchise Fees

The Company recognizes franchise fees in two (2) individual periods. The fee for the initial training program is earned at a point in time when performance obligations are satisfied. The fee for the license is earned over time as performance obligations are satisfied to the franchisee.

Variable Considerations

The franchise agreements contain variable considerations in the form of market fund contributions. These fees are based on franchisee monthly sales and are recognized because the variable payment relates specifically to the performance obligations. See Note 3 for more information on system market fund contributions for the years ended December 31, 2023 and 2022.

Licensing Fees

The Company receives licensing fees based on a percentage of gross sales. The fees are recognized when the underlying sale occurs.

The following table disaggregates the Company's revenue based on performance obligations for the years ended December 31:

	<u>2023</u>
Point in time:	
Franchise fees	\$ 174,900
Franchise royalties	999,600
Licensing fees	111,100
Other income	<u>503,400</u>
Total point in time	1,789,000
Over time:	
Franchise fees	39,500
	<u>\$ 1,828,500</u>

**CASAGO INTERNATIONAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS**

	<u>2023</u>
Deferred franchise fees – beginning of year	\$ 136.9
Revenue recognized during the year	(214.4)
Additions for initial franchise fees received	<u>458.2</u>
Deferred franchise fees – end of year	<u>\$ 380.7</u>

Practical Expedients and Exemptions

Upon the adoption of ASC Subtopic 952-606, the Company utilizes the following:

The Company follows ASC Subtopic 952-606 which allows the Company to recognize revenue based on a single performance obligation.

Contract Balances

Deferred franchise fee revenues are expected to be recognized over the term of the associated franchise agreements as follows:

<u>Year Ending December 31,</u>	
2024	\$ 116.1
2025	31.3
2026	31.3
2027	31.3
2028	31.3
Thereafter	<u>139.0</u>
	<u>\$ 380.7</u>

Deferred franchise fees at December 31, 2023 and 2022, consisted of

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The direct and incremental costs, principally consisting of commissions, are included in the accompanying balance sheets, expected to be recognized under the franchise agreements at December 31, 2023, are as follows:

<u>Year Ending December 31,</u>		
2024		\$ 14,600
2025		15,000
2026		15,000
2027		15,000
2028		15,000
Thereafter		<u>70,600</u>
		<u>\$ 145,500</u>

**NOTE 3 LIQUIDITY AND MEMBERS' EQUITY (DEFICIT)**

The Company has sustained continued losses and negative cash flows. The accumulated members' deficit of \$2,131,409 as of December 31, 2023, has not been funded through a combination of contributions from the common control and ownership. The Company is growing and, as a result, has increased its cash requirements to benefit the future as it looks to grow the franchisee base and expand its operations. Management expects cash requirements to be reduced or eliminated in order to improve operating cash flows as a result of increased sales and reduced operating expenses.

As of December 31, 2023, the Company had \$31,141 of unrestricted cash and cash equivalents and \$2,109,066 of members' deficit.

As of the date these financial statements were available to be issued, the Company has not received any cash from the sale of franchises and royalties are expected to increase. The Company believes that the cash and cash equivalents available to the Company will enable it to meet its funding requirements for one year from the date these financial statements were available to be issued. If necessary, management of the Company has been advised that the common control and ownership will not be required to provide any financial assistance needed by the Company should its cash balances are insufficient to meet its working capital needs. Management has no intent and ability to provide the funds needed, if any, to continue the operations of the Company for at least one year from the date these financial statements were available to be issued.

**NOTE 4 RELATED PARTY TRANSACTIONS**

The following table shows the Company's related party transactions:

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

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**NOTE 4 RELATED PARTY TRANSACTIONS (CONTINUED)**

In the normal course of business, the Company reimburses Casago for expenses paid on its behalf.

As of December 31, 2023, the Company owed Casago - Arizona \$10,000. These amounts are included in accounts payable.

**NOTE 5 MEMBER LOAN**

From time to time, members of the Company loan the company cash advances. As of December 31, 2023 and 2022 the balances were \$0.

**NOTE 6 SUBSEQUENT EVENTS**

The Company has evaluated events or transactions that have occurred (through financial statement date) through May 16, 2024, the date that the financial statements were issued. During this period, the Company did not have any material events or transactions that require adjustment to, or disclosure in, the financial statements. The Company added three (3) more franchises.

**CASAGO INTERNATIONAL**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND**

**CASAGO INTERNATIONAL LLC**  
**DECEMBER 31, 2022 AND 2021**

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**Keis  
Gior**  
CPAs, P.C.

## INDEPENDENT AUDITOR'S

To the Members and Management  
Casago International LLC  
Scottsdale, Arizona

### Opinion

We have audited the accompanying financial statements of Casago International LLC (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of operations and members' equity (deficit), and cash flows for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly the financial position of Casago International LLC as of December 31, 2022 and 2021, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities 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 for the United States of America. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, for the maintenance of internal control relevant to the preparation and fair presentation of the financial statements from material misstatement, whether due to fraud or error, and for the prevention and detection of fraud that could result in a material misstatement of the financial statements.

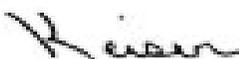
## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an opinion based on the results of our audit. Reasonable assurance is a high level of assurance but is not absolute. An audit conducted in accordance with generally accepted auditing standards does not provide a guarantee of the absence of material misstatement when it exists. The risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional or unintentional override of internal control. Misstatements, including omissions, are considered material if there is a likelihood that, individually or in the aggregate, they would influence the economic decisions of users based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we are required to:

- Exercise professional judgement and maintain professional scepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and design and perform audit procedures responsive to those risks. Such procedures include, but are not limited to, 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 Casago International LLC's internal control. Accordingly, we do not express an opinion on the effectiveness of Casago International LLC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events that raise substantial doubt about Casago International LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding the scope and timing of the audit, significant audit findings, and certain internal control deficiencies identified during the audit.



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**CASAGO INTERNATIONAL LLC  
BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021**

---

**ASSETS**

**CURRENT ASSETS**

Cash  
Receivables  
    Franchise  
    Royalties  
    Other  
Due from affiliate

**TOTAL CURRENT ASSETS**

Computer software, net

**TOTAL ASSETS**

**LIABILITIES AND MEMBERS' EQUITY (DEFICIT)**

**CURRENT LIABILITIES**

Accounts payable  
Credit card payable  
Deferred franchise fees, current

**TOTAL CURRENT LIABILITIES**

**LONG-TERM LIABILITIES**

Deferred franchise fees, net of current

**TOTAL LONG-TERM LIABILITIES**

**MEMBERS' EQUITY (DEFICIT)**

Members' equity (deficit)

**CASAGO INTERNATIONAL LLC**  
**STATEMENTS OF OPERATIONS AND MEMBERS' EQUITY**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

---

**REVENUES**

Franchise fees  
Royalties  
Licensing  
Other

**TOTAL REVENUES**

**COST OF GOODS SOLD**

**GROSS PROFIT**

**OPERATING EXPENSES**

Advertising & marketing  
Amortization  
Bad debt  
Bank charge fees  
Business development  
Consulting  
Office expense  
Other taxes and fees  
Photography and videography  
Printing  
Professional fees  
Travel  
Utilities  
Website

**TOTAL OPERATING EXPENSES**

**LOSS FROM OPERATIONS**

**CASAGO INTERNATIONAL LLC  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net loss

Adjustments to reconcile net loss to net cash used in operating activities:

Amortization

(Increase) decrease in assets:

Receivables

Franchise

Royalties

Other

Due from affiliate

Increase (decrease) in liabilities:

Accounts payable

Credit card payable

Deferred franchise fees

**NET CASH USED IN OPERATING ACTIVITIES**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of computer software

**NET CASH USED IN INVESTING ACTIVITIES**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Member contributions

**NET CASH PROVIDED BY FINANCING ACTIVITIES**

**NET DECREASE IN CASH**

CASH, BEGINNING

**CASH, ENDING**

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

---

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING**

Nature of Operations

Casago International LLC (the “Company”) was formed as an A 2020, for the purpose of selling and operating franchises under the Company grants franchises for the establishment, development and management business that focuses on short term-rental and corporate

The Company commenced operations on September 3, 2020, the and recorded. The Company does not own or operate any bus December 31, 2022, there were fifteen signed franchise agreements

Basis of Presentation

The Company’s financial statements have been prepared on the acco accounting principles generally accepted in the United States of Ar

Use of Estimates

The preparation of financial statements in conformity with accoun States of America requires management to make estimates and as and disclosures. Accordingly, actual results could differ from those

Concentration of Credit Risk - Cash

The Company maintains cash balances at financial institutions, wh the threshold for insurance provided by the Federal Deposit In believes it is not exposed to any significant credit risk on its cash.

Revenue Recognition

The Company generates revenue from the sale of franchise licenses fee is due at signing and is earned based on the recognition of spec generates revenue from royalty and system marketing fund contribut various other fees as outlined in the Franchise Disclosure Document Customers” for further information regarding implementation and dis

Other Revenues

**CASAGO INTERNATIONAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

---

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING**

Income Taxes

No provision has been made for federal income taxes since the liability company, with distributable partnership interests, whereb The same tax status is maintained for state income tax purposes.

The Company's income tax returns are subject to examination by t years from the date they are filed. As of December 31, 2022, tax ye

Limited Liability Company

Since the Company is a limited liability company, no member, man be personally liable for the debts, obligations, or liabilities of the otherwise, or for the acts or omissions of any other member, Company, unless the individual has signed a specific personal perpetual.

As a limited liability company, each member's liability is limited t equity accounts.

System Marketing Fund

The Company expects to administer a system marketing fund fo franchisees. The funds are expected to be collected from franch sales. The Company will manage the franchise system marketing f

Advertising and Marketing Costs

Advertising and marketing costs will be charged to operations in costs were \$148,108 and \$37,927 for the years ended December 31

Franchised Outlets

The following data represents the Company's franchised outlets as

**CASAGO INTERNATIONAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

---

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Franchise Fees

The Company recognizes franchise fees in two (2) individual performance obligations. The fee for the initial training program is earned at a point in time when performance obligations are satisfied. The fee for the license is earned over time as performance obligations are satisfied to the franchisee.

Variable Considerations

The franchise agreements contain variable considerations in the form of market fund contributions. These fees are based on franchisee monthly sales and are recognized because the variable payment relates specifically to the performance obligation. The following table disaggregates the Company's revenue based on system market fund contributions for the years ended December 31, 2022 and 2021:

Licensing Fees

The Company receives licensing fees based on a percentage of gross sales. The fees are recognized when the underlying sale occurs.

The following table disaggregates the Company's revenue based on performance obligations for the years ended December 31:

	<u>2022</u>
Point in time:	
Franchise fees	\$ 90,200
Franchise royalties	622,300
Licensing fees	192,000
Other income	<u>197,700</u>
Total point in time	1,102,500
Over time:	
Franchise fees	4,200
	<u>\$ 1,106,700</u>

**CASAGO INTERNATIONAL LLC**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS**

	<u>2022</u>
Deferred franchise fees – beginning of year	\$ –
Revenue recognized during the year	(94,500)
Additions for initial franchise fees received	<u>231,500</u>
Deferred franchise fees – end of year	<u>\$ 136,900</u>

Practical Expedients and Exemptions

Upon the adoption of ASC Subtopic 952-606, the Company utilizes the following:

The Company follows ASC Subtopic 952-606 which allows the Company to recognize a single performance obligation.

Contract Balances

Deferred franchise fee revenues are expected to be recognized from the associated franchise agreements as follows:

<u>Year Ending December 31,</u>	
2023	\$ 42,300
2024	10,900
2025	10,900
2026	10,900
2027	10,900
Thereafter	<u>50,600</u>
	<u>\$ 136,900</u>

**NOTE 3 LIQUIDITY AND MEMBERS' EQUITY (DEFICIT)**

**CASAGO INTERNATIONAL LLC  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 AND 2021**

---

**NOTE 3 LIQUIDITY AND MEMBERS' EQUITY (DEFICIT)**

As of December 31, 2022, the Company had \$41,473 of unrestricted cash and \$1,239,509 of restricted cash.

As of the date these financial statements were available to be issued, the Company has received orders for new franchises and royalties are expected to increase. The Company believes that its current cash and restricted cash will enable it to meet its funding requirements for one year from the date these financial statements were available to be issued. If necessary, management of the Company has been advised that the Company may be required to provide any financial assistance needed by the Company should its cash balances are insufficient to meet its working capital needs. Management has the intent and ability to provide the funds needed, if any, to continue operations for at least one year from the date these financial statements were available to be issued.

**NOTE 4 RELATED PARTY TRANSACTIONS**

There are ten (11) Casago Homes on the Go Business establishments owned by the Company.

The Company received royalties from its corporate owned franchises and is recorded in accounts receivable.

**Due to Affiliates**

In the ordinary course of business, the Company periodically advances funds to its affiliates related to the Company by common ownership and control. No interest is charged on these advances and from these entities are unsecured and have no specific repayment terms. The amounts due from the Company's affiliates for these periods are included in accounts receivable, respectively, which is presented as "Due from affiliates" in the accompanying financial statements.

In the normal course of business, the company reimburses Casago Homes on the Go for expenses paid on its behalf.

As of December 31, 2022, the Company owed Casago - Arizona \$1,239,509. These amounts are included in accounts payable.

**NOTE 5 SUBSEQUENT EVENTS**

The Company has evaluated events or transactions that have occurred since the end of the reporting period up to the date that the financial statements were issued.

**UNAUDITED FINANCIALS AS OF MARCH 30, 2024**  
**FROM INCEPTION (MAY 14, 2020) THROUGH DECEMBER 31, 2020**

---

**REVENUES**  
Royalties

<del>Year Ended</del>	<del>From May 14, 2020</del>	<del>(inception to December 31, 2021)</del>	<del>December 31,</del>
<del>2020)</del>			
<del>\$ 118,644</del>	<del>\$</del>		
<del>Licensing 68,380</del>			
<del>Other 75,177</del>			
<b><del>TOTAL REVENUES</del></b>		<del>262,201</del>	
		<b><del>COST OF GOODS SOLD 180,269</del></b>	
<b><del>GROSS PROFIT</del></b>		<del>81,932</del>	
<b><del>OPERATING EXPENSES</del></b>			
<del>Advertising &amp; marketing 37,927</del>	<del>3,590.00</del>		
<del>Amortization 2,875</del>			
<del>Bank charge fees 183</del>			
<del>Business development 11,930</del>			
<del>Consulting 55,816</del>			
<del>Conference and meetings 800</del>			
<del>Marketing research 6,000</del>			
<del>Office expense 413</del>			
<del>Other taxes and fees 2,527</del>			
<del>Photography and videography 96,436</del>			
<del>Printing 3,578</del>			
<del>Professional fees 30,118</del>			
<del>Travel 60,092</del>			
<del>Utilities 2,481</del>			
<del>Website 41,693</del>			
<b><del>TOTAL OPERATING EXPENSES</del></b>		<del>290,253</del>	<del>87,709</del>
<b><del>LOSS FROM OPERATIONS</del></b>			
<del>(208,321)</del>			
<del>(87,709) MEMBERS' EQUITY BEGINNING</del>			
<del>100,273</del>			
		<del>CONTRIBUTIONS 110,845</del>	<del>187,982</del>

DISTRIBUTIONS

**MEMBERS' EQUITY, ENDING**

| \$ 2,797

~~\$ 100,273~~

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CASAGO INTERNATIONAL LLC STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND FROM INCEPTION (MAY 14, 2020) THROUGH DECEMBER 31, 2020		
	Year-Ended	From Ma 2020- to
	December 31, 2021	December-
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (208,321)	\$
Adjustments to reconcile net loss to net cash used by operating activities		
Expenses paid by member on behalf of the Company		
Amortization	2,875	
(Increase) decrease in assets:		
Receivables		
Royalties	(166,725)	
Other	(16,107)	
Due from affiliate	(37,012)	
Prepaid expenses	-	
Increase (decrease) in liabilities:		
Accounts payable	389,181	
Credit card payable	21,784	
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(14,325)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of computer software	(115,000)	
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(115,000)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Member contributions	110,845	
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>110,845</b>	
<b>NET (DECREASE) INCREASE IN CASH</b>	<b>(18,480)</b>	
CASH, BEGINNING	100,273	
<b>CASH, ENDING</b>	<b>\$ 81,793</b>	<b>\$</b>

See accompanying notes.

See accompanying notes.

## **CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020**

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### **NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Nature of Operations

~~Casago International LLC (the “Company”) was formed as an Arizona limited liability company on May 14, 2020, for the purpose of selling and operating franchises under the brand name Casago Homes on the Go. The Company grants franchises for the establishment, development, and operation of a full-service property management business that focuses on short-term rental and corporate housing.~~

~~The Company commenced operations on September 3, 2020, the date the initial capital contribution was funded and recorded. The Company does not own or operate any businesses of this type being franchised. As of December 31, 2021, there were five signed franchise agreements.~~

#### Basis of Presentation

~~The Company’s financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).~~

#### Use of Estimates

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

#### Concentration of Credit Risk—Cash

~~The Company maintains cash balances at financial institutions, which at various times during the year may exceed the threshold for insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Company believes it is not exposed to any significant credit risk on its cash.~~

#### Revenue Recognition

~~The Company generates revenue from the sale of franchise licenses under various agreements. This initial franchise fee is due at signing and is earned based on the recognition of specific performance obligations. The Company also generates revenue from royalty and system marketing fund contributions. From time to time the Company can charge various other fees as outlined in the Franchise Disclosure Document. See Note 2, “Revenue from Contracts With Customers” for further information regarding implementation and disclosures.~~

### Accounts Receivable

~~Accounts receivable is reported at the amount management expects to collect from outstanding balances. Account balances that are still outstanding after management has used reasonable collection efforts will be written off through a charge to the valuation allowance, and a credit to the allowance account. There is no valuation allowance recorded as of December 31, 2021 and 2020.~~

### Income Taxes

~~The Company has elected to be taxed as a Limited Liability Company for federal and state income tax reporting purposes. As such, the Company does not pay federal income taxes on its taxable income. Instead, the members are liable for individual income taxes on their respective shares of the Company's taxable income. The Company is subject to income tax examinations by major tax jurisdictions for 2020, its initial year of operations.~~

## ~~CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020~~

---

### ~~NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)~~

#### System Marketing Fund

~~The Company expects to administer a system marketing fund for the common benefit of the Casago Business franchisees. The funds are expected to be collected from franchisees based on a percentage of monthly gross sales. The Company will manage the franchise system marketing fund.~~

#### Advertising and Marketing Costs

~~Advertising and marketing costs will be charged to operations in the year incurred. Advertising and marketing costs were \$37,927 for the year ended December 31, 2021 and \$3,590 for the period from May 14, 2020 (inception) to December 31, 2020.~~

### ~~NOTE 2 — REVENUE FROM CONTRACTS WITH CUSTOMERS~~

~~The Company follows Financial Standards Board ASC Topic 606 Revenue from Contracts with Customers and Subtopic 952-606 Franchisors — Revenue from Contracts with Customers as of May 14, 2020, the date of formation.~~

#### Franchise Fees

~~The Company recognizes franchise fees in two (2) individual performance obligations. The amount allocated to the initial training program is earned at a point in time when performed. The amount allocated to the franchise license is earned over time as performance obligations are satisfied due to the continuous transfer of control to the franchisee.~~

#### Variable Considerations

The franchise agreements contain variable considerations in the form of royalty, brand development fund fees, and technology fees. These fees are based on franchisee weekly sales and are recognized when the underlying sale occurs because the variable payment relates specifically to the performance obligation of using the license. There were no brand contributions for the years ended December 31, 2021 and 2020.

Licensing Fees

The Company receives licensing fees based on a percentage of gross rental dollars by the licensee's operations. The fees are recognized when the underlying sale occurs.

**CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020**

NOTE 2 — REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	<u>2021</u>		<u>Royalties</u>
	<u>Licensing</u>	<u>Total</u>	<u>Performance</u>
Obligations			
satisfied at a point in time	\$	\$	\$
satisfied over time	\$ 118,644	\$ 68,380	\$ 187,024
	\$ 118,644	\$ 68,380	\$ 187,024

	<u>2020</u>		<u>Royalties</u>
	<u>Licensing</u>	<u>Total</u>	<u>Performance</u>
Obligations			
satisfied at a point in time	\$	\$	\$
Performance Obligations satisfied over time			
	\$	\$	\$

Contract Assets and Liabilities

Contract assets consist of franchise contract costs paid to facilitate a franchise sale and are amortized over the life of the franchise agreements.

Contract liabilities consist of the remaining initial franchise fees to be amortized over the life of the franchise agreements. Contract liabilities are a result of the collection of the initial franchise fee at the time of the signing of the franchise

~~agreement and will fluctuate each year based on the number of franchise agreements signed. There was no revenue recognized during the years ended December 31, 2021, and 2020 that was included in the contract liability balance at the beginning of the period.~~

~~As of December 31, 2021, and 2020 there were no contract assets and liabilities from contracts with franchisees. Remaining Performance Obligations~~

~~The remaining performance obligations consist of initial franchise fees for all executed franchise agreements and will be reported as contract liabilities franchise fees, on the balance sheet. There is no revenue expected to be recognized in the future related to performance obligations that are either unsatisfied or partially satisfied at December 31, 2021 and 2020.~~

#### Practical Expedients and Exemptions

~~Upon the adoption of ASC Subtopic 952-606, the Company utilized certain practical expedients and exemptions as follows:~~

~~The Company follows ASC Subtopic 952-606 which allows the Company to recognize pre-opening services as a single performance obligation.~~

### **CASAGO INTERNATIONAL LLC NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020**

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#### ~~NOTE 3 — RELATED PARTY TRANSACTIONS~~

~~There are five (5) Casago Homes on the Go Business establishments operated by an affiliate which has common ownership of the Company.~~

~~The Company received royalties from its corporate totaling \$118,644, of which \$37,978 is part of accounts receivable.~~

~~During 2021, the company advance to a related party \$37,012.~~

~~In the normal course of business, the company reimburses Casago — Arizona for expenses paid on its behalf.~~

~~As of December 31, 2021 the Company owed Casago — Arizona \$317,853. This amount is included in accounts payable.~~

#### ~~NOTE 4 — COMMITMENTS AND CONTINGENCIES~~

~~The extent of the impact of the coronavirus (“COVID-19”) outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak, related advisories and restrictions, and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period of time, the Company’s results of operations may be materially adversely affected.~~

~~NOTE 5——SUBSEQUENT EVENTS~~

~~The Company has evaluated events or transactions that have occurred after December 31, 2021 (the financial statement date) through April 27, 2022, the date that the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.~~

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESS HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**

~~Exhibit D~~

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~~See accompanying notes.~~

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# Casago International

## Balance Sheet

As of March 31, 2024

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### ASSETS

#### Current Assets

##### Bank Accounts

Bank of America 5189

---

##### **Total Bank Accounts**

##### Accounts Receivable

Accounts Receivable (A/R)

---

##### **Total Accounts Receivable**

#### Other Current Assets

Accounts Receivable - Franchise Fee

Intercompany Receivable

Loan to Officer - Ryan Dame

Loan to Officer - Schwab - Keystone

Loan to Officer - Steve Schwab

Miscellaneous Receivable

Prepaid Commissions - Current

Prepaid Expenses

Receivable from Franchises

---

##### **Total Other Current Assets**

---

##### **Total Current Assets**

#### Fixed Assets

"Audiences" Software

2021 Honda Odyssey

---

##### **Total Fixed Assets**

#### Other Assets

Prepaid Commissions

---

##### **Total Other Assets**

---

### TOTAL ASSETS

---

### LIABILITIES AND EQUITY

#### Liabilities

##### Current Liabilities

Accounts Payable

Accounts Payable (A/P)

---

##### **Total Accounts Payable**

##### Credit Cards

American Express Corporate 91003

Bank of America Business Cards 9114

See-acee

# Casago International

## Balance Sheet

As of March 31, 2024

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<b>Total Credit Cards</b>
Other Current Liabilities
Accrued Expense
Deferred Franchise Fees - Current
Loan from Officer - Steve Schwab
Loan from Ronnoc
Miscellaneous Payable
<b>Total Other Current Liabilities</b>
<b>Total Current Liabilities</b>
Long-Term Liabilities
Deferred Franchise Fees - LT
Note Payable - 2021 Honda Odyssey
<b>Total Long-Term Liabilities</b>
<b>Total Liabilities</b>
Equity
Partner's Capital
Retained Earnings
Net Income
<b>Total Equity</b>
<b>TOTAL LIABILITIES AND EQUITY</b>

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See accor:

# Casago International

## Profit and Loss

January - March, 2024

---

### Income

Booking Channel Connection Fee - Software  
Booking Channel Fee - Casago.com  
Credit Card Processing Fees MX  
Homeowner Acquisition Service Fees  
Initial Franchise Fees  
Licensing Fee Income  
QR Code Tags and Signs  
Revenue Management Service  
Royalty Fees - Corporate  
Royalty Fees - Franchise  
Website Hosting & Custom Design Fees

---

### Total Income

Cost of Goods Sold  
Costs of Services - COS

---

### Total Cost of Goods Sold

---

### GROSS PROFIT

### Expenses

Advertising, Marketing & PR  
Airplane  
Auto Expense  
Bank Charges & Fees  
Business Development - Other  
Business Development - Travel & Conferences  
Consulting/Contract Labor  
Dues & Subscriptions  
Legal & Professional Services  
Office Supplies & Expense  
Photography & Videography  
Printing & Reproduction  
Software/Website  
Taxes, Licenses & Registrations  
Utilities

---

### Total Expenses

---

### NET OPERATING INCOME

Other Expenses  
Amortization Expense

See accom

# Casago International LLC

## Balance Sheet As of March 31, 2023

### TOTAL

#### ASSETS

##### Current Assets

##### Bank Accounts

Bank of America 5189	74,384.94
<b>Total Bank Accounts</b>	<b>\$74,384.94</b>

##### Accounts Receivable

Accounts Receivable (AVR)	294,009.28
<b>Total Accounts Receivable</b>	<b>\$294,009.28</b>

##### Other Current Assets

Accounts Receivable – Franchise Fee	86,000.00
Intercompany Receivable	13,390.73
Loan to Officer – Ryan Dame	429.38
Loan to Officer – Steve Schwab	-23,183.82
Miscellaneous Receivable	3,089.88
Receivable from Franchises	3,383.83
<b>Total Other Current Assets</b>	<b>\$83,110.00</b>

<b>Total Current Assets</b>	<b>\$451,504.22</b>
-----------------------------	---------------------

##### Fixed Assets

"Audiences" Software	100,625.00
<b>Total Fixed Assets</b>	<b>\$100,625.00</b>

<b>TOTAL ASSETS</b>	<b>\$552,129.22</b>
---------------------	---------------------

#### LIABILITIES AND EQUITY

##### Liabilities

##### Current Liabilities

Accounts Payable	
Accounts Payable (A/P)	1,450.00
<b>Total Accounts Payable</b>	<b>\$1,450.00</b>
Credit Cards	
American Express Corporate 91003	
Bank of America Business Cards 9114	2,000.00
Zia Amex 84000	4,000.00
<b>Total Credit Cards</b>	<b>\$4,000.00</b>
Other Current Liabilities	
Deferred Franchise Fees – Current	4,000.00
<b>Total Other Current Liabilities</b>	<b>\$4,000.00</b>
<b>Total Current Liabilities</b>	<b>\$1,530.00</b>

[Exhibit D](#)

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[Exhibits to Franchise Disclosure Document](#)

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	<b>Casago International LLC</b>	
	Balance Sheet As of March 31, 2023	
Long-Term Liabilities		
Deferred Franchise Fees—LT		
<b>Total Long-Term Liabilities</b>		\$
<b>Total Liabilities</b>		\$4,0
Equity		
Capital—Golden Gazelle		
Capital—Schwab		-
Retained Earnings		-1,2
Net Income		-
<b>Total Equity</b>		\$ -1,0
<b>TOTAL LIABILITIES AND EQUITY</b>		\$

# Casago International LLC

Profit and Loss  
January – March,  
2023

	TOTAL
<b>Income</b>	
Credit Card Processing Fees-MX	51,974.35
Initial Franchise Fees	124,400.00
Licensing Fee Income	53,880.12
Revenue Management Service	3,262.31
Royalty Fees—Corporate	59,611.23
Royalty Fees—Franchise	199,731.13
<b>Total Income</b>	<b>\$492,859.14</b>
<b>Cost of Goods Sold</b>	
Costs of Services—COS	366,919.71
<b>Total Cost of Goods Sold</b>	<b>\$366,919.71</b>
<b>GROSS PROFIT</b>	<b>\$125,939.43</b>
<b>Expenses</b>	
Advertising, Marketing & PR	81,877.37
Airplane	37,706.04
Bank Charges & Fees	1,876.06
Business Development—Other	359.01
Business Development—Travel & Conferences	76,874.97
Dues & Subscriptions	12,584.50
Legal & Professional Services	6,301.93
Mastermind Event Expenses	3,400.00
Office Supplies & Expense	121.60
Photography & Videography	3,203.65
Printing & Reproduction	5,707.17
Software/Website	59,774.96
Taxes & Licenses	1,138.68
Travel	714.48
Utilities	5,554.12
<b>Total Expenses</b>	<b>\$297,194.54</b>
<b>NET OPERATING INCOME</b>	<b>\$-171,255.11</b>
<b>NET INCOME</b>	<b>\$-171,255.11</b>

**EXHIBIT D  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**

~~Exhibit D~~

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**CASAGO INTERNATIONAL LLC  
FRANCHISE AGREEMENT**

**DATA SHEET**

Franchisee: \_\_\_\_\_

Guarantors: \_\_\_\_\_

Effective Date: \_\_\_\_\_

Territory: \_\_\_\_\_

Territory Tier: ~~1 2 3~~ 1 2 3 4

Office Location: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

~~Facsimile Number: \_\_\_\_\_~~

Initial Franchise Fee: \_\_\_\_\_

**The terms of this Data Sheet are incorporated into the attached Franchise Agreement.**

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**Exhibits:** [EXHIBITS:](#)

Exhibit A – Personal Guaranty

Exhibit B – Conditional Assignment of Franchisee’s Telephone Numbers, Facsimile Numbers and Domain Names

Exhibit C – Confidentiality ~~and Restrictive Covenant~~ Agreement

Exhibit D – Electronic Funds Withdrawal Authorization

**CASAGO INTERNATIONAL LLC**  
**FRANCHISE AGREEMENT**

THIS AGREEMENT (the “Agreement” or “Franchise Agreement”) is entered into and made effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_, by and between Casago International LLC, an Arizona limited liability company, with its principal business address at 15475 North Greenway Hayden Road, Suite B2, Scottsdale, ~~Arizona~~AZ 85260 (“Franchisor” or “Casago”) and the franchisee identified in the attached Data Sheet (“Franchisee”).

**BACKGROUND**

~~A.~~ A. Franchisor and/or its principal or affiliate has developed a system for the establishment and operation of Casago businesses (each a “Casago Business”) focused on providing full-service property management services in connection with short-term vacation and corporate housing rentals and property management services;

~~B.~~ B. Franchisor is engaged in the business of granting franchises to operate Casago Businesses;

~~C.~~ C. Franchisee desires to enter into an agreement with Franchisor to obtain the rights to operate a Casago Business using the system developed by Franchisor, which includes uniform specifications of products and services, standards of care, customer services practices, principals for working with owners, renters, employees and vendors, scheduling procedures, marketing, advertising, a proprietary learning system, software, and procedures for the operation and management of a Casago Business in the manner set forth in this Agreement and in the operations manual provided by Franchisor and modified from time to time (the “System”);

~~D.~~ D. Franchisor and its franchisees use various trade names, trademarks and service marks including, without limitation, the service mark “Casago”, in connection with the System (the “Proprietary Marks”). The rights to all such Proprietary Marks as are now, or shall hereafter be, designated as part of the System shall be owned exclusively by Franchisor or its Affiliates and be used for the benefit of Franchisor, Franchisor’s Affiliates and Franchisor’s franchisees to identify to the public the source of the products and services marketed thereunder;

~~E.~~ E. Franchisee has applied to Franchisor for a franchise to operate a Casago Business and such application has been approved in reliance upon all of the representations made therein; and

~~F.~~ F. Franchisee hereby acknowledges that adherence to the terms of this Agreement and the standards and specifications of Franchisor are essential to the operation of its Casago Business and to the operations of the System.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained herein, Franchisor and Franchisee hereby agree as follows:

**1. GRANT OF FRANCHISE**

1.1 **Grant and Acceptance.** Franchisor hereby grants to Franchisee, upon the express terms and conditions contained in this Agreement, and Franchisee hereby accepts, a franchise for the right to establish and operate one (1) Casago Business, under the System and Proprietary Marks identified herein, and the right to use the System and Proprietary Marks in the operation of the Casago Business. Franchisor has the right to supplement, improve or otherwise modify the System from time to time in Franchisor's discretion, and Franchisee agrees to comply with all changes which may include, without limitation, the offer and sale of new or different products or services as Franchisor may specify.

1.2 **Reservation of Rights.** Except as otherwise provided for in this Agreement, the foregoing grant to Franchisee does not include any right to: (i) offer any product or service via e-commerce; (ii) establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; or (iii) sell merchandise via wholesale; and (iv) distribute, market, or implement Franchisor's services or products in any channel of distribution not specifically identified in this Agreement. Franchisee expressly understands and agrees that Franchisor and Franchisor's affiliates shall have the right, in Franchisor's sole discretion, to: (i) own and operate Casago Businesses at any location(s) outside of Franchisee's Territory (as defined in Section 1.5) under the same or different marks, or to license others the right to own and operate Casago Businesses at any location(s) outside Franchisee's Territory under the same or different marks; (ii) use the Proprietary Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, without regard to location; (iii) own and operate Casago Businesses or other businesses, or market similar products and services, at any location(s) inside Franchisee's Territory under different marks, or to license others the right to own and operate a Casago Businesses or other businesses, or market products and services at any location(s) inside Franchisee's Territory under different marks; (iv) exclusively operate and license others the right to own and operate Casago Businesses under the Proprietary Marks and System in non-traditional sites including, but not limited to, hotels, residential homes, and commercial buildings; and (v) engage and license others to engage in any other activities not expressly prohibited in this Agreement.

1.3 **Approved Location.** Franchisee may operate the Casago Business from either: (i) a home office located in the Territory or within a ~~10~~30-minute driving radius of the Territory, or (ii) a leased premises located in the Territory that has been approved by Franchisor. However, Franchisee may not meet guests or owners at its home. For reference purposes, the home office or, if applicable, approved lease premises is hereinafter referred to as the "Approved Location." ~~Notwithstanding the foregoing, Franchisor reserves the right to require~~ If Franchisee chooses to operate the Casago Franchised Business from an approved commercial office space location that has been approved by Franchisor and that is a leased premises, Franchisee must notify us of the location, which must be located ~~within the~~in its Territory.

1.4 **Relocation of Approved Location.** Once the Franchisor approves the Approved Location of the Casago Business ~~office space~~, the location will be set forth in the Data Sheet. Franchisee may not relocate ~~the Approved Location~~and/or operate its Casago Business in any location other than the Territory without Franchisor's prior written ~~consent, which Franchisor will not unreasonably withhold, provided that (i) Franchisee secures an alternate location for the Casago Business within the Territory (as defined below) that meets Franchisor's then current site selection criteria; and (ii)~~approval. Should Franchisee pays any costs associated with the relocation of relocate the Casago Business without such permission, the new location will be treated as an entirely new franchise sale subject to new initial franchise fees and to such other provisions as would apply to a new franchise. If Franchisee ~~operates the Casago Business from leased commercial~~has obtained office space, and ~~Franchisee's~~its landlord terminates ~~Franchisee's~~its right to ~~possess the possession of its~~ Approved Location before the term of its Franchise Agreement expires, then Franchisee must finddetermine a new leased location within its Territory, or homebased location within a 30-minute radius of its Territory, and ~~receive~~notify the Franchisor's ~~approval of a suitable replacement~~its new location

within ~~the~~its Territory ~~within sixty (60) days~~. Franchisee may not relocate the Approved Location without providing the Franchisor prior written notice.

1.5 **Territory.** Except as otherwise provided in this Agreement, for so long as Franchisee complies with the terms and conditions hereof, Franchisor shall not establish and operate, nor license to any party other than Franchisee the right to establish and operate, any Casago Business under the System and the Proprietary Marks during the term hereof within the protected area identified in the Data Sheet, the terms of which are incorporated herein by reference (“Territory”). Franchisor shall designate the Territory prior to execution of the Franchise Agreement. Franchisor and its affiliates retain all other rights, including without limitation, the right to distribute products and services as described in Section 1.2 hereof within Franchisee’s Territory, as applicable. With Franchisor’s express written consent, Franchisee may provide services at locations outside the Territory that are not within the Territory of any other System franchisee. However, once a territory is sold to another System franchisee, Franchisee must immediately cease providing services to customers located within the territory and transfer all relevant customer information to the new System franchisee. ~~Notwithstanding the foregoing, upon written permission from the new System franchisee, Franchisee may continue to provide services to customers located within the territory until the opening of the new Casago Business.~~

1.6. **Other Channels of Distribution.** Franchisee expressly acknowledges and agrees that certain of Franchisor’s or its affiliate’s products or services, whether now existing or developed in the future, may be distributed in Franchisee’s Territory by Franchisor, Franchisor’s affiliates, or Franchisor’s franchisees, licensees or designees, in such manner and through such alternate channels of distribution as Franchisor, in its sole discretion, shall determine. Such alternate channels of distribution shall include, but are not limited to, sales of any products under the Proprietary Marks at or through the internet. Franchisee understands that this Agreement grants Franchisee no rights: (i) to distribute such products as described in this Section 1.4; or (ii) to share in any of the proceeds received by any such party therefrom.

1.7 **Multi-Market Accounts.** Franchisee expressly acknowledges and agrees that Franchisor has the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide services to any business which owns, manages, controls or otherwise has responsibility for buildings or common services in more than one geographic location and/or whose presence is not confined within any one franchisee's designated territory (a “ Multi-Market Account”). If Franchisee is in good standing under this Agreement, Franchisor may, but is not obligated, to provide Franchisee with the opportunity to perform services in the Territory under Multi-Market Account contracts. Franchisor reserves the right provide the services directly or authorize an affiliate, another franchisee or third- party to do so even if the job site is within Franchisee’s Territory without compensation to Franchisee.

## 2. TERM AND RENEWAL

2.1 **Term.** The initial term of this Agreement is for a period of ten (10) years which will begin on the date that Franchisor signs this Agreement.

2.2 **Renewal.** Franchisee has the right to renew this Agreement for successive ten (10) year periods, provided Franchisee has met the following conditions prior to each successor term:

2.2.1 Franchisee has notified Franchisor of Franchisee’s intention to renew this Agreement in writing at least ninety (90) days, but no more than one hundred eighty (180) days, prior to expiration of the current term;

2.2.2 Franchisee has demonstrated to Franchisor’s satisfaction that Franchisee has the right to operate the Casago Business from the Approved Location for the duration of the renewal term;

2.2.3 Franchisee is not in breach of any provision of this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers and vendors, Franchisee's landlord if applicable, and Franchisee has substantially complied with all such agreements during their respective terms;

2.2.4 Franchisee has satisfied all monetary obligations Franchisee owes Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors;

2.2.5 Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include, without limitation, increased Royalty fees (defined in Section 3.2) and advertising obligations;

2.2.6 Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees, if any, at Franchisee's expense, as of the date of such renewal; and

2.2.7 Franchisee signs a general release, in the form Franchisor prescribes, provided that said release shall not be inconsistent with any applicable state statute regulating franchises.

### 3. **FEES**

**3.1 Initial Franchise Fee.** In consideration of the franchise granted to Franchisee by Franchisor, Franchisee must pay Franchisor an initial franchise fee equal to between \$14,000 to \$112,000, in full, when Franchisee signs this Agreement. The amount of the Initial Franchise Fee due and payable to Franchisor by Franchisee shall be designated on the Data Sheet attached to this Franchise Agreement. ~~The Initial Franchise Fee for a second and any subsequent Casago Business will be eighty percent (80%) of Franchisor's then current initial franchise fee.~~ The initial franchise fee is non-refundable and is deemed fully earned upon payment in consideration of administrative and other expenses Franchisor incurs in granting the franchise and for Franchisor's lost or deferred opportunity to franchise others.

**3.2 Royalty Fee.** Franchisee must pay Franchisor a monthly royalty equal to 3.5% of the Casago Business's "Gross Rental Revenue" per month. However, the amount of the monthly royalty fee shall be reduced as determined by the sliding cumulative gross rental revenue scale below (the "Royalty"):

- a. The first \$0 to \$3,000,000 of Gross Rental Revenue each year will be billed at 3.5%.
- b. The following \$3,000,001 to \$5,000,000 of Gross Rental Revenue each year will be billed at 3%.
- c. The following \$5,000,001 to \$7,000,000 of Gross Rental Revenue each year will be billed at 2.5%.
- d. The following \$7,000,001 to \$10,000,000 of Gross Rental Revenue each year will be billed at 2%.
5. Any Gross Rental Revenue each year over \$10,000,001 each year will be billed at 1.5%

Your cumulative Gross Rental Revenue generated each year resets annually on January 1st.

3.2.1 **Gross Rental Revenue.** “Gross Rental Revenue” includes all rental income that Franchisee derives or receives directly or indirectly from, through, by or on account of the operation of the Casago Business at any time after the signing of the Franchise Agreement, in whatever form and from whatever source, as well as business interruption insurance proceeds, all without deduction for expenses including marketing expenses. However, the definition of Gross Rental Revenue does not include income Franchisee earns from cleaning, maintenance, or any other fees Franchisee may charge to renters or owners nor does it include sales tax that is collected from customers and transmitted to the appropriate taxing authorities.

3.2.2 **Minimum Annual Royalty Requirement.** Each year during the Term of this Agreement, Franchisee must pay to Franchisor a minimum annual royalty (the “Minimum Annual Royalty Requirement”). The amount of the Minimum Annual Royalty Requirement shall depend upon the tier (“Tier”) of the Territory in which Franchisee operates the Casago Business (which Tier shall be designated on the Data Sheet attached to this Agreement) and shall increase each year during the Term of the Franchise Agreement, as disclosed in the table below in this Section 3.2.2. The Minimum Annual Royalty Requirement shall be due and payable each year to Franchisor no later than fifteen (15) days following the one-year anniversary (and, when applicable, subsequent anniversaries) of the Effective Date of the Franchise Agreement. In the event Franchisee fails to pay the Minimum Annual Requirement when due at any time during the Term of the Franchise Agreement, then Franchisor shall have the right to take any, or all, of the following actions: (i) require Franchisee to pay the balance of the Minimum Annual Royalty Requirement immediately, upon written request; (ii) reduce the size of Franchisee’s Territory under the Franchise Agreement, effective on notice to Franchisee; and/or (iii) immediately terminate the Franchise Agreement.

<b>Minimum Annual Royalty Requirements</b>				
	Tier 4	Tier 3	Tier 2	Tier 1
Year 1	\$4,375	\$8,750	\$17,500	\$26,250
Year 2	\$8,750	\$17,500	\$35,000	\$52,500
Year 3	\$13,125	\$26,250	\$52,500	\$78,750
Year 4	\$17,500	\$35,000	\$70,000	\$105,000
Year 5+	\$21,875	\$43,750	\$87,500	\$131,250

3.3 **Gross Rental Revenue Reports.** Franchisor ~~may require that Franchisee send Franchisor will pull~~ a ~~signed~~ Gross Rental Revenue Report (“Revenue Report”) each month at the same time the Royalty is collected. In the event that Franchisor is unable to pull this report, Franchisor may require Franchisee to provide this data to the Franchisor. Each Revenue Report ~~must~~will set forth: (i) the Gross Rental Revenue generated during the period; ~~(ii)~~ (ii) a calculation of the Royalty and Fund Contribution (defined in Section 12.5); and (iii) any other information designated by the Franchisor ~~may require~~. Franchisor may change the form and content of the Revenue Reports from time to time and/or require Franchisee to submit Revenue Reports on a different schedule upon notice. If Franchisor is unable to pull a Revenue Report by the first (1st) of the month for any reason, Franchisor may process an EFT transfer for that month based on the most recent Revenue Report Franchisee submitted. The amount withdrawn will be adjusted once Franchisee provides accurate revenue data and Franchisor will either credit Franchisee for the following month or withdraw additional funds as appropriate.

3.4 **Manner of Payment.** Payment of Royalties shall be made on a monthly basis, on the fifteenth (15<sup>th</sup>) day of each month for proceeding month and shall be made by an electronic funds transfer program (the “EFT Program”) under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor, from

Franchisee's bank account. Franchisee shall deposit all revenues from operation of Franchisee's Casago Business into Franchisee's bank account within ~~two~~three (23) days of receipt, including all cash, checks, and credit card receipts. ~~Before~~ At least ten (10) days before opening Franchisee's Casago Business, Franchisee shall provide Franchisor with Franchisee's bank name, address and account number, a voided check from such bank account, and shall sign and give to Franchisor and Franchisee's bank, all documents, including Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer ("EFT"). Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including changes in account numbers. Franchisor reserves the right to require Franchisee to pay any fees due under this Agreement by such other means as Franchisor may specify from time to time. If any Revenue Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject month based on the most recent Revenue Report provided by Franchisee to Franchisor, provided, that if a Revenue Report for the subject month is subsequently received and reflects: (i) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (ii) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations.

**3.6 Insufficient Funds.** As part of Franchisee's participation in the EFT Program, if the funds in Franchisee's bank account are insufficient to cover any amounts due under this Agreement on the date such funds are due, Franchisor has the right to charge Franchisee a penalty fee of Two Hundred Fifty Dollars (\$250.00) per occurrence. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that Franchisee shall be responsible for that payment and any service charge. Nothing contained in this Section shall prevent Franchisor from exercising, in Franchisor's sole judgment, any other rights or remedies available to Franchisor under this Agreement.

**3.7 Late Fees and Interest.** If Franchisee makes any late payment or underpayment of the Royalty or any other fee due under this Agreement or any other agreement between Franchisee and Franchisor, or any other charges or fees Franchisee owes Franchisor or Franchisor's affiliates, in addition to the overdue amount, Franchisor has the right to charge Franchisee interest on such amount from the date it was due until all past due amounts are paid, at a rate of the higher of eighteen percent (18%) per annum or the maximum permitted by law.

**3.8 Taxes on Payments.** In the event any taxing authority, wherever located, imposes any future tax, levy or assessment on any payment Franchisee makes to Franchisor, Franchisee must, in addition to all payments due to Franchisor, pay such tax, levy or assessment.

**3.9 Vacation Rental Software Channel Connection Fee.** ~~Franchisee is required to maintain a single vacation rental software channel connection (the "Software Channel Connection"), the cost of which is included in the monthly Royalty. However, additional Software Direct Channel Connections and customizations may be provided to Franchisee at Franchisor's then current Software Channel Connection fee, currently one percent (1%) of Gross Rental Revenue booked via the Software Channel Connection, subject to increases up to 1.5% of Gross Rental Revenue booked. Payment of the Software Channel Connection for ~~the additional lines~~all direct channel connections shall be made in the manner designated by Franchisor or Franchisor's Designated Software provider. Franchisor reserves the right to change the amount of this fee and the manner of payment of this fee as changes are made to the System's hardware and software requirements, which are described more fully in Section 7.9 of this Agreement.~~

**3.10 Casago.com Booking Channel Fee.** Franchisee must pay Franchisor its then current fee, currently five percent (5%) of Gross Rental Revenue, for reservations booked through Franchisor's

casago.com website for rentals within the Territory (the “Booking Channel Fee”). The Booking Channel Fee is due and payable at the same time and in the same manner as the Royalty Fee. Franchisor may increase the Booking Channel Fee up to seven- and one-half percent (7.5%) during the term of this Agreement.

3.11 **Technology Fee.** From time to time, Franchisor may charge Franchisee an on-going technology fee to pay for certain new or additional aspects of Franchisee’s Computer System and/or required software and/or currently existing or future developed technology (“Technology Fee”). Franchisor may designate and/or change the amount, scope, or manner of payment of the Technology Fee, including the party to whom payment is made, at any time providing thirty (30) days’ notice to Franchisee.

#### **4. PROPRIETARY MARKS**

##### **4.1 Franchisee’s Use of the Proprietary Marks.**

4.1.1 Franchisee shall use only the Proprietary Marks which Franchisor designates, and only in the manner Franchisor authorizes and permits.

4.1.2 Franchisee shall use the Proprietary Marks only in connection with the Casago Business in advertising for the Casago Business.

4.1.3 Franchisee shall use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “TM”, “SM”, “S” or “®”, as applicable. Franchisee may not use the Proprietary Marks in connection with the offer or sale of any products or services which Franchisor has not authorized for use in connection with the System. Franchisee may not use the Proprietary Marks as part of Franchisee’s corporate or other legal name. ~~Franchisee’s corporate name and all fictitious names under which Franchisee proposes to do business must be approved by Franchisor in writing before use.~~ Franchisee must use Franchisee’s corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “Casago”. Franchisee must promptly register at the office of the county in which Franchisee’s Casago Business is located, or such other public office as provided for by the laws of the state in which Franchisee’s Casago Business is located, as doing business under such assumed business name.

4.1.4 Franchisee must identify itself as the owner of the Casago Business (in the manner Franchisor prescribes) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, order forms, receipts, and business stationery and otherwise as Franchisor may designate in writing.

4.1.5 Franchisee must prominently display the Proprietary Marks on or in connection with any media advertising, promotional materials, posters, displays, receipts, stationery and forms that Franchisor designates and in the manner that Franchisor prescribes.

4.1.6 Franchisee’s right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor’s rights.

4.1.7 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on Franchisor’s behalf.

4.1.8 Franchisee shall execute all documents Franchisor deems necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

4.1.9 Franchisee must promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right, though not the obligation to: (i) direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof; (ii) take action against uses by others that may constitute infringement of the Proprietary Marks; or (iii) defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. In such circumstances, if Franchisor, in Franchisor's sole discretion, determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, Franchisor shall bear the cost of such defense, including the cost of any judgment or settlement. If Franchisor, in Franchisor's sole discretion, determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, Franchisee shall bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in Franchisor's opinion, be necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner not in accordance with this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket costs in performing such acts.

4.1.10 Franchisee expressly understands and acknowledges that:

~~4.1.10.1 Franchisor's Affiliate owns all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;~~

~~4.1.10.1~~ ~~4.1.10.2~~ The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

~~4.1.10.2~~ ~~4.1.10.3~~ During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

~~4.1.10.3~~ ~~4.1.10.4~~ Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

~~4.1.10.4~~ ~~4.1.10.5~~ All goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

~~4.1.10.5~~ ~~4.1.10.6~~ Except as specified in Section 1.3 hereof, the license of the Proprietary Marks granted to Franchisee hereunder is nonexclusive and Franchisor retains the right, among others, (i) to use the Proprietary Marks itself in connection with selling products and services, (ii) to grant other licenses for the Proprietary Marks, and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing Franchisee any rights therein; and

~~4.1.10.6~~ ~~4.1.10.7~~ Franchisor reserves the right, in Franchisor's sole discretion, to substitute different proprietary marks for use in identifying the System and the Casago Businesses operating thereunder. Franchisee shall discontinue using all Proprietary Marks which Franchisor has notified

Franchisee, in writing, have been modified or discontinued within ten (10) days of receiving written notice and, at Franchisee's sole cost and expense, shall promptly begin using such additional, modified or substituted Proprietary Marks.

## 5. CONFIDENTIAL INFORMATION

5.1 **Nondisclosure.** During the term of this Agreement, Franchisee will receive information which Franchisor considers its trade secrets and Confidential Information, including but not limited to information regarding the set-up of a Casago Business; information about proprietary merchandise and services; any proprietary software Franchisor may now or in the future create; our Operations Manual (defined in Section 6.1); trade secrets; price marketing mixes related to the sale of products or services offered or authorized for sale by System franchisees; recruitment strategy; standards and specifications for customer service; systems and training manuals; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition; ongoing training; recruitment, training and management of remote teams; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Casago Business which may be communicated to you or of which you may be apprised by virtue of your operation of a Casago Business (collectively, the "Confidential Information"). Franchisee agrees that Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information except to Franchisee's employees that must have access to it in order to operate the Casago Business. Franchisee acknowledges and agrees that certain information, including (i) current customer and prospective customer names and addresses, (ii) information about credit extensions to customers, (iii) customer service purchasing histories, (iv) rates charged to customers, and (v) sources of suppliers and purchasing arrangements with suppliers, are the sole property of Franchisor and also constitute the trade secrets and Confidential Information of Franchisor. Any and all information, knowledge, know-how, techniques, and other data which Franchisor designates as confidential will be deemed Confidential Information for purposes of this Agreement. Franchisee acknowledges and agrees that Franchisor has expended considerable time, effort, and money to develop the System that the enumerated Confidential Information is not well known outside of the System, that the Confidential Information is of great value to the Franchisor, and that Franchisor is implementing this non-disclosure policy in an effort to protect its trade secrets and Confidential Information. Franchisee acknowledges that in the event of the actual or threatened breach of this Section 5.1, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm.

5.2 **Employees.** Franchisee shall ensure that any Designated Manager (as defined in Section 7.7.5 below) of the Casago Business and other employees who have access to Franchisor's Confidential Information execute a Confidentiality ~~and Noncompete~~ Agreement, in the form attached hereto as Exhibit C, or as Franchisor, in Franchisor's sole discretion, otherwise prescribes. Franchisee must furnish Franchisor with a copy of each executed agreement.

5.3 **New Concepts.** If Franchisee, Franchisee's employees, or Franchisee's principals develop any new concept, process or improvement in the operation or promotion of the Casago Business, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. Franchisee and Franchisee's principals hereby assign to Franchisor any rights Franchisee may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and Franchisee's principals agree to assist Franchisor in obtaining and enforcing the

intellectual property rights to any such concept, process or improvement in any and all countries, and further agree to execute and provide Franchisor with all necessary documentations for obtaining and enforcing such rights. Franchisee and Franchisee's principals hereby irrevocably designate and appoint Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 5.3 are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's principals hereby grant to Franchisor a worldwide, perpetual, nonexclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

## 6. FRANCHISOR'S OBLIGATIONS

6.1 **Operations Manual.** Franchisor will make available to Franchisee one (1) copy of Franchisor's proprietary and confidential operations and training manual, as well as any other confidential manuals and writings prepared by Franchisor for Franchisee's use in operating a Casago Business (collectively referred to as the "Operations Manual"). Franchisee shall operate the Casago Business in strict compliance with the Operations Manual, as it may be reasonably changed from time to time. The Operations Manual shall remain confidential and Franchisor's exclusive property. Franchisee shall not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth herein. Franchisee shall ensure that Franchisee's copy of the Operations Manual is current and up to date. If there is a dispute relating to the contents of the Operations Manual, the master copy which Franchisor maintains at Franchisor's corporate headquarters will control.

6.2 **Site Selection Assistance.** In the event Franchisee ~~elects or is otherwise required~~ decides to lease a commercial office space from which to operate the Casago Business, Franchisee shall be responsible for locating a proposed site within the Territory. ~~Franchisee shall submit the proposed site to Franchisor for its approval, which Franchisor agrees will not approve or disapprove your site. However, you must provide the Franchisor information about where you will operate your Casago Business. For reference purposes, your home office location, or, if applicable, your leased office space, is referred to as your "Approved Location". If operating in a commercial office space it must be located within your Territory. If operating from a homebased office, it must be located within a 30-minute drive to your Territory. Franchisee will not be permitted to unreasonably withhold, before entering into a lease or other binding agreement for the premises. If operate its Casago Business at any location other than the location Approved Location unless it relocates to another location within its Territory, and notifies Franchisor does not issue its approval or disapproval of the proposed site within 15 calendar days after Franchisee submits the proposed site to Franchisor, the proposed site shall be deemed approved of the new location.~~

6.3 **Specifications for Equipment and Supplies.** To the extent Franchisor deems necessary in its sole discretion, Franchisor will provide written specifications for and designate sources of supply from which Franchisee agrees to purchase equipment and supplies necessary for the start-up and ongoing operations of Franchisee's Casago Business.

6.4 **Grand Opening Marketing.** During the first sixty (60) days of operation, or a different time period that Franchisor specifies, Franchisee must spend at least between Two Thousand Dollars (\$2,000.00) and Five Thousand Dollars (\$5,000.00) (the "Grand Opening Marketing Requirement") in order to implement a grand opening marketing campaign for the Casago Business (the "Grand Opening Marketing Campaign"), subject to Franchisor's prior approval. Notwithstanding the foregoing, Franchisor reserves the right to require that Franchisee pay the Grand Opening Marketing Requirement directly to Franchisor, and

implement the Grand Opening Marketing Campaign on Franchisee's behalf. If, at the time Franchisee executes this Agreement, Franchisee has at least \$1,000,000 in annual grossrent revenue, the Grand Opening Marketing Requirement will be waived.

**6.5 Ongoing Assistance.** Franchisor will provide Franchisee continuing consultation and advice, to the extent that Franchisor and Franchisee mutually deem necessary and as appropriate in Franchisor's sole discretion, regarding the management and operation of the Casago Business. Franchisor will provide such assistance, in Franchisor's discretion, by telephone, facsimile, email, intranet communication and on-site visits. If Franchisee requires and requests additional on-site assistance from Franchisor, subject to the availability of Franchisor's personnel, Franchisor will provide Franchisee with such assistance at Franchisor's then-current rate for providing such assistance, plus reasonable expenses, including but not limited to, Franchisor's travel and lodging expenses.

**6.6 Additional Training.** Franchisor may, in Franchisor's sole discretion, hold refresher and ongoing training courses, training courses upon a significant change to the System, or to assist Franchisee in the operation of Franchisee's Casago Business, in order to provide additional assistance to franchisees. Such additional training may be provided online, or in any other manner as Franchisor determines. Up to four (4) days per year, Franchisor may require Franchisee, Franchisee's Designated Manager (as defined in Section 7.7.5 of this Agreement), and/or Franchisee's employees to attend or participate in such training at Franchisor's then-current tuition rate for providing such training. All expenses, including Franchisee's, Franchisee's Designated Manager's, and Franchisee's employees' transportation, meal, and lodging expenses to attend such training, if applicable, shall be Franchisee's sole responsibility. In the event that Franchisee requests, and Franchisor agrees, for Franchisor to provide additional at Franchisee's Approved Location, Franchisee shall be responsible for Franchisor's expenses including transportation, meals and lodging.

~~6.7 Toll Free Telephone Number. Franchisor has the right, but not the obligation, to establish and maintain a toll-free telephone number for the purpose of improving customer service and conducting customer follow-up and satisfaction surveys. If Franchisor establishes a toll-free number, Franchisee must comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Operations Manual or otherwise in writing.~~

**6.7 6.8 Annual Conference.** Franchisor may, in Franchisor's discretion, hold an annual conference at a location to be selected by Franchisor (the "Annual Conference"). Franchisor shall determine the topics and agenda for such conference to serve the purpose, among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and Franchisor's personnel regarding Casago Business operations and programs, and recognizing franchisees for their achievements. Franchisor may require Franchisee to attend the Annual Conference for up to three (3) days per year and to pay Franchisor's then-current fee to attend the Annual Conference. All expenses, including Franchisee's and Franchisee's employees' transportation to and from the Annual Conference, and lodging, meals, and salaries during the Annual Conference, are Franchisee's sole responsibility. Franchisor may use expenditures from the System Marketing Fund (as defined in Section 12.5 of this Agreement) for purposes related to the Annual Conference, including costs related to programs and materials.

**6.8 6.9 No Assumption of Liability.** Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including ~~site selection or other approval~~ any approvals provided under this Section 6, assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable. Franchisee acknowledges that any assistance ~~(including site selection and project oversight)~~ provided by Franchisor or its nominee in relation to the selection of the Approved Location is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the

choice and location of the Approved Location nor that the Casago Business is likely to achieve any level of volume, profit or success.

**6.9** ~~6.10~~ **Delegation of Duties.** Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

**6.10** ~~6.11~~ **Pre-Opening Obligations Acknowledgement.** If Franchisee believes Franchisor has failed to provide adequate pre-opening services as provided in this Agreement, Franchisee shall notify Franchisor in writing within ninety (90) days following the opening of the Casago Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor complied with all of its pre-opening and opening obligations set forth in this Agreement.

## 7. FRANCHISEE'S OBLIGATIONS

**7.1 Secure an Approved Location.** Franchisee must establish an Approved Location, as set forth in Section 1.3 of this Agreement prior to commencing operations, unless Franchisor agrees to an extension of time in writing.

**7.2 Training.** Franchisee (or Franchisee's principal, as applicable) and Franchisee's Designated Manager (if one has been designated pursuant to Section 7.7.5 of this Agreement) must attend and successfully complete Franchisor's initial tuition-free training program (the "Initial Training Program") as set forth in Section 8.1 below.

**7.3 Required Licenses and Permits.** Prior to opening, Franchisee must obtain and maintain (throughout the term of this Agreement) all required licenses, permits and approvals to establish, open and operate the Casago Business in the Territory.

**7.4 Opening Requirements.** Franchisee shall open the Casago Business within four (4) months from the date the parties sign this Agreement. Notwithstanding the foregoing, Franchisor reserves the right to extend such deadline in its sole discretion, upon Franchisee's reasonable request. Franchisee shall not be permitted to commence operations of Franchisee's Casago Business unless and until Franchisee receives written notice from Franchisor approving Franchisee's proposed opening date.

### 7.5 **Purchasing Requirements.**

**7.5.1 Compliance with Standards.** Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the operation of the Casago Business and to maintain uniformity throughout the System. Franchisee shall adhere to the standards and specifications set forth in this Agreement and the Operations Manual or otherwise in writing, as they may be revised or amended from time to time. Franchisee shall use signs, furnishings, supplies, fixtures and inventory which comply with Franchisor's then-current standards and specifications (including, without limitation, standards and specifications for products, services, equipment, furnishings, fixtures and signage), which Franchisor establishes from time to time. Franchisor has the right to change Franchisor's standards and specifications in Franchisor's discretion. Franchisee acknowledges that Franchisee may be required to incur an increased cost to comply with any such changes at Franchisee's expense.

**7.5.2 Designated Preferred and Approved Required Suppliers.** Recognizing that preservation of the System depends upon uniformity ~~and the maintenance of Franchisor's trade dress,~~

Franchisee agrees to purchase ~~certain signs, furnishings, supplies, fixtures, signage, equipment and inventory~~ the required products or services required to be used in connection with the Casago Business from Franchisor or from ~~approved~~ required or designated third party suppliers as Franchisor shall specify, from time to time, in the Operations Manual and otherwise in writing (“Required Suppliers”). Currently we only require Franchisee to purchase property management software from a Required Supplier. Franchisee hereby acknowledges that Franchisor, Franchisor’s affiliates and/or a third party may be one of several, or the only, ~~approved~~ supplier of any item. Franchisee further acknowledges and agrees that Franchisor and/or Franchisor’s affiliates have the right to realize a profit and/or to receive material consideration on any items and/or services that Franchisor, Franchisor’s affiliates or Franchisor’s approved suppliers supply to Franchisee.

~~7.5.3 Supplier Approval. In the event Franchisee wishes to purchase any unapproved item, including equipment and supplies, and/or acquire approved items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and the purchase price of the item, if known. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor’s approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor’s System as a whole. Franchisor has the right to receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier), for any purposes Franchisor deems appropriate. Nothing herein shall require Franchisor to approve an unreasonable number of suppliers for a given item, which approval might, in Franchisor’s reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. Franchisor may revoke Franchisor’s approval of particular products or suppliers when Franchisor determines, in Franchisor’s sole discretion, that such products or suppliers no longer meet Franchisor’s standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Franchisee must use products purchased from approved suppliers solely in connection with the operation of Franchisee’s Casago Business and not for any competitive business purpose. Franchisor may identify preferred suppliers of products and services that franchisees typically use to operate their Casago Businesses (“Preferred Suppliers”). Franchisee is not required to use the Preferred Suppliers, and may use any supplier it wants for such products and services. While Franchisee must use the Required Suppliers of any required products or services, such as computer software, Franchisee does not need to obtain Franchisor’s approval to use suppliers of any other goods and services. However, Franchisee must ensure that the products and services its uses to support its operations are generally accepted in the industry and that none of the products or services its uses would adversely affect the image of the Casago Brand. Franchisor has the right to require Franchisee to immediately discontinue using any such suppliers, good and services that Franchisor believes, in its sole and absolute discretion, may adversely affect the image of the Casago Brand or of the Marks.~~

7.5.3 Supplier Approval. Franchisee is not required to use Preferred Suppliers identified by the Franchisor for certain goods and services, or to obtain approval to use other suppliers for these goods and services. As such, Franchisor does not have a program to approve any such suppliers.

7.5.4 System Suppliers. Franchisor may establish business relationships, from time to time, with suppliers who may provide services or produce, among other things, certain ~~furnishings,~~ supplies, fixtures ~~software,~~ and other ~~materials~~ products or services according to Franchisor’s proprietary standards and specifications (“System Suppliers”). Franchisee recognizes that such products and services are essential to the operation of the Casago Business and to the System generally. Franchisee further recognizes that Franchisee’s failure to pay System Suppliers may interfere with such suppliers’ willingness to supply the System, which may result in other System franchisees’ inability to obtain product or ability to obtain product

only on less favorable credit terms. Accordingly, Franchisee expressly agrees to pay System Suppliers as and when due.

7.6 **Authorized Services.** Franchisee shall offer for sale all products and services which Franchisor prescribes and only those products and services which Franchisor prescribes. Franchisee may not offer any services or products for sale, rent or lease without having received Franchisor's prior written authorization.

## 7.7 **Operations.**

7.7.1 Franchisee must operate Franchisee's Casago Business ~~for at least those months, hours and days~~ in the manner that Franchisor specifies in the Operations Manual or otherwise in writing.

7.7.2 Franchisee must operate the Casago Business in accordance with all applicable requirements of law, including all federal, state and local regulations, and the Operations Manual.

7.7.3 Franchisee must employ a sufficient number of qualified, competent personnel, offer prompt, courteous and efficient service to the public, and otherwise operate the Casago Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of the Casago Business during working hours shall conform to Franchisor's standards, shall present a neat and clean appearance ~~(including wearing Franchisor's uniform, if required)~~ in conformance with Franchisor's reasonable standards, and shall render competent, efficient service to the customers of the Casago Business.

7.7.4 Franchisee agrees to operate the Casago Business in accordance with the Operations Manual. Franchisee shall immediately train and instruct Franchisee's employees in accordance with the Operations Manual; and shall continue such training and instruction as long as each employee is employed. The Operations Manual shall set forth the practices, procedures and methods to be utilized at Franchisee's Casago Business.

7.7.5 Franchisee (or at least one of Franchisee's principals if Franchisee is an entity or partnership) must personally supervise the day-to-day operations of the Casago Business and devote Franchisee's personal full-time attention to the management and operation of the Casago Business. Franchisee may, however, with Franchisor's written approval, delegate the day-to-day management of Franchisee's Casago Business to a manager (a "Designated Manager"). Franchisor must be informed of any newly appointed Designated Manager and any Designated Manager must successfully complete Franchisor's Initial Training Program before assuming any managerial responsibility. Franchisee shall keep Franchisor informed at all times of the identity of any employee acting as a Designated Manager. Designated Managers shall devote their full time and best efforts to the day-to-day operation and management of the Casago Business and shall not engage in any other competitive business activity without Franchisor's prior written consent.

7.7.6 Franchisee must at all times maintain such working capital as may be reasonably necessary to enable Franchisee to properly and fully carry out and perform all of Franchisee's duties, obligations and responsibilities hereunder and to operate the Casago Business in a businesslike, proper and efficient manner.

7.7.7 Franchisee will obtain and use all supplies and materials required by Franchisor, and will refrain from using any supplies and materials prohibited or not approved by Franchisor.

7.8 **Franchised Business Evaluation.** Franchisee agrees, that in order to maintain the high quality and uniform standards associated with the System and to protect its goodwill and reputation, to permit Franchisor, during business hours, to send its professional support team, or such other representatives Franchisor deems appropriate, to inspect and observe, photograph and videotape the operations of your Casago Business, remove samples of any products, materials or supplies for ~~testing and analysis~~review, interview your clients and personnel, and inspect and copy any books, records and documents relating to the operation of the Casago Business. Franchisor may, in addition to the foregoing, send its professional support team to visit Franchisee's Casago Business up to ~~two~~one (2) ~~times~~time per year to evaluate its operations and compliance with System standards. If such visit demonstrates Franchisee's failure to meet System standards, Franchisor reserves the right to send its professional support team for additional visits during the year. Franchisee is required to cover Franchisor's travel and lodging costs in connection with any visit.

7.9 **Computer Software ~~and Hardware~~.** Franchisee shall purchase and use any and all computer software programs which Franchisor has developed or may develop and/or designate for use for the System, (the "Designated Software") ~~and shall~~, Franchisee must purchase ~~such~~ computer hardware ~~as may be~~ necessary for the efficient operation of the Designated Software, which may include, without limitation, a computer, a mobile phone and a wireless router. ~~Franchisor has the right to require Franchisee to update or upgrade computer hardware components and/or Designated Software as Franchisor deems necessary from time to time. In addition, Franchisor has the right to require Franchisee to enter into a separate maintenance agreement for such computer hardware and/or Designated Software.~~ Notwithstanding the fact that Franchisee must ~~buy~~, use and maintain the ~~computer hardware and~~ Designated Software meeting Franchisor's standards and specifications, Franchisee will have the sole and complete responsibility for: (i) the acquisition, operation, maintenance and upgrading of ~~the~~any necessary computer hardware and Designated Software; and (ii) any and all consequences that may arise if the computer hardware and Designated Software is not properly operated, maintained and upgraded.

7.9.1 Franchisee must use the Designated Software and pay the associated fees to do so. Franchisor reserves the right to change the amount of these fees as changes are made to the System's hardware and software requirements. Franchisee, at its own expense, must obtain the computer hardware required to implement the Designated Software, and Franchisee must comply with all specifications and standards prescribed by Franchisor regarding the Designated Software as provided from time to time in the Operations Manual or otherwise in writing. Franchisee shall only utilize the Designated Software as prescribed by Franchisor and the Designated Software will be considered to be a part of Franchisor's Confidential Information. Franchisee expressly acknowledges that Franchisor shall have the unlimited right to access all data contained in the Designated Software, as well as any other software used by Franchisee in the operation of the Casago Business pertaining to reservation, guest, and homeowner data, and accordingly, Franchisee must take any and all actions specified by Franchisor to ensure that Franchisor has said access to the Designated Software and/or other software.

7.10 **Area Computer Network, Intranet or Extranet Participation.** Franchisee is required to participate in any System-wide area computer network, intranet system or extranet system that Franchisor implements and may be required by Franchisor to use such area computer network, intranet system or extranet system to, among other things: (i) submit Franchisee's reports due under this Agreement to Franchisor online; (ii) view and print portions of the Operations Manual; (iii) download ~~approved local advertising and promotions~~promotional materials; (iv) communicate with Franchisor and other System franchisees; and ~~(v)~~ (v) participate in online training. Franchisee agrees to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that Franchisor includes in the Operations Manual, including those related to the encryption of Confidential Information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

7.11 **Personal Conduct.** Franchisee agrees to refrain from committing any act or pursuing any course of conduct that tends to bring Franchisor's Proprietary Marks or System into disrepute.

7.12 **Best Efforts.** Franchisee must use best efforts to promote and increase the demand for the goods and services of the Casago Business. All of Franchisee's advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the Casago Business or the goodwill associated with the Proprietary Marks and System.

~~7.13 **Phone Service.** Franchisee must obtain and maintain a minimum of one dedicated phone line within the Casago System to be used to direct calls from Franchisor's Interactive voice response (IVR) menu. Franchisor will cover the cost of one dedicated phone line, and Franchisee will be responsible for the cost of additional lines which shall be paid in the manner required by Franchisor. Franchisee expressly agrees to execute the Conditional Assignment of Franchisee's Telephone Numbers, Facsimile Numbers and Domain Names attached hereto as Exhibit B, which provides that, upon the expiration, transfer or termination of this Agreement for any reason, Franchisee shall terminate Franchisee's use of such telephone number and listing, as well as any other facsimile numbers and listings and domain names and Internet listings, and assign same to Franchisor or Franchisor's designee. Franchisee must answer the telephone in the manner Franchisor specifies in the Operations Manual.~~

7.13 ~~7.14~~ **Payment of Debts.** Franchisee is solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods for use in the Casago Business; and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the Casago Business. Franchisee agrees to pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee agrees to indemnify Franchisor in the event that Franchisor elects to pay any of Franchisee's obligations in order to preserve the relationship between System Suppliers and System franchisees. Franchisee agrees to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes, arising from Franchisee's operation of the Casago Business. Franchisee agrees to indemnify Franchisor in the event that Franchisor is held responsible for these taxes.

7.14 ~~7.15~~ **Compliance with Applicable Laws.** Franchisee must comply with all applicable federal, state and local laws, ordinances and regulations regarding the construction, design and operation of the Casago Business (including, without limitation, all regulations relating to occupational hazards and health, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of federal and state income taxes, social security taxes and sales, use and property taxes, classification of employees and independent contractors, and the applicable provisions of the Americans with Disabilities Act ("ADA")). Franchisee expressly acknowledges that Franchisor has not researched the specific laws and regulations applicable to Franchisee's Casago Business, and that Franchisee is solely responsible for compliance with such laws and regulations. Franchisee will have sole authority and control over the day-to-day operations of the Casago Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Casago Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be deemed to be employees of Franchisor or Franchisor's affiliates.

7.15 ~~7.16~~ **Trade Secrets and Confidential Information.** Franchisee must maintain the confidentiality of all Confidential Information as set forth in Section 5 of this Agreement.

7.16 ~~7.17~~ **Image.** Franchisee acknowledges that Franchisor has developed the System to offer services which will distinguish the Casago Business from other property management businesses and chains that offer similar services at different prices and with less attention paid to the quality of services and customer service. Franchisee agrees to offer services and to conduct the Casago Business in such a manner which will serve to emulate and enhance the image Franchisor intended for the System. Franchisee further acknowledges and agrees that each aspect of the System is important not only to Franchisee but also to Franchisor and to other System franchisees in order to maintain the highest operating standards, achieve system wide uniformity and increase the demand for the services rendered by System franchisees. Franchisee agrees to comply with the standards, specifications and requirements Franchisor sets forth in order to uniformly convey the distinctive image of a Casago Business. Franchisee shall, in the operation of the Casago Business, use only displays, forms and other specified materials imprinted with the Proprietary Marks and colors as prescribed from time to time by Franchisor.

7.17 ~~7.18~~ **Pending Actions.** Franchisee shall notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding or the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of Franchisee or the Casago Business.

7.18 ~~7.19~~ **Agreements with Customers.** Prior to providing any services to any customers, Franchisee will provide to that customer any information or disclosures required by Franchisor or otherwise by law. Franchisee will fully comply with any warranty or guarantee program implemented by Franchisor, and Franchisee will not misrepresent or omit to state any required warranty or guarantee. Franchisee will resolve all customer complaints and disputes directly with customers, and will make every reasonable effort not to involve Franchisor in those disputes. Franchisee may request Franchisor's assistance to resolve disputes or other issues between Franchisee and its customers. Franchisor, in its sole discretion, may, but has no obligation, to provide Franchisee with assistance in response to such requests. In the event Franchisee requests, and Franchisor agrees, to provide such assistance, Franchisee hereby expressly acknowledges and agrees that Franchisor may take any actions it deems necessary in its sole discretion to resolve such disputes. Franchisor, in its sole discretion, whether or not requested to by Franchisee, has the right to take actions to settle any customer dispute, including financial settlements, or having a different franchisee work to try to resolve any such disputes. Franchisee shall be responsible for the costs and remedies of Franchisor's decisions. Franchisee shall indemnify Franchisor for all losses or damages arising from or related to Franchisor's intervention on Franchisee's behalf pursuant to this Section 7.19.

7.19 ~~7.20~~ **Customer Lists.** Franchisee must (i) maintain a list of all of its current and former customers and any other data associated with specific customers that Franchisor designates for use in connection with the System and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly provide this information, which is deemed "Confidential Information" hereunder, to Franchisor upon expiration or termination of this Agreement for any reason.

7.20 ~~7.21~~ **Forms of Client Payment.** Franchisee will maintain agreements or arrangements with any financial institution or credit/debit card issuer or sponsor designated by Franchisor, so that the Casago Business may accept customers' credit cards, debit cards, checks, and other methods of payment designated by Franchisor.

7.21 ~~7.22~~ **Personal Participation by Franchisee.** Franchisee must personally participate in the direct management operation of the Casago Business on a full-time basis, unless Franchisor permits Franchisee to engage a Designated Manager to manage the day-to-day operations of the Casago Business. If Franchisee

designates a manager at any time, that manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Casago Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Casago Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

~~7.22~~ ~~7.23~~ **Employment Decisions.** Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Casago Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

## 8. TRAINING

8.1 **Initial Training Program.** Franchisee shall attend (if Franchisee is a partnership, corporation or limited liability company, Franchisee's general partner, principal shareholder, or principal member/manager, as appropriate, shall attend) and complete to Franchisor's satisfaction, Franchisor's Initial Training Program. If Franchisee has a Designated Manager, as described in Section 7.7.5 of this Agreement, then he/she/they shall also attend the initial tuition-free training program. Franchisor provides the Initial Training Program ~~for up to five (5) people, including~~ Franchisee and all others attending the training with the Franchisee, tuition free so long as all individuals attend at the same time. If all individuals do not attend the Initial Training Program at the same time, Franchisor reserves the right to charge its then-current initial training fee; for any persons that attend at a later time ("Initial Training Fee"). All training shall be held at Franchisor's Casago University in Puerto Penasco, Mexico or another site designated by Franchisor. Franchisor also reserves the right to conduct training virtually if Franchisor deems appropriate. All training related expenses, including Franchisee's and its employees' transportation to and from the training site, as well as their lodging, meals, and wages during training, are Franchisee's sole responsibility. The Initial Training Program lasts approximately five (5) days, not including travel days. Franchisee shall complete the Initial Training Program to Franchisor's satisfaction no earlier than 30 days prior to commencing operations of the Casago Business. Franchisor may, in its sole discretion, reduce the length of the Initial Training Program for franchisees with an existing business that is being converted to a Casago Business, as Franchisor deems appropriate.

Should Franchisee or another individual fail to complete the Initial Training Program to Franchisor's satisfaction, at Franchisor's option, the respective person may repeat the course. Franchisor may charge its then-current Initial Training Fee for such repeat training. Failure by Franchisee to complete the Initial Training Program to Franchisor's satisfaction is a cause for termination of this Agreement and Franchisor may terminate this Agreement.

8.2 **On-Site Training.** In addition to the Initial Training Program set forth above, Franchisor will provide Franchisee with on-site training ("On-Site Training") by one or more of Franchisor's representatives for up to three (3) days at the Approved Location around the time that Franchisee commences operations of the Casago Business or as soon as inventory is acquired. During the On-Site Training, Franchisor will assist Franchisee and Franchisee's staff with getting the Casago Business up and running. Franchisee will be responsible for the reasonable and lodging costs for our representative to conduct On-Site Training at Franchisee's location.

8.3 **Training of Additional Personnel.** Franchisee is responsible for training its employees. Only Franchisor-provided training materials may be used by Franchisee in training Franchisee's personnel. Updated training materials will be provided to Franchisee by Franchisor as they are developed. All training materials provided to Franchisee by Franchisor shall at all times remain Franchisor's property and

Confidential Information, and Franchisee agrees not to challenge Franchisor's or Franchisor's affiliates' title or rights in or to the training materials. Franchisee may not make any disclosure, duplication or other unauthorized use of any portion of the training materials.

## 9. INSURANCE

Franchisee agrees to purchase/procure and maintain such insurance covering the operation and location of the Casago Business as Franchisor may designate from time to time in the Operations Manual or otherwise in writing from time to time. Franchisee agrees to provide Franchisor with proof of coverage on demand. Franchisee agrees to obtain these insurance policies from insurance carriers that are rated "A- VI" or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which Franchisee operates its Casago Business. All insurance policies must: (i) name Franchisor (and Franchisor's members, officers, directors, and employees) as additional insureds; and (ii) contain a waiver by the insurance carrier of all subrogation rights against Franchisor. Franchisee must submit proof of insurance before making leasehold improvements and deliver a complete copy of Franchisee's then-prevailing policy of insurance within thirty (30) days following the delivery of the certificate of insurance. Furthermore, Franchisee shall be required to provide thirty (30) days prior written notice of the termination, expiration, cancellation or modification of any insurance policy. Franchisor's acceptance of an insurance carrier does not constitute Franchisor's representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee also expressly agrees to carry such insurance as may be required by any of Franchisee's lenders or equipment lessors. Franchisee must annually submit a certification of insurance which demonstrates compliance with this Section. If Franchisee fails to comply with the minimum insurance requirements set forth herein, Franchisor has the right to obtain such insurance and keep same in force and effect and Franchisee shall pay Franchisor, on demand, the premium cost thereof and administrative costs of fifteen percent (15%) in connection with Franchisor's obtaining the insurance. Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon prior written notice to Franchisee, and Franchisee shall comply with any such modification within the time specified in said notice.

## 10. FINANCIAL RECORDS AND REPORTS

Franchisee must maintain for at least seven (7) fiscal years from their preparation complete financial records for the operation of the Casago Business in accordance with U.S. generally accepted accounting principles and upon request must provide Franchisor with: (i) a monthly Gross Revenue Report signed by Franchisee and in the form Franchisor specifies, which contains the sales information pertaining to the preceding month including, without limitation, a summary of all monies received during the relevant period categorized by service, as well as counts of clients, leads, and such other additional information which Franchisor deems necessary to properly evaluate Franchisee's progress; (ii) a quarterly income statement and profit and loss statement, within fifteen (15) days following the end of each quarter, in a format specified by Franchisor, including a standard chart of accounts; (iii) annual financial reports and operating statements in the form Franchisor specifies, prepared by a certified public accountant or state licensed public accountant, within ninety (90) days after the close of each of Franchisee's fiscal years; (iv) state and local sales tax returns or reports and federal, state and local income tax returns for each year in which Franchisee's Casago Business is operated, within thirty (30) days after their timely completion; and (v) such other reports as Franchisor may from time to time require, in the form and at the time Franchisor prescribes. Franchisee's fiscal year must be on a calendar year basis. To assist Franchisee in recording and keeping accurate and detailed financial records for reports and tax returns, Franchisor, at Franchisor's discretion, may specify the form in which the business records are to be maintained, provide a uniform set of business records for Franchisee to use, and specify the type of equipment to be used in connection with the Casago Business.

Franchisor shall have full access to all of Franchisee's data, System, and related information by means of direct access.

## 11. BOOKS AND RECORDS

Franchisee must maintain accurate business records, reports, accounts, books and data relating to the operation of Franchisee's Casago Business. Franchisor and Franchisor's designees have the right to inspect and/or audit Franchisee's business records, which includes Franchisee's call logs related to the Casago Business, at any time during normal business hours, to determine whether Franchisee is current with suppliers and is otherwise operating in compliance with the terms of this Agreement and the Operations Manual. If any audit reveals that Franchisee has understated Franchisee's Royalty or any other payments due to Franchisor, or Franchisee's local advertising expenditures, by more than two percent (2%) Franchisee must pay the reasonable cost of such audit and/or inspection, including the cost of outside auditors and attorneys (to the extent Franchisor incurs such costs), together with any amounts due for Royalty and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and interest which may otherwise be due under this Agreement.

## 12. ADVERTISING

Recognizing the value of advertising and promotion, and the importance of the standardization of advertising and promotion programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1 **Generally.** ~~With regard to advertising generally for the Casago Business, Franchisor may make available to~~ Franchisee ~~shall use or display only such signs, emblems, lettering, logos, displays and advertising materials as Franchisor approves in writing~~ from time to time. ~~Franchisee shall submit to Franchisor, at least fifteen (15) days prior to publication or use, samples of all sales, at Franchisee's expense, certain promotional, and advertising materials. Franchisee desires to use and which must participate in certain promotions, trade events and advertising programs that Franchisor establishes, provided these activities do not contravene regulations and laws of appropriate governmental authorities. Franchisee's requirement to participate in advertising and promotion will be determined by either its local marketing requirements and/or by~~ Franchisor ~~has.~~

~~Franchisee is not previously approved, including, but not limited to, print, radio and television advertising, signage, supplies and packaging. Franchisor's failure to approve or disapprove the materials within fifteen (15) days of receipt shall be deemed a rejection. All advertising shall prominently display the Proprietary Marks and shall comply with any standards for use of the Proprietary Marks Franchisor establishes as set forth in the Operations Manual or otherwise in writing~~ required to obtain Franchisor's approval for any advertising materials it uses in connection with its Casago Business. Franchisor may require Franchisee to discontinue the use of any advertising or marketing material, within time frames prescribed by Franchisor, at Franchisee's sole cost and expense. Franchisee will ensure that its local advertising and promotions reflect favorably on and do not disparage the Proprietary Marks, Franchisor, and any other franchisee.

12.2 **Territorial Advertising Restriction.** Franchisee may market and advertise for homeowner acquisitions solely within Franchisee's Territory. Additionally, Franchisee may perform property management services for customers located within reasonable proximity to the Territory and not within another Casago franchisee's Territory. In the event Franchisee is contacted by a potential customer that owns a residence in a Territory granted to another Casago franchisee, Franchisee must refer the customer to that franchisee, and if that franchisee declines the customer, Franchisee may provide services to the customer

only with Franchisor's prior written permission. Franchisee may only market their services to properties located within their Territory. Franchisee may not advertise the Casago Business or any products or services offered by the Casago Business via the Internet or any other means of e-commerce, except as permitted in Section 12.3 below.

**12.3 Internet Website.** Franchisee must have and maintain adequate hardware and software in order to access high speed Internet, such that Franchisee is able to access Franchisor's Designated Software. Franchisee is prohibited, however, from establishing any website or other presence on the Internet, except as provided herein.

12.3.1 Franchisor has established an Internet website that provides information about the System and the services offered by Casago Businesses. Franchisor shall have sole discretion and control over the website (including timing, design, contents and continuation).

12.3.2 Franchisor shall create an interior page on its website(s) or a separate Franchisor-created website that contains information about Franchisee's Casago Business. Franchisor reserves the right to require Franchisee to prepare and maintain all of the information, links, videos, images, etc. needed for Franchisee's page, ~~at Franchisee's~~ Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting.

12.3.3 Franchisee is permitted to create social media websites designated by Franchisor (which may include Facebook, Instagram and other platforms that Franchisor identifies in the Operations Manual), to contain Franchisee's Casago Business-related content for distribution to Franchisee's community ("Permitted Webpages"). Franchisor may require that it has administrative access to any Permitted Pages. Franchisee may post to the Permitted Pages without submitting to Franchisor for prior approval so long as posts are consistent with social media training Franchisor may provide and the guidelines set forth in the Operations Manual, which we may modify from time to time. Franchisee's Permitted Webpages should only contain content relevant to Franchisor's mission and must meet Franchisor's standards and otherwise support Casago's brand, image and methodologies. Franchisor reserves the right to demand that Franchisee remove any nonconforming Permitted Webpages or blog post(s), to delete the link to Franchisee's Permitted Webpage(s) from Franchisor's website, and/or to revoke Franchisee's right to continue using such Permitted Webpage, if Franchisor determines in its sole discretion that the content of Franchisee's Permitted Webpage(s) is detrimental to Casago's brand and image.

12.3.4 Except Franchisee's Permitted Webpages, or as approved in advance in writing by Franchisor, Franchisee must not establish or maintain a separate website, splash page, profile or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Casago Business. All additional websites for Casago Businesses will be centrally managed from the corporate website to maintain consistency, consolidate views/likes/etc. and reduce the expense and time required by Franchisee to create and manage individual websites and pages. If such approval is granted by Franchisor, Franchisee must: (i) establish and operate such Internet site or listing in accordance with System standards and any other policies Franchisor designates in the Operations Manual or otherwise in writing from time to time, including but not limited to Franchisor's Internet privacy policies; and (ii) utilize any templates that Franchisor provides to Franchisee to create and/or modify such site(s).

12.3.5 Franchisor shall have the right to modify the provisions of this Section 12.3 relating to Internet websites as Franchisor deems necessary or appropriate in the best interest of the System.

12.3.6 Franchisee acknowledges that Franchisor and/or Franchisor's affiliates are the lawful, rightful and sole owner of the Internet domain name www.casago.com and any other Internet domain names

registered by Franchisor, and Franchisee unconditionally disclaims any ownership interest in such domain names and any Internet domain names colorably similar thereto. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or Franchisor's affiliates, or any abbreviation, acronym, phonetic variation or visual variation of those words.

**12.4 Grand Opening Advertising.** As described more fully in Section 6.3 of this Agreement, Franchisee must spend between \$2,000 and \$5,000 to implement a grand opening marketing campaign for the Casago Business, subject to Franchisor's approval of Franchisee's grand opening marketing campaign. Franchisor reserves the right to collect the money for and conduct the Grand Opening Marketing Campaign.

**12.5 System Marketing Fund.** Franchisor reserves the right to establish a national marketing fund (the "Marketing Fund"). In the event the Marketing Fund is established, Franchisee will participate in and contribute monthly to the System Marketing Fund in an amount equal to one-half percent (0.5%) of Franchisee's Gross Rental Revenue (the "Fund Contribution"), which Franchisor may increase up to one percent (1%) upon notice, in the manner Franchisor prescribes. Franchisee must pay the Fund Contribution in the same manner and time as the Royalty fees due under this Agreement.

12.5.1 Franchisor will use contributions to the Marketing Fund, in Franchisor's sole discretion, to develop, produce and distribute national, regional and/or local advertising and to create advertising materials and public relations programs which promote, in Franchisor's sole judgment, the products and services offered by the System. Franchisor has the sole right to determine contributions and expenditures of the Marketing Fund, or any other advertising program, and the sole authority to determine, without limitation, the selection of the advertising materials and programs; provided, however, that Franchisor will make a good faith effort to expend the Marketing Fund's contributions in the general best interests of the System on a national or regional basis. Nevertheless, Franchisee acknowledges that not all System Franchisees will benefit directly or on a pro rata basis from the Marketing Fund's expenditures. Franchisor may use the Marketing Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing advertising, social media, public relations, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of direct mail and outdoor billboard advertising; the cost of public relations activities, social media activities, and advertising agencies; the cost of developing and maintaining an Internet website and managing social media and other online advertising; the cost of holding an Annual Conference, and personnel and other departmental costs for advertising that Franchisor internally administers or prepares. While Franchisor does not anticipate that any part of the Marketing Fund's contributions will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Marketing Fund's contributions for public relations or recognition of the Casago brand and for the creation and maintenance of Franchisor's website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available." Sales materials, if developed, may be sold to franchisees at a reasonable cost.

12.5.2 Franchisor may periodically assist franchisees in maintaining high quality standards by conducting customer surveys, customer interviews, and other similar initiatives ("Surveys"). The cost of such programs will be paid from the Marketing Fund. The cost of these programs may be charged directly to Franchisee if Franchisee's results from a Survey fall below System-established minimum standards for such Surveys.

12.5.3 Franchisor has the right to reimburse itself from the Marketing Fund contributions for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the System Marketing Fund.

12.5.4 Franchisor may, but is not required, to contribute to the Marketing Fund for subsequent company owned Casago Businesses in the same manner that each franchised Casago Business is required to contribute.

12.5.5 Franchisor will prepare on an annual basis and will have available for Franchisee within 90 days of the end of the fiscal year, a statement of contributions and expenditures for the Marketing Fund, which will be provided to Franchisee upon Franchisee's written request. The Marketing Fund is not required to be independently audited.

12.5.6 Franchisor is under no obligation to conduct any advertising in Franchisee's Territory; however, Franchisor reserves the right to conduct such advertising if it chooses to do so in its sole discretion.

12.5.7 Franchisor will use commercially reasonable efforts to ~~operate~~ effectively operate all advertising, marketing, and promotions activities, including the Marketing Fund, but Franchisor will have no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Marketing Fund. Franchisee is not a third party beneficiary of any other franchise agreement and will have no right to require or enforce any contributions from other franchisees to, or with respect to the administration of, the Marketing Fund. Franchisee has no proprietary right in the Marketing Fund or the media created for it, and Fund Contribution funds are not held in trust and do not create any trust or fiduciary duties on behalf of Franchisor.

**12.6 Regional Advertising and Promotional Cooperative.** Franchisor shall have the right, in Franchisor's sole discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (a "Cooperative"), and to determine whether a Cooperative is applicable to Franchisee's Casago Business. Franchisor has the right to require that a Cooperative and/or franchisee advisory council be formed, changed, dissolved or merged. If a Cooperative has been established applicable to Franchisee's Casago Business at the time Franchisee begins operating under this Agreement, Franchisee must immediately become a member of such Cooperative. If a Cooperative applicable to the Casago Business is established at any later time during the term of this Agreement, Franchisee must become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative begins operation. If the Casago Business is within the territory encompassed by more than one Cooperative, Franchisee is required to be a member of only one such Cooperative. The following provisions will apply to each Cooperative:

12.6.1 Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

12.6.2 Each Cooperative will be organized for the exclusive purpose of administering regional advertising programs and standardizing advertising materials for use by the members in local advertising;

12.6.3 No promotional or advertising plans or materials may be used by a Cooperative or furnished to its members without Franchisor's prior approval. All such plans and materials shall be submitted to Franchisor in accordance with the procedure set forth in Section 12.1 hereof;

12.6.4 Such contributions shall not exceed the Local Marketing Requirement described in Section 12.7;

12.6.5 Each member franchisee must submit to the Cooperative, no later than the fifteenth (15<sup>th</sup>) of each month, for the preceding month, its respective contribution as provided in this Agreement together with such other statements or reports as Franchisor may require or as may be required by the Cooperative with Franchisor's approval;

12.6.6 All activities and decisions of the Cooperative shall be determined by a majority vote of the member franchisees in the Cooperative; and

12.6.7 Franchisor may grant to any franchisee, in Franchisor's sole discretion, an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Franchisor's decision concerning such request for exemption will be final.

12.7 **Local Marketing.** In addition to the Fund Contribution described above in Section 12.5, Franchisor will work with Franchisee to develop a mutually agreed upon local annual marketing plan that will be reviewed quarterly (the "Local Marketing Requirement"). The monthly spend will be based on factors such as Franchisee's advertising and promotional goals, size of market, market opportunity and revenue goals. The Local Marketing Requirement may include local advertising and promotions as Franchisor prescribes in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for placing a certain number and/or type(s) of media advertisements. Franchisee acknowledges and agrees that Franchisee's Local Marketing Requirement must be expended regardless of the amount(s) spent by other System franchisees on local advertising. Franchisee may spend any additional sums Franchisee wishes on local advertising and promotions. ~~Franchisee must use only such advertising and promotional materials as have been previously approved by Franchisor. Franchisee must upload all promotional and advertising materials to the Casago advertising repository for collaborative advertising efforts.~~ If any material is deemed inappropriate, off brand or detrimental to the Casago Brand, ~~it will be removed, and~~ all use of the material must cease. If Franchisee is a new or existing operator generating less than the minimum Gross Rental Revenue threshold Franchisor designates, Franchisee will be required to participate in the "Casago Marketing Service", as designated by Franchisor, and expend all or some portion (as Franchisor designates) of the Local Advertising Requirement on designated activities or materials that are provided by Franchisor's designated or approved supplier(s) for these types of services. [The Local Marketing Requirement is not required during the Grand Opening period \(first 60 days after opening\).](#)

### 13. **INDEPENDENT CONTRACTOR; INDEMNIFICATION**

13.1 **Independent Contractor Status.** Franchisee is an independent contractor responsible for full control over the internal management and daily operation of Franchisee's Casago Business, and neither party to this Agreement is the agent, principal, partner, employee, employer or joint venture partner of the other party. Franchisee may not act or represent itself, directly or by implication, as Franchisor's agent, partner, employee or joint venture partner, and Franchisee may not incur any obligation on Franchisor's behalf or in Franchisor's name. All stationery, business cards and contractual agreements entered into by Franchisee shall contain Franchisee's corporate or fictitious name and a conspicuously displayed notice, in the place Franchisor designates, that Franchisee operates Franchisee's Casago Business as an independently owned and operated Casago Business and that Franchisee independently owns and operates the Casago Business as a System franchisee. At Franchisor's request, Franchisee must prominently display a "Franchises Available" sign in the form Franchisor prescribes and in the place that Franchisor designates. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any of Franchisee's acts or omissions in the operation of

the Casago Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractors.

**13.2 Indemnification.** Franchisee and Franchisee's principals agree to indemnify, defend and hold Franchisor, Franchisor's affiliates and their respective shareholders, directors, officers, employees, agents, successors and assignees ("Indemnitees") harmless against and to reimburse them for all claims, obligations, liabilities and damages ("Claims"), including any and all taxes, directly or indirectly arising out of, in whole or in part: (i) the operation of Franchisee's Casago Business, including the use, condition, construction, equipping, decorating, maintenance or day-to-day operations of the Casago Business, the sale of any service or merchandise sold from the Casago Business, and Franchisee's advertising; (ii) Franchisee's use of the Proprietary Marks; (iii) the transfer of any interest in this Agreement or Franchisee's Casago Business in any manner not in accordance with this Agreement; (iv) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of Franchisee's principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties; or (v) libel, slander or any other form of defamation of Franchisor, the System or any franchisee operating under the System, by Franchisee or by any of Franchisee's principals. For purposes of this indemnification, "Claims" shall mean and include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor shall have the right, though not the obligation, to defend any such Claim against it in such manner as Franchisor deems appropriate or desirable in Franchisor's sole discretion. Such an undertaking by Franchisor shall, in no manner or form, diminish Franchisee's and each of Franchisee's principals' obligation to indemnify the Indemnitees and to hold them harmless. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

## **14. SALE OR TRANSFER**

**14.1 Transfer.** Franchisee's rights under this Agreement are personal, and Franchisee shall not sell, transfer, assign or encumber Franchisee's interest in the Casago Business without Franchisor's prior written consent, as described more fully in Section 14.3 below. Any sale, transfer, assignment or encumbrance made without Franchisor's prior written consent shall be voidable at Franchisor's option and shall subject this Agreement to termination as specified herein.

### **14.2 Death or Disability.**

**14.2.1 Transfer Upon Death or Disability.** Upon Franchisee's or any of its Designated Manager's death or disability, Franchisee's or the Designated Manager's executor, administrator, conservator, guardian, or other personal representative must transfer Franchisee's interest in this Agreement, or the Designated Manager's ownership interest in Franchisee, if any, to a third party (which may be Franchisee's or the Designated Manager's heirs, beneficiaries, or devisees) that Franchisor must approve, in Franchisor's sole discretion. That transfer must be completed within a reasonable time, not to exceed six ~~(6)~~ (6) months from the date of death or disability, and is subject to all of the terms and conditions in this Section ~~14.~~ 14. If Franchisee is an entity and has more than one (1) principal, upon a principal's death, the remaining living principals may continue operation of the Casago Business while the transfer is being finalized (but is still subject to the transfer provisions of Section 14). A failure to transfer Franchisee's interest in this Agreement or the Designated Manager's ownership interest in Franchisee within this time

period is a breach of this Agreement. The term “disability” means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Designated Manager from supervising the management and operation of the Casago Business.

**14.2.2 Operation Upon Death or Disability.** If, upon Franchisee’s death or disability, a certified manager is not managing the Casago Business, Franchisee’s executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, no later than thirty (30) days from the date of death or disability, appoint a manager that Franchisor approves. The manager must complete Franchisor’s standard training program at Franchisee’s expense. If, in Franchisor’s judgment, the Casago Business is not being managed properly any time after Franchisee’s death or disability, Franchisor may, but need not, assume the Casago Business’s management (or appoint a third party to assume its management). Franchisor may charge Franchisee (in addition to the Royalty, Fund Contribution, and other amounts due under this Agreement) a reasonable amount of compensation, plus Franchisor’s (or the third party’s) direct out-of-pocket costs and expenses, if Franchisor (or a third party) assumes the Casago Business’s management under this subparagraph. Provided Franchisor is not grossly negligent and does not commit an act of willful misconduct, Franchisor will not be liable to Franchisee or its owners for any debts, losses, or obligations the Casago Business incurs, or to any of Franchisee’s creditors for any products, other assets, or services the Casago Business purchases, while Franchisor (or a third party) manages it. Franchisor’s assumption of the Casago Business’s management will be for no more than ninety (90) day intervals. Franchisor will reevaluate the situation at the end of each such interval in consultation with Franchisee.

**14.3 Ownership Changes.** A sale, transfer or assignment requiring Franchisor’s prior written consent shall be deemed to occur if Franchisee is: (i) a corporation, upon any assignment, sale, pledge or transfer of any fractional portion of Franchisee’s voting stock or any increase in the number of outstanding shares of Franchisee’s voting stock which results in a change of ownership; (ii) a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) a limited liability company, upon the assignment, sale, pledge or transfer of any interest in the limited liability company. Any new partner, shareholder, or member or manager will be required to personally guarantee Franchisee’s obligations under this Agreement. A transfer pursuant to (i) and (iii) in accordance with Section 14.4 below shall not be subject to Franchisor’s right of first refusal described herein in Section 14.3.1.

**14.3.1 Right of First Refusal.** If Franchisee proposes to transfer either this Agreement or all, or substantially all, of the assets used in connection with the Casago Business or any interest in Franchisee’s lease to any third party (other than a corporation or limited liability company as set forth in Section 14.4 below), Franchisee shall first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee shall obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer (“Letter of Intent”). If Franchisor elects not to accept the offer within a thirty (30) day period, Franchisee shall have a period not to exceed sixty (60) days to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 14.3.2 below. Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section 14.3.1. Any material change in the terms of the Letter of Intent shall be deemed a new proposal subject to Franchisor’s right of first refusal. So long as Franchisee has obtained Franchisor’s prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner, shareholder or member, or a transfer as a result of the death, disability or incapacitation of a shareholder, member or partner, in accordance with the provisions set forth below, is not subject to Franchisor’s first right of refusal.

**14.3.2 Conditions for Approval.** Franchisor may condition Franchisor’s approval of any proposed sale or transfer of the Casago Business or of Franchisee’s interest in this Agreement upon satisfaction of the following occurrences:

14.3.2.1 All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors, are satisfied;

14.3.2.2 Franchisee must cure all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, or Franchisor's designated suppliers and vendors, within the period permitted for cure, and must have substantially complied with such agreements during their respective terms;

14.3.2.3 Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous relationship with Franchisor or Franchisor's affiliates), must execute a general release under seal, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and their respective officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the release shall not be inconsistent with any applicable state statute regulating franchising;

14.3.2.4 Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of and agreement to faithfully perform all of Franchisee's obligations under this Agreement;

14.3.2.5 The transferee shall demonstrate to Franchisor's satisfaction that he or she meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; provided, however, transferee shall not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other property management services business or franchise System which is similar in nature or in competition with Franchisor, except that the transferee may be an existing System franchisee;

14.3.2.6 The transferee shall execute Franchisor's then-current form of franchise agreement for the unexpired term of this Agreement;

14.3.2.7 The transferee shall satisfactorily complete Franchisor's training program at the transferee's sole expense within the time frame required by Franchisor;

14.3.2.8 Franchisee (and Franchisee's principals if Franchisee is a partnership, corporation or limited liability company), and the members of their respective families must comply with the post-termination provisions of this Agreement;

14.3.2.9 The transferee must obtain, within the time limits set by Franchisor, and maintain thereafter, all permits and licenses required for the operation of the Casago Business;

14.3.2.10 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.3.2.11 The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

14.3.2.12 The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Casago Business and the transferee's performance under its franchise agreement;

14.3.2.13 Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of franchise disclosure document;

14.3.2.14 Franchisor's approval of the transfer shall not constitute a waiver of any claims Franchisor may have against Franchisee;

14.3.2.15 Franchisor may disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Casago Business that Franchisee supplied to Franchisor;

14.3.2.16 In any event, Franchisor may withhold or condition Franchisor's consent to any transfer as Franchisor deems appropriate based on the circumstances of the transfer or otherwise; and

14.3.2.17 Franchisee is responsible for payment of all commissions or other monies due from the sale of the Casago Business if: (i) Franchisee listed the Casago Business with a broker; or (ii) transferee is referred to Franchisor by a broker lead referral network or otherwise.

**14.4 Transfer to a Corporation or Limited Liability Company.** If Franchisee is an individual and desires to assign its rights under this Agreement to a corporation or limited liability company, and if all of the following conditions are met, Franchisor will consent to the transfer without assessing the transfer fee set forth in Section 14.3.2.7 hereof, and such assignment will not be subject to Franchisor's right of first refusal set forth in Section 14.3.1 hereof if:

14.4.1 The corporation or limited liability company is newly organized and its activities are confined to operating the Casago Business;

14.4.2 Franchisee is, and at all times remains, the owner of fifty one percent (51% ) of the outstanding shares of the corporation or a controlling interest in the limited liability company;

14.4.3 The corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder; and

14.4.4 All shareholders of the corporation, or members and managers of the limited liability company, as applicable, personally guarantee prompt payment and performance by the corporation or limited liability company of all its obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and such persons execute a confidentiality and noncompetition agreement as set forth in Section 17.2 hereof.

**14.5 Franchisor's Right to Transfer.** Franchisor has the right to sell, transfer, assign and/or encumber all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement in Franchisor's sole discretion.

## **15. BREACH AND TERMINATION**

**15.1 Automatic Termination.** This Agreement shall automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:

15.1.1 Voluntary Bankruptcy. If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the Casago Business.

15.1.2 Involuntary Bankruptcy. If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the Casago Business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

15.1.3 Unauthorized Transfer. If Franchisee purports to sell, transfer or otherwise dispose of Franchisee or any interest in the Casago Business in violation of Section 14 hereof.

**15.2 With Notice and Without Opportunity to Cure.** Franchisor has the right to terminate this Agreement upon notice without providing Franchisee an opportunity to cure for any of the following breaches or defaults:

15.2.1 Criminal Acts. If Franchisee or Franchisee's principals are convicted of or plead guilty or no contest to any felony, or take part in any criminal misconduct relevant to the operation of Franchisee's Casago Business.

15.2.2 Fraud. If Franchisee or Franchisee's principals commit any fraud or misrepresentation in the operation of Franchisee's Casago Business.

15.2.3 Misrepresentation. If Franchisee or Franchisee's principals make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

15.2.4 Failure to Complete Training. If Franchisee fails to successfully complete initial training as provided in Section 8.1 hereof.

15.2.5 Repeated Breaches. If Franchisor sends Franchisee two (2) or more written notices to cure pursuant to Sections 15.3 or 15.4 hereof in any twelve (12) month period.

15.2.6 Breach of Other Agreements. If Franchisee or Franchisee's principals materially breach any other agreement with Franchisor or any of Franchisor's affiliates or the lease or finance agreement for the Approved Location if applicable, or threaten any material breach of any such agreement, and fail to cure such breach within any permitted period for cure.

15.2.7 Misuse of the Proprietary Marks or Confidential Information. If Franchisee or Franchisee's principals materially violate any provision hereof pertaining to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information.

15.2.8 Violation of Health Code. If Franchisee violates any health, safety or sanitation law, ordinance or regulation, or operates the Casago Business in a manner that presents a health or safety hazard to customers, or the general public.

15.2.9 Violation of In-term Restrictive Covenant. If Franchisee violates the in-term restrictive covenant contained in Section 17.1 hereof.

15.2.10 Liens. If a levy of writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's principals or any of their assets which is not released or bonded against within thirty (30) days.

15.2.11 Insolvency. If Franchisee or any of Franchisee's principals become insolvent.

15.2.12 Abandonment. If Franchisee voluntarily or otherwise abandons the Casago Business. The term "abandon" includes any conduct which indicates a desire or intent to discontinue the Casago Business in accordance with the terms of this Agreement and shall apply in any event Franchisee fails to operate the Casago Business for a period of two or more consecutive days without Franchisor's prior written approval.

15.2.13 Unauthorized Products or Services. If Franchisee offers any unauthorized and unapproved training or other products or services at or from the Casago Business.

15.2.14 Unapproved Purchases. If Franchisee ~~orders or purchases supplies, signs, services, furnishings, fixtures, equipment or inventory from any currently unapproved supplier~~ uses a supplier, other than a required supplier, for any required products and services.

15.2.15 Proprietary Software. If Franchisee misuses or makes unauthorized use of Franchisor's proprietary software, if any.

15.2.16 Insurance. If Franchisee fails to maintain insurance or to repay Franchisor for insurance paid for by it, or otherwise fails to adhere to the requirements of Section 9 hereof.

15.2.17 Government Regulations. If Franchisee fails, within fifteen (15) days after notification of non-compliance by federal, state or local government authorities, to comply with any law or regulation applicable to the Casago Business.

15.2.18 Government Actions. If any government action is taken against Franchisee that results in any obligation upon Franchisor which in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

15.2.19 Anti-Terrorist Activities. If Franchisee fails to comply with the provisions of Section 22.7 hereof.

15.2.20 Personal Use of Franchised Business Property. If Franchisee takes for Franchisee's own personal use any assets or property of the Casago Business, employee taxes, FICA, insurance or benefits.

15.2.21 Insufficient Funds. If there are insufficient funds in Franchisee's bank account to cover a check or EFT payment to Franchisor three or more times within any twelve (12) month period.

15.2.22 Failure to Meet Minimum Annual Royalty. If Franchisee fails to meet its Minimum Annual Royalty requirement in any given year during the Term.

15.3 **Upon 15 Days' Notice to Cure.** Franchisor has the right to terminate this Agreement if any of the following defaults remain uncured after providing notice and expiration of the fifteen (15) day cure period:

15.3.1 Nonpayment. If Franchisee fails to pay as and when due any sums owed to Franchisor, any of Franchisor's affiliates, or any of Franchisor's designated suppliers.

15.3.2 Under-reporting of Gross Rental Revenue. If any audit reveals that Franchisee has understated Franchisee's Gross Rental Revenues, Royalty or advertising payments, or Franchisee's local advertising expenditures, by more than two percent (2%), or if Franchisee has failed to submit timely reports and/or payments for any two (2) reporting periods within any twelve (12) month period, as described in Section 11 hereof.

15.3.3 Endorsement of Checks. If Franchisee fails to immediately endorse and deliver to Franchisor any payments due to Franchisor from any third party that is erroneously remitted to Franchisee.

15.3.4 Failure to Maintain Inventory. If Franchisee fails to maintain sufficient levels of inventory of applicable.

15.3.5 Failure to Open. If Franchisee fails to commence operations of Franchisee's Casago Business within the time prescribed in Section 7.3 hereof.

~~15.3.6 Interruption of Service. If Franchisee fails to maintain the prescribed days or hours of operation at the Casago Business.~~

~~15.3.7~~ 15.3.6 Failure to Personally Supervise Operations or Employ Adequately Trained Personnel. If Franchisee fails, in Franchisor's sole discretion, to personally supervise the day-to-day operation of the Casago Business or fails to employ one or more Designated Manager(s) to supervise the day-to-day operation of the Casago Business as required under this Agreement.

~~15.3.8~~ 15.3.7 Quality Control. If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

~~15.3.9~~ 15.3.8 Other Conduct Reflecting Adversely on System. If Franchisee conducts itself in a manner that, although not criminal, reflects adversely on the System, the Proprietary Marks, or the services or products offered through the System.

~~15.3.10~~ 15.3.9 Licenses and Permits. If Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of Franchisee's Casago Business.

15.4 **Upon 30 Days' Notice to Cure.** Franchisor has the right to terminate this Agreement after providing notice and a thirty (30) day cure period if Franchisee fails to perform or comply with any one or more of the terms or conditions of this Agreement or any ancillary agreements between Franchisee and Franchisor or Franchisor's affiliates.

15.5 **Step-In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to exercise complete authority with respect to the operation of the Casago Business until such time as Franchisor determines, in Franchisor's sole discretion, that the default has been cured and Franchisee is otherwise in

compliance with this Agreement. In the event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with Franchisor's operation of Franchisee's Casago Business including, without limitations, costs of personnel for supervising and staffing the Casago Business and their travel and lodging accommodations. Franchisee must also pay Franchisor an emergency management fee in the amount up to five percent (5%) of Gross Rental Revenue plus expenses. If Franchisor undertakes to operate the Casago Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings which may arise out of Franchisor's operation of the Casago Business.

15.6 **Nonwaiver.** Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due hereunder shall not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

15.7 **Final Charges.** In the event of termination for any default by Franchisee, Franchisee shall promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor because of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Casago Business.

## 16. **RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION**

16.1 **Franchisee's Obligations.** Upon termination of this Agreement, regardless of the cause, and upon expiration and nonrenewal or transfer of this Agreement, Franchisee must, at Franchisee's cost and expense:

16.1.1 Cease immediately all operations under this Agreement;

16.1.2 Immediately pay Franchisor all unpaid fees and pay Franchisor, Franchisor's affiliates, and Franchisor's designated suppliers and vendors all other monies owed;

16.1.3 Immediately discontinue the use of the Proprietary Marks;

16.1.4 Immediately return the Operations Manual to Franchisor, along with all other manuals and Confidential Information Franchisor loaned to Franchisee, and immediately and permanently cease use of any Confidential Information;

16.1.5 Immediately cease using all telephone numbers and listings, facsimile numbers and listings, and Internet listings used in connection with the operation of the Casago Business and direct the applicable company to transfer all such numbers and listings to Franchisor or Franchisor's designee pursuant to the Conditional Assignment of Telephone Numbers attached hereto as Exhibit B or, if Franchisor directs, to disconnect the numbers and delete the listings;

16.1.6 Promptly surrender all stationery, printed matter, signs, advertising materials and other items containing the Proprietary Marks, and all items which are a part of the trade dress of the System, as Franchisor directs;

16.1.7 Cease to hold itself out as Franchisor's franchisee;

16.1.8 Take such action as shall be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark Franchisor licensed to Franchisee, and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after the termination, expiration or transfer of this Agreement;

16.1.9 Permit Franchisor to make final inspection of Franchisee's financial records, books, and other accounting records at any time within six (6) months of the effective date of termination, expiration, or transfer;

16.1.10 Comply with the post-termination covenants set forth in Section 17 hereof, all of which shall survive the transfer, termination or expiration of this Agreement;

16.1.11 Cease to use in advertising or in any other manner, any methods, procedures or techniques associated with Franchisor or the System;

16.1.12 Transfer all rights and access to any proprietary software program used in connection with the Casago Business; and

16.1.13 Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 16.

16.2 **Power of Attorney.** Franchisee hereby irrevocably appoints Franchisor as Franchisee's attorney-in-fact to execute in Franchisee's name and on Franchisee's behalf all documents necessary to discontinue Franchisee's use of the Proprietary Marks and the Confidential Information.

### 16.3 **Option to Purchase Personal Property.**

16.3.1 Upon the termination or expiration of this Agreement, Franchisor or Franchisor's designee shall also have the option, but not the obligation, to purchase any personal property used in connection with operation of Franchisee's Casago Business by providing Franchisee written notice of Franchisor's election within sixty (60) days after such termination or expiration and paying Franchisee the book value for such personal property within sixty (60) days of such notice. For purposes of this paragraph, "book value" means the amount Franchisee actually paid for the personal property less depreciation (calculated by using the straight-line depreciation method on a five (5) year depreciation schedule, irrespective of the depreciation method or schedule Franchisee uses for accounting purposes). Notwithstanding the foregoing, to the extent that Franchisor exercises its right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property shall equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Franchisor shall be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Casago Business, or Franchisor may require that Franchisee close the Casago Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase personal property. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

16.3.2 Exclusions. Franchisor may exclude from the personal property purchased hereunder cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Casago Business's ~~operation or that Franchisor has not approved as meeting standards for the Casago Business~~operations.

## 17. COVENANTS

Franchisee acknowledges that as a member of Franchisor's System, Franchisee will receive proprietary and Confidential Information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, Franchisee agrees as follows:

**17.1 During the Term of This Agreement.** During the term of this Agreement, neither Franchisee, Franchisee's officers, directors, principals, or Designated Manager, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, principals, or Designated Manager may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.1.1 Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any business providing property rental or management services, or any other business offering products and services offered or authorized for sale by System franchisees (a "Competing Business"); provided, however, that this Section does not apply to Franchisee's operation of any other Casago Business; or

17.1.2 Divert or attempt to divert any business or customer or prospect of the Casago Business to any Competing Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

### 17.2 **After the Term of This Agreement.**

17.2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, Franchisee's officers, directors, or principals, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business that is competing in whole or in part with Franchisor by granting franchises or licenses to operate a Competing Business.

17.2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of this Agreement, regardless of the cause, neither Franchisee, Franchisee's officers, directors, or principals, nor any member of the immediate family of Franchisee or Franchisee's officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

17.2.2.1 Own, maintain, engage in, be employed by, or have any interest in any Competing Business located: (i) within the Territory granted to Franchisee hereunder; or (ii) within a radius of twenty (20) miles of the perimeter of, (a) the Territory being granted hereunder, or (b) any other territory licensed by Franchisor as of the date of expiration, termination or transfer of this Agreement; or

17.2.2.2 Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

17.3 **Intent and Enforcement.** It is the parties' intent that the provisions of this Section 17 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Section 17, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee agrees that in the event of the actual or threatened breach of this Section 17, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 17 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 17 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 17 shall be tolled during any default under this Section.

17.4 **No Defense.** Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) which Franchisor incurs in connection with the enforcement of this Section 17.

## 18. DISPUTE RESOLUTION

18.1 **Choice of Law.** This Agreement shall be governed by the laws of the State of Arizona.

18.2 **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's President and/or Chief Executive Officer, after providing notice as set forth in Section 18.6 below. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally shall survive termination or expiration of this Agreement.

18.3 **Mediation.** At Franchisor's option, all claims or disputes between Franchisee and Franchisor or its affiliates arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor or its affiliates, or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure set forth in Section 18.2 above, must be submitted first to non-binding mediation, in or near Scottsdale, Arizona, or the city where Franchisor's headquarters is then-located, under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and

Franchisor and Franchisee shall share mediation costs equally. This agreement to mediate shall survive any termination or expiration of this Agreement.

18.3.1 The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 18.3 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

18.3.1.1 Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information; Any claims regarding past-due amounts owed to Franchisor under the Franchise Agreement;

18.3.1.2 Any claims pertaining to or arising out of any warranty issue; or

18.3.1.3 Any of the restrictive covenants contained in this Agreement.

18.4 **Selection of Venue.** The parties expressly agree to the jurisdiction and venue of any court of general jurisdiction in Scottsdale, Arizona, or the city where Franchisor's headquarters is then-located and the jurisdiction and venue of the United States District Court where Franchisor's headquarters it then-located. Franchisee acknowledges that this Agreement has been entered into in the State of Arizona, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's business operations in Scottsdale, Arizona, or in the city where Franchisor's headquarters is currently located. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts set forth above. Nothing contained in this Agreement shall prevent Franchisor from applying to and obtaining from any court having jurisdiction a writ of attachment, a temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests.

18.5 **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including the mediation provision set forth in this Section 18, each having authority to specifically enforce the right to mediate claims asserted against such person(s) by Franchisee.

18.6 **Prior Notice of Claims.** As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

18.7 **No Right to Offset.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

18.8 **Injunctive Relief.** Nothing in this Agreement shall prevent Franchisor from seeking to obtain injunctive relief, without posting a bond, against threatened conduct that will cause Franchisor loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary and permanent injunctions. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance.

18.9 **Limitation of Action.** Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the

expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

18.9.1 Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

18.10 **Waiver of Punitive Damages.** Franchisee hereby waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

**18.11 THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, OPERATION OF THE CASAGO BUSINESS AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY PRODUCTS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE CASAGO BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.**

## **19. REPRESENTATIONS**

**19.1 No Authority.** NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT FRANCHISOR'S AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. FRANCHISEE ACKNOWLEDGES THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY FRANCHISOR OR ON FRANCHISOR'S BEHALF WHICH HAVE LED FRANCHISEE TO ENTER INTO THIS AGREEMENT. FRANCHISEE UNDERSTANDS THAT WHETHER FRANCHISEE SUCCEEDS AS A FRANCHISEE IS DEPENDENT UPON FRANCHISEE'S EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF FRANCHISEE'S EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND FRANCHISOR'S CONTROL OR INFLUENCE. FRANCHISEE FURTHER UNDERSTANDS THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT FRANCHISOR HAS MADE NO REPRESENTATION THAT FRANCHISEE WILL DO AS WELL AS ANY OTHER FRANCHISEE.

**19.2 Opportunity for Review by Franchisee’s Advisors.** FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS RECOMMENDED, AND THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT BY FRANCHISEE’S LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO EXECUTION.

**19.3 Execution of Agreement.** EACH OF THE UNDERSIGNED PARTIES WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF FRANCHISEE IS A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF SUCH PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY WARRANTS TO FRANCHISOR, BOTH INDIVIDUALLY AND IN HIS OR HER CAPACITY AS PARTNER OR OFFICER, THAT ALL OF THE PARTNERS OF THE PARTNERSHIP, ALL OF THE SHAREHOLDERS OF THE CORPORATION OR ALL OF THE MEMBERS/MANAGERS OF THE LIMITED LIABILITY COMPANY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER INTERESTS IN THE PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY.

**20. GUARANTY**

If Franchisee is a corporation, or subsequent to execution hereof, Franchisee assigns this Agreement to a corporation, all shareholders of Franchisee’s outstanding shares (or if Franchisee is a partnership, or subsequent to execution hereof, Franchisee assigns this Agreement to a partnership, all partners, or if Franchisee is a limited liability company, or subsequent to execution hereof Franchisee assigns this Agreement to a limited liability company, all members and managers ) hereby personally and unconditionally guarantee without notice, demand, or presentment, the payment of all of Franchisee’s monetary obligations under this Agreement, and any other agreement between Franchisee and Franchisor and/or Franchisor’s affiliates, as if each were an original party to this or any other agreement in his or her individual capacity. All such personal guarantors further agree to be bound by the restrictions of Franchisee’s activities upon transfer, termination, or expiration and nonrenewal of this Agreement as if each were an original party to this Agreement in his or her individual capacity. All such personal guarantors must execute a continuing personal guarantee in the form attached hereto as Exhibit A.

**21. NOTICES**

All notices and requests to be given under this Agreement are to be in writing, and delivered by either certified mail, or via a recognized courier service offering a delivery receipt (e.g., UPS or FedEx), to the following addresses (which may be changed by written notice):

Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Franchisor: Casago International LLC  
15475 North Greenway Hayden Road, Suite B2  
Scottsdale, Arizona 85260

With a copy to: ~~Fisher Zucker, LLC 21 South 21<sup>st</sup> Street Philadelphia, PA 19103~~ C. David Martinez, Esq. Law Offices of C. David Martinez, PLLC

## 22. MISCELLANEOUS

22.1 **Entire Agreement.** This Agreement contains the entire Agreement of the parties. There are no representations, either oral or written, except those contained in this Agreement. This written Agreement includes all representations between the parties. This Agreement may not be modified except by a written document signed by both parties. Nothing in the Agreement is intended to disclaim the representations made in the franchise disclosure document that was furnished to Franchisee.

22.2 **Construction of Language.** The language of this Agreement shall be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Franchisee, their obligations and liabilities shall be joint and several. Headings are for reference purposes and do not control interpretation. Reference to “immediate family” means spouse, parents, children and siblings and spouse’s parents, children and siblings. Reference to Franchisee’s “principals” means Franchisee’s partners, officers, directors, shareholders, members and managers, as applicable. References to “Franchisor” and “Franchisee” include the party’s successors, assigns or transferees.

22.3 **Severability.** If any provision of this Agreement is deemed invalid or inoperative for any reason, that provision shall be deemed modified to the extent necessary to make it valid and operative or, if it cannot be so modified, it shall then be severed, and the remainder of that provision shall continue in full force and effect as if this Agreement had been signed with the invalid portion so modified or eliminated; provided, however, that if any part of this Agreement relating to payments to Franchisor or any of its affiliates, or protection of the Proprietary Marks or the Confidential Information, including the Operations Manual and Franchisor’s other trade secrets, is declared invalid or unenforceable, then Franchisor at Franchisor’s option may terminate this Agreement immediately upon written notice to Franchisee.

22.4 **State Law Applies.** If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which Franchisee’s Casago Business is located, then the valid law or regulation of that state applicable to the franchise shall supersede any provision of this Agreement that is less favorable to Franchisee.

22.5 **Additional Documentation.** Franchisee must from time to time, subsequent to the date first set forth above, at Franchisor’s request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Franchisor reasonably may require in order to effectuate the transactions contemplated herein. In the event that Franchisee fails to comply with the provisions of this Section, Franchisee hereby appoints Franchisor as Franchisee’s attorney-in-fact to execute all such documents on Franchisee’s behalf.

22.6 **Force Majeure.** Neither Franchisee, Franchisor, nor Franchisor’s affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, pandemics, governmental acts or orders, or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as the parties agree in writing or will excuse performance, in whole or in part, as Franchisor deems reasonable.

**22.7 Anti-Terrorist Activities.** Franchisee certifies that neither Franchisee, nor Franchisee's owners, principals, employees nor anyone associated with Franchisee is listed in the Annex to Executive Order 13224 (the "Annex"). Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's owners, principals, employees, or anyone associated with Franchisee being listed in the Annex. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents, and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's owners or principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 13.2 of this Agreement pertain to Franchisee's obligations under this Section 22.7. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchisee's owners, principals or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Section 15.2.19 of this Agreement. As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts or acts of war.

**22.8 Attorneys' Fees.** If Franchisee is in breach or default of any monetary or nonmonetary material obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Casago Business. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

## 23. ACKNOWLEDGMENTS

23.1 **Independent Investigation.** Franchisee acknowledges that Franchisee has conducted an independent investigation of the Casago Business contemplated by this Agreement and recognizes that it involves business risks which make the success of the venture largely dependent upon Franchisee's business abilities and efforts. Franchisee acknowledges that Franchisee has been given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that Franchisor has advised Franchisee to have this Agreement reviewed by an attorney.

23.2 **No Guarantees or Representations of Earnings.** Franchisee understands that Franchisor and any of Franchisor's representatives and/or agents with whom Franchisee has met have not made and are not making any guarantees or representations as to the extent of Franchisee's success in operating a Casago Business, and have not and are not in any way representing or promising any specific amounts of earnings or profits associated with Franchisee's operation of the Casago Business.

23.3 **Receipt of Disclosure Document.** Franchisee acknowledges that this Agreement and Franchisor's Franchise Disclosure Document, or "FDD", have been in Franchisee's possession for at least fourteen (14) days before Franchisee signed this Agreement and before Franchisee's payment of any monies to Franchisor, refundable or otherwise, and that any material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before Franchisee signed this Agreement.

23.4 **No Personal Liability.** Franchisee agrees that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company shall be personally liable to Franchisee for any reason. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

*[Signature Page Follows]*

**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.**

**FRANCHISEE:**

\_\_\_\_\_  
(Individual, Partnership or Corporation Name)

By: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

**PERSONAL GUARANTORS**

\_\_\_\_\_  
\_\_\_\_\_

**CASAGO INTERNATIONAL LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

|



**EXHIBIT A**  
**to**  
**CASAGO INTERNATIONAL LLC**  
**FRANCHISE AGREEMENT**  
  
**PERSONAL GUARANTY**

## PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, EACH OF FRANCHISEE'S SHAREHOLDERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A PARTNERSHIP, EACH OF FRANCHISEE'S PARTNERS MUST EXECUTE THE FOLLOWING UNDERTAKING. IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH OF FRANCHISEE'S MEMBERS AND MANAGERS MUST EXECUTE THE FOLLOWING UNDERTAKING.

### ARTICLE I PERSONAL GUARANTY

The undersigned persons (individually and collectively "you") hereby represent to Casago International LLC ("Franchisor" or "Casago") that you are all of the shareholders of \_\_\_\_\_ ("Franchisee"), or all of the partners of Franchisee, or all of the members and managers of Franchisee, as the case may be. In consideration of the grant by Franchisor to the Franchisee as herein provided, each you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing Casago International LLC franchise agreement (the "Franchise Agreement"), and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation, any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement and that you (jointly and severally) will not permit or cause any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed transfer, which consent must not be unreasonably withheld, and without first paying or causing to be paid to Franchisor the transfer fee provided for in said Franchise Agreement, if applicable, and without otherwise complying with the transfer provisions of the foregoing Franchise Agreement. You agree to be bound by the dispute resolution procedures set forth in the Franchise Agreement. You further agree to be bound by the in-term and post-term covenants against competition of the aforesaid Franchise Agreement.

### ARTICLE II CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this personal guaranty (the "Guaranty"), you will receive information, which Franchisor considers its trade secrets and confidential information. You shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any "Confidential Information", as such term is defined in the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential, will be deemed Confidential Information for purposes of this Guaranty.

### ARTICLE III NON-COMPETITION

You acknowledge that as a participant in the Franchisor's franchise System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore to protect Franchisor and all Franchisor's franchisees, you agree as follows:

1) **During the Term of the Franchise Agreement and this Guaranty.** During the term of the Franchise Agreement and this Guaranty, neither you, nor your principals, officers, or directors, nor any members of your immediate family or the immediate family of your principals, officers, or directors may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

a) Own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in in any business providing property rental or management services, or any other business offering products and services offered or authorized for sale by System franchisees (a “Competing Business”); provided, however, that this Section does not apply to your operation of any other Casago Business under the Casago Proprietary Marks and System; and

b) Divert or attempt to divert any business or customer or prospect of the Casago Business to any Competing Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

2) **After the Term of This Agreement.**

a) For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor any member of your immediate family or the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation enter into any business competing in whole or in part with Franchisor in granting franchises or licenses to operate a Competing Business at the time the Franchise Agreement is terminated or otherwise expires and is not renewed.

b) For a period of two (2) years after the expiration, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your officers, directors, or principals, nor any member of your immediate family or the immediate family of your officers, directors, or principals may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed by, or have any interest in any Competing Business at the time of termination or expiration and nonrenewal (i) at the Casago Business; (ii) within the territory (the “Territory”); or (iii) within a radius of twenty (20) miles of the perimeter of (a) the Territory being granted hereunder or (b) any other territory licensed by Franchisor as of the date of expiration or termination of this Agreement; or

(ii) Interfere with our business relationships or with anyone or any entity with which we have a business relationship.

3) **Intent and Enforcement.** It is the parties’ intent that the provisions of this Article III be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article III by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article

III, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that you have previously worked or been gainfully employed in other careers and that the provisions of this Article III in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article III shall be tolled during any default under the Franchise Agreement and this Guaranty.

## ARTICLE IV MISCELLANEOUS

1) **Acknowledgment.** You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's Proprietary Marks or its System.

2) **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Arizona.

3) **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Guaranty to Franchisor's Chief Executive Officer and/or President. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.

4) **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor arising out of, or in any way relating to, this Guaranty or the Franchise Agreement or any other agreement by and between you and the Franchisor, or any of the parties' respective rights and obligations arising from such agreements, must be submitted first to non-binding mediation, in Scottsdale, Arizona, or in the city where Franchisor's headquarters is then-located, under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. You may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party shall bear its own cost of mediation and the parties shall share the cost of mediator. This agreement to mediate at our option shall survive the termination or expiration of the Franchise Agreement.

a) The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 4 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating):

(i) Any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information;

(ii) Any claims arising out of or pertaining to any warranty issued; or

(iii) Any of the restrictive covenants contained in this agreement.

5) **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the Franchise Agreement and this Guaranty, and the mediation provisions

contained herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.

6) **Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interests prior to the filing of any mediation proceeding or pending the trial or handing down of a decision or award pursuant to any mediation or judicial proceeding conducted hereunder.

7) **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation, the parties expressly agree submit to the jurisdiction and venue of any court of general jurisdiction in Scottsdale, Arizona, or in the city where Franchisor's headquarters is then-located, and the jurisdiction and venue of the United States District Court where Franchisor's headquarters is then-located.

8) **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS PERSONAL GUARANTY OR THE FRANCHISE AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

9) **Waiver of Punitive Damages.** You waive, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Personal Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

10) **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or the Franchise Agreement may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the Franchisor, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

11) **Attorneys' Fees.** If either party institutes any mediation action or judicial proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Guaranty and the Franchise Agreement, and Franchisor prevails in such action, you shall be liable to Franchisor for all costs, including reasonable attorneys' fees, incurred in connection with such proceeding.

12) **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty and the Franchise Agreement shall not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this

Guaranty shall be cumulative. Franchisor’s election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

13) **Severability.** The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning which renders it valid and enforceable. The provisions of this Guaranty are severable, and this Guaranty shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

14) **Construction of Language.** Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

15) **Successors.** References to “Franchisor”, “the undersigned,” or “you” include the respective parties’ successors, assigns or transferees.

16) **No Personal Liability.** You agree that fulfillment of any and all of Franchisor’s obligations written in this Guaranty or in the Franchise Agreement or based on any oral communications which may be ruled to be binding in a Court of Law shall be Franchisor’s sole responsibility and none of Franchisor’s agents, representatives, nor any individuals associated with Franchisor’s franchise company shall be personally liable to Franchisee or you for any reason.

## PERSONAL GUARANTORS

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**EXHIBIT B**  
**to**  
**CASAGO INTERNATIONAL LLC**  
**FRANCHISE AGREEMENT**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE'S TELEPHONE NUMBERS,  
FACSIMILE NUMBERS AND DOMAIN NAMES**

**CONDITIONAL ASSIGNMENT OF FRANCHISEE’S TELEPHONE NUMBERS,  
FACSIMILE NUMBERS AND DOMAIN NAMES**

1. \_\_\_\_\_ (“Assignor”), in exchange for valuable consideration provided by Casago International LLC (“Assignee”), receipt of which is hereby acknowledged, hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its Casago Business (the “Assigned Property”). The Assigned Property includes the following:

Telephone Number(s): \_\_\_\_\_

Facsimile Number(s): \_\_\_\_\_

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement): \_\_\_\_\_

2. The conditional agreement will become effective automatically upon termination or expiration of Assignor’s franchise agreement. Upon the occurrence of that condition, Assignor must do all things required by the telephone company, domain name registrar, or other applicable entity to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company, domain name registrar, and/or other applicable entity, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay to effectuate this Assignment, and agrees to fully cooperate with the telephone company, domain name registrar, and/or any other applicable entity, as well as the Assignee, in effectuating this assignment.

**ASSIGNOR:**

BY: \_\_\_\_\_

Date: \_\_\_\_\_

TITLE: \_\_\_\_\_

**ASSIGNEE:**

**CASAGO INTERNATIONAL LLC**

BY: \_\_\_\_\_

Date: \_\_\_\_\_

TITLE: \_\_\_\_\_

**EXHIBIT C**  
**to**  
**CASAGO INTERNATIONAL LLC**  
**FRANCHISE AGREEMENT**

**CONFIDENTIALITY AND RESTRICTIVE COVENANT AGREEMENT**

~~CONFIDENTIALITY AND RESTRICTIVE COVENANT~~ AGREEMENT

*(for trained employees, shareholders, officers, directors,  
general partners, members and managers and Designated Manager of Franchisee)*

In consideration of my being a ~~of~~ \_\_\_\_\_ of \_\_\_\_\_ (the “Franchisee”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that Franchisee has acquired the right from Casago International LLC (the “Company”) to establish and operate a franchised business (the “Casago Business”) and the right to use in the operation of the Casago Business the Company’s trade names, trademarks and service marks (the “Proprietary Marks”) and the Company’s unique and distinctive format and system relating to the establishment and operation of Casago Businesses (the “System”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion.

1. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes but is not limited to information regarding the set-up of a Casago Business; information about proprietary merchandise and services; any proprietary software we may now or in the future create; our Operations Manual; trade secrets; price marketing mixes related to the sale of goods or services offered or authorized for sale by System franchisees; cleaner recruitment strategy; standards and specifications for cleaning and customer service; systems and training manuals; compensation systems; marketing strategies; online social marketing systems; merchandise sales systems; sales training; location identification and acquisition; ongoing training; general operations; our copyrighted materials; and methods and other techniques and know-how concerning the of operation of the Casago Business which may be communicated to you or of which you may be apprised by virtue of your operation of a Casago Business (collectively, the “Confidential Information”).

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

3. The Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the Casago Franchising LLC Operations Manual and other general assistance during the term of this Agreement.

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

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

6. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership,

corporation or limited liability company, own, maintain, engage in, be employed by, or have any interest in any other business which operates or licenses any other Competing Business, as that term is defined in Section 17.1.1 of the Casago Franchising LLC Franchise Agreement, except a Casago Business operating under the System and Proprietary Marks.

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

8. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

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

10. This Agreement shall be construed under the laws of Arizona. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ACKNOWLEDGED BY FRANCHISEE**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT D**  
**to**  
**CASAGO INTERNATIONAL LLC**  
**FRANCHISE AGREEMENT**

**ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION**

**ELECTRONIC FUNDS WITHDRAWAL AUTHORIZATION**

Bank Name : \_\_\_\_\_  
ABA# : \_\_\_\_\_  
Acct. No. : \_\_\_\_\_  
Acct. Name : \_\_\_\_\_

Effective as of the date of the signature below, \_\_\_\_\_ (“Franchisee”) hereby authorizes Casago International LLC (“Company”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to make the following payments to Company under the Franchise Agreement for the franchise located at \_\_\_\_\_: (1) all Royalty fees, Marketing Fees, Technology Fees and Booking Channel Fees; (2) all contributions to the System Marketing Fund; and (3) any others fees that the Company may impose under the terms of Franchisee’s Franchise Agreement from time to time. Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. Company is also authorized to deposit funds into the above-referenced account, electronically or otherwise. This authorization shall remain in full force and effect until terminated in writing by Company. Franchisee shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

ATTEST:

FRANCHISEE

\_\_\_\_\_

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Its: \_\_\_\_\_

**EXHIBIT E  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**SAMPLE TERMINATION AND RELEASE AGREEMENT**

**SAMPLE TERMINATION OF FRANCHISE AGREEMENT AND RELEASE  
UPON TRANSFER TO AN AUTHORIZED FRANCHISEE**

This Termination of Franchise Agreement and Release (the “Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Casago International LLC, an Arizona limited liability company, with its principal business address at 15475 N Greenway Hayden Loop, Suite B2, Scottsdale, ~~Arizona~~[AZ](#) 85260

(“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_  
\_\_\_\_\_ with an address at \_\_\_\_\_ (“Transferor”).

**BACKGROUND**

~~with an address at~~

A. On \_\_\_\_\_, Transferor entered into a franchise agreement (the “Franchise Agreement”) with Franchisor for the right to operate a franchised business at \_\_\_\_\_ (“Franchised Business”).

B. Transferor has satisfied all conditions of transfer as specified in the Franchise Agreement and now desires to sell the Franchised Business to \_\_\_\_\_, who has been approved by Franchisor as an authorized transferee.

C. In order to complete Transferor’s sale of the business, Transferor now desires to terminate the Franchise Agreement and all rights and obligations between the parties relating to the Franchise Agreement, and Franchisor desires to accept such termination, pursuant to the terms of this Agreement.

### **AGREEMENT**

In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows:

1. Subject to the terms and conditions contained in this Agreement, the Franchise Agreement and all rights and obligations between Franchisor and Transferor arising from or related to the Franchise Agreement are terminated, effective as of the date of this Agreement.

2. Notwithstanding anything in this Agreement to the contrary, the parties agree that Transferor will remain bound by all of the post-term covenants and obligations contained in the Franchise Agreement including, without limitation, those relating to Confidential Information and non-competition.

3. Transferor represents and warrants that all of Transferor’s monetary obligations to Franchisor and its subsidiaries and affiliates have been satisfied in full as of the date of this Agreement.

4. Transferor, for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges Franchisor and its present and former officers, employees, shareholders, directors, agents, servants, representatives, affiliates, successors and assigns (the “Franchisor Releasees”) from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys’ fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Franchisor Releasees arising out of or related to the offer, sale and operation of the Casago Business, and the parties’ rights or obligations under the Franchise Agreement.

5. Excluding the indemnification obligations set forth in the Franchise Agreement, and Transferor’s obligations as set forth in paragraph 2 of this Agreement, Franchisor, for itself and all persons and entities claiming by, through or under it, releases, acquits and forever discharges Transferor and Transferor’s employees, agents, servants, representatives, affiliates, successors and assigns (the “Transferor Releasees”) from all obligations, claims, debts, demands, covenants, contracts, promises, agreements, liabilities, costs, attorneys’ fees, actions or causes of action whatsoever, whether known or unknown, which it, by itself, on behalf of, or in conjunction with any other person, persons, partnership or corporation, have, had or claim to have against the Transferor Releasees arising out of or related to the offer, sale and operation of the business, and the parties’ rights or obligations under the Franchise Agreement.

6. This Agreement constitutes the entire integrated agreement of the parties with respect to the subject matter contained in this Agreement, and may not be subject to any modification without the written consent of the parties.

7. This Agreement will be construed under the laws of the State of Arizona, which laws will control in the event of any conflict of law.

8. This Agreement will be for the benefit of and binding upon the parties and their respective representatives, successors and assigns.

9. Each party acknowledges that the terms of this Agreement have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain and confer with counsel. This Agreement is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not embodied in this Agreement.

10. In the event that Franchisor retains the services of legal counsel to enforce the terms of this Agreement, it will be entitled to recover all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Agreement.

11. Transferor agrees that Transferor has and had a relationship with Franchisor at its headquarters in in the city and state where it are located and that, with the exception of Franchisor's right to seek injunctive relief in any appropriate jurisdiction, any action by or against Franchisor arising out of or relating to this Agreement will be commenced and concluded in city and state where Franchisor's headquarters is located pursuant to the dispute resolution provisions of the Franchise Agreement.

12. This Agreement may be executed in multiple counterparts by the various parties and the failure to have the signatures of all parties on a single Agreement will not affect the validity or enforceability of any part of this Agreement against any party who executes any counterpart of the Agreement. Executed facsimile copies of this Agreement will be deemed to be effective as original signatures.

13. Notice for Washington Franchisees: This general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

*[signatures on following page]*

**I HAVE READ THE ABOVE AGREEMENT AND UNDERSTAND ITS TERMS. I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS.**

**CASAGO INTERNATIONAL LLC**

**TRANSFEROR**

By: \_\_\_\_\_ ~~By:~~ \_\_\_\_\_  
By: \_\_\_\_\_

**EXHIBIT F  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF OPEN FRANCHISEES**

**AND**

**LIST OF FRANCHISEES WITH SIGNED  
FRANCHISE AGREEMENTS BUT NOT OPEN**

**LIST OF FRANCHISEES OPEN AS OF DECEMBER 31, 2022**

	<u>State</u>	<u>City</u>	<u>Legal Name/Entity of Franchisee</u>	<u>Address of Franchised Business</u>	<u>City</u>	<u>State</u>	<u>Zipcode</u>	<u>Phone/Franchisee Telephone Number</u>
1	<u>Alabama</u>	<u>Fort Payne</u>		<u>Creative Event Solutions, LLC</u>	<u>6202 Greenhill Blvd NE Fort Payne, AL 35967</u>			<u>(256) 604-1093</u>
2	<u>Arizona</u>	<u>Overgaard</u>		<u>Serenity North, LLC</u>	<u>2947 AZ-260, Overgaard, AZ 85933</u>			<u>(928) 275-3976</u>
3	<u>California</u>	<u>Truckee</u>		<u>Tahoe Truckee Vacation Properties, Inc.</u>	<u>10059 Palisades Drive #1 Truckee, CA 96161</u>			<u>(530) 582-6186</u>
	<u>DoneRight Management, LLC</u>	<u>200 E Park Street</u>	<u>McCall</u>	<u>Idaho</u>	<u>83638</u>			<u>(208) 634-0030</u>
	<u>Casago Snowshoe, LLC</u>	<u>562 Cass Road</u>	<u>Slatyfork</u>	<u>West Virginia</u>	<u>26291</u>			<u>(304) 572-2121</u>
4	<u>California</u>	<u>Vista</u>	<u>Eleva3, Inc.</u>	<u>1559 Parkview Drive, Vista, CA 92081</u>	<u>Vista</u>	<u>California</u>	<u>92081</u>	<u>(706) 999-0171</u>
	<u>Robb Rentals, LLC</u>	<u>4121 Quakie Lane</u>	<u>Island Park</u>	<u>Idaho</u>	<u>83429</u>			<u>(208) 462-3475</u>
	<u>Roman Tomkiv</u>	<u>5604 Southwest Parkway #0934</u>	<u>Austin</u>	<u>Texas</u>	<u>78735</u>			<u>(970) 680-1983</u>
	<u>Fluid RE Solutions, LLC</u>	<u>104 E 600 S, PMB 414</u>	<u>Heber City</u>	<u>Utah</u>	<u>84032</u>			<u>(435) 659-2340</u>
5	<u>California</u>	<u>Kings Beach</u>	<u>Tahoe Moon Properties, Inc.</u>	<u>241 Raccoon Street, Kings Beach, CA 834143</u>	<u>Kings Beach</u>	<u>California</u>	<u>96143</u>	<u>(530) 581-2771</u>
6	<u>California</u>	<u>Palm Springs</u>		<u>GRB Properties, Inc.</u>	<u>P.O. Box 590, Palm Springs, CA 92263</u>			<u>(760) 621-8889</u>
7	<u>California</u>	<u>Arcata</u>		<u>Redwood Coast Properties</u>	<u>89 E. 15<sup>th</sup> Street, Arcata, CA 95521</u>			<u>(707) 602-5800</u>
8	<u>Colorado</u>	<u>Highlands Ranch</u>		<u>Hosting from the Heart, LLC</u>	<u>10021 Stratford Lane, Highlands Ranch, CO 80126</u>			<u>(720) 575-4500</u>
9	<u>Florida</u>	<u>Miami</u>		<u>Andres Gonzales and Gabi Zahler</u>	<u>14670 SW 99 CT., Miami, FL 33176</u>			<u>(954) 363-1217</u>

	<u>State</u>	<u>City</u>	<u>Legal Name/Entity of Franchisee</u>	<u>Address of Franchised Business</u>	<u>City</u>	<u>State</u>	<u>Zipcode</u>	<u>Phone/Franchisee Telephone Number</u>
10	<u>Florida</u>	<u>Fort Pierce</u>		Treasure Coast Hospitality Services, LLC	305 S. 7 <sup>th</sup> Street, Fort Pierce, FL 34950	Florida	34950	(772) 204-0090
	Kovi Real Estate Holdings, LLC	1021 61 <sup>st</sup> Street, Ste 100-B	Galveston	Texas	77551			(409) 974-4598
11	<u>Florida</u>	<u>Niceville</u>		TDB Homes, LLC	532 Golf Course Drive, Niceville, FL 32578	Florida	32578	(850) 598-2161
12	<u>Florida</u>	<u>Flagler Beach</u>	<u>Jesse &amp; Jamie Karanas</u>		300 S. Daytona Avenue #1316n, Flagler Beach, FL 32136			(904) 569-0039
13	<u>Hawaii</u>	<u>Kona</u>	<u>Casago Kona, LLC</u>		75-5656 Kuakini Hwy, Suite 202, Kailua-Kona, HI 96740			(707) 496-8746
14	<u>Idaho</u>	<u>McCall</u>	<u>DoneRight Management, LLC</u>		200 E Park Street, McCall, ID 83638			(208) 634-0030
15	<u>Idaho</u>	<u>Island Park</u>	<u>Robb Rentals, LLC</u>		4121 Quakie Lane, Island Park, ID 83429			(208) 462-3475
	Hosting from the Heart, LLC	10021 Stratford Lane	Highlands Ranch	Colorado	80126			(720) 575-4500

	<u>State</u>	<u>City</u>	<u>Legal Name/Entity of Franchisee</u>	<u>Address of Franchised Business</u>	<u>City</u>	<u>State</u>	<u>Zipcode</u>	<u>Phone/Franchisee Telephone Number</u>
16	<u>Idaho</u>	<u>Garden Valley</u>		Idaho Vacation Cabins, LLC	12 Timberline Drive, Garden Valley, ID 83622	Idaho	83622	(208) 462-3475
17	<u>Idaho</u>	<u>Ketchum</u>		<u>Michaels Vacation Rentals, LLC</u>	340 River Street West, Ketchum, ID 83340			(208) 900-6292
18	<u>Minnesota</u>	<u>Duluth</u>		<u>River West Vacation Homes</u>	4257 Haines Rd. Hermantown, MN 55811			(218) 524-9972
19	<u>Montana</u>	<u>Whitefish</u>		<u>Whitefish Stays, LLC</u>	102 E. 2 <sup>nd</sup> Street, Whitefish, MT 59937			(406) 730-3338
20	<u>Nevada</u>	<u>Henderson</u>		<u>JB Spisso and Iлона Melnichenko</u>	1034 Delbrook Ave, Henderson, NV 89012			(845) 242-7828
21	<u>Oregon</u>	<u>Canby</u>		<u>MMDR LLC</u>	1109 SW 1st Ave Suite F #411 Canby, OR 97013			(503) 924-5115
22	<u>Oregon</u>	<u>Sunriver</u>		Cascara Vacation Rentals, LLC	5710 Beaver Drive, Ste 6, Sunriver, OR 97107	Oregon	97707	(800) 531-1130
23	<u>South Carolina</u>	<u>Myrtle Beach</u>		<u>Larowe Property Management LLC, DBA Coastline Beach Rentals</u>	516 Broadway St., Myrtle Beach, SC 29577			(843) 999-2837

	<u>State</u>	<u>City</u>	<u>Legal Name/Entity of Franchisee</u>	<u>Address of Franchised Business</u>	<u>City</u>	<u>State</u>	<u>Zipcode</u>	<u>Phone/Franchisee Telephone Number</u>
24	<u>Texas</u>	<u>Bolivar Peninsula</u>	<u>Bolivar Vacations, A Series of Scruggs Real Estate,</u>	<u>P.O. Box 678 Waxahachie, TX 75168</u>				<u>972-441-5606</u>
25	<u>Texas</u>	<u>Fredricksburg</u>	<u>Roman Tomkiv</u>	<u>5604 Southwest Parkway #0934, Austin, TX 78735</u>				<u>(970) 680-1983</u>
26	<u>Texas</u>	<u>Galveston</u>	<u>Kovi Real Estate Holdings, LLC</u>	<u>1021 61<sup>st</sup> Street, Ste 100-B, Galveston, TX 77551</u>				<u>(409) 974-4598</u>
27	<u>Texas</u>	<u>Port Isabel</u>	<u>Destination Padre, LLC</u>	<u>33840 S. Garcia Street, Unit 218, Port Isabel, TX 78578</u>	<u>Texas</u>		<u>78578</u>	<u>(956) 410-2234</u>
28	<u>Texas</u>	<u>Pflugerville</u>	<u>Highland Lakes - Y-Man Holdings LLC</u>	<u>16816 Aventura Avenue, Pflugerville, TX 78660</u>				
29	<u>Utah</u>	<u>Heber City</u>	<u>Fluid RE Solutions, LLC</u>	<u>104 E 600 S, PMB 414, Heber City, UT 84032</u>				<u>(435) 659-2340</u>
	<u>GRB Properties, Inc.</u>	<u>PO Box 590</u>	<u>Palm Springs</u>	<u>California</u>	<u>92263</u>			<u>(760) 621-8889</u>
	<u>Whitefish Stays, LLC</u>	<u>102 E. 2<sup>nd</sup> Street</u>	<u>Whitefish</u>	<u>Montana</u>	<u>59937</u>			<u>(406) 730-3338</u>
	<u>Redwood Coast Properties</u>	<u>89 E. 15<sup>th</sup> Street</u>	<u>Arcata</u>	<u>California</u>	<u>95521</u>			<u>(707) 602-5800</u>
	<u>Jesse &amp; Jamie Karanas</u>	<u>300 S. Daytona</u>	<u>Flagler Beach</u>	<u>Florida</u>	<u>32136</u>			<u>(904) 569-0039</u>



	<u>State</u>	<u>City</u>	<u>Legal Name of Franchisee</u>	<u>Address of Franchised Business</u>	<u>Franchisee Telephone Number</u>
<u>3</u>	<u>Florida</u>	<u>New Smyrna</u>	<u>GunnSmith Holdings LLC</u>	<u>209 Downing Street New Smyrna Beach FL 32169</u>	<u>386-423-8400</u>
<u>4</u>	<u>Missouri</u>	<u>Lake of the Ozarks</u>	<u>Intentionally Designed LakeDays Rentals</u>	<u>208 N Main Street, Gravois Mills, MO 65037</u>	<u>573-836-6566</u>
<u>5</u>	<u>Texas</u>	<u>Concan</u>	<u>Frio River Resorts LLC</u>	<u>26 S. Tomahawk Way Concan, Texas 78838</u>	<u>830-232-5544</u>
<u>6</u>	<u>Texas</u>	<u>Austin</u>	<u>Andrew Ross</u>	<u>2250 Double Creek Dr #8522, Round Rock, TX 78683</u>	<u>(512) 996-3353</u>

*None.*

**EXHIBIT G  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

The following lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of Franchisees who had an opened outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement with us during our most recently completed fiscal year or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document:

NONE

**LIST OF FRANCHISEES WHO HAVE LEFT THE  
SYSTEM**

*None.*

⋮

**EXHIBIT H  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**STATE SPECIFIC ADDENDA**

## CALIFORNIA

### **ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF BUSINESS FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

Neither franchisor nor any person or franchise broker in Item 2 of this 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 persons from membership in that association or exchange.

2. [The following paragraph is added to the end of Item 5 of the Disclosure Document:](#)

[The Department of Financial Protection and Innovation requires that the franchisor defer the collection of all initial fees from California franchisees until the franchisor has completed all its pre-opening obligations and franchisee is open for business. For any development agreement, the payment of the development and initial fee attributable to a specific unit is deferred until that unit is open.](#)

3. ~~2.~~The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. ~~3.~~The following paragraphs are added at the end of Item 17 of the Disclosure Document:

[Exhibit H](#)

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California's Franchise Investment Law (Corporations Code section 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contract to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

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.).

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.

The Franchise Agreement and Area Development Agreement grant us the option to submit disputes by mediation or arbitration. The mediation or arbitration will occur in Los Angeles, California with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Notwithstanding anything contained in the Franchise Agreement to the contrary, you do not have to pay us the Initial Franchise Fee until we perform our pre-opening obligations under the Franchise Agreement and you open your Franchised Business. Once we complete our pre-opening obligations and you open the Franchised Business, you must immediately pay the Initial Franchise Fee to us.

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 franchise agreement and area development agreement contain provisions shortening the statute of limitations to bring claims and requiring you to waive your right to punitive or exemplary damages against the franchisor, limiting your recovery to actual damages for any claims related to your franchise. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

## HAWAII

### **ADDENDUM TO DISCLOSURE DOCUMENT**

These franchises will be/have been filed under the Franchise Investment Law of the State of Hawaii. Filing does not constitute approval, recommendation or endorsement by the Director of Commerce and Consumer Affairs or a finding by the Director of Commerce and Consumer Affairs that the information provided herein is true, complete and not misleading.

The Franchise Investment Law makes it unlawful to offer or sell any franchise in this state without first providing to the prospective franchisee, or subfranchisor, at least seven days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least seven days prior to the payment of any consideration by the franchisee, or subfranchisor, whichever occurs first, a copy of the Disclosure Document, together with an copy of all proposed agreements relating to the sale of the franchise.

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.

This 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.

## ILLINOIS

### ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

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 this State is void.” The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure 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.

[A Multi-Market Account customer is a customer responsible for a business in more than one location. The franchisor has the exclusive right to negotiate and enter into agreements to provide services to Multi-Market Account customers. You may be offered the opportunity to service a Multi-Market Account. If you decline or are unable to service the account, the franchisor, an affiliate or another franchisee may provide the service with no compensation to you.](#)

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the

[Exhibit H](#)

violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Fee Deferral

Item 5 of the Franchise Disclosure Document and Section 3.1 of the Franchise Agreement are hereby amended to state that the Initial Franchise Fee will be deferred until the Franchisor completes all of its training and other initial obligations to Franchisee and the Franchisee is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

FRANCHISOR

FRANCHISEE

By:

By:

Name:

Name:

Title:

Title:

## INDIANA

### **ADDENDUM TO DISCLOSURE DOCUMENT**

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act. The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place: No competing business for two (2) years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, mediation and litigation provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration 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.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

[Exhibit H](#)

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.
3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

**MARYLAND**

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

Item 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Item 5 of the FDD, and the Franchise Agreement, are hereby amended to state the following: “Based upon the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.”

Representations in the Franchise Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three ~~(3)~~ (3) years after the grant of the Franchise.

The Franchise Agreement ~~and Franchise Disclosure Questionnaire are~~ is amended to state that 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 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.).

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

FRANCHISOR

FRANCHISEE

By:

By:

Name:

Name:

Title:

Title:

Exhibit H

## MICHIGAN

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

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

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- (c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us, 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 five~~(5)~~ (5) years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.
- (e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us 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 our then-current reasonable qualifications or standards.
  - (ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.
  - (iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

[Exhibit H](#)

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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 this notice should be directed to: State of Michigan

Department of Attorney General

Consumer Protection Division Attn: Franchise

670 Law Building 525 W. Ottawa Street

Lansing, Michigan 48913

Telephone Number: (517) 373-7117

## MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise 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 Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to mediation.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.
6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota 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.
8. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

9. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

## NEW YORK

### ADDENDUM TO 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 D 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.**

1. The following is added at the end of Item 3:

Except as provided above, with regard to 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 ten-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.

[Exhibit H](#)

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.

6. 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.

**VIRGINIA**

**ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**

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

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

The following statement is added to Item 17.h:

“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.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

**FRANCHISOR**

**FRANCHISEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

## WASHINGTON

### **ADDENDUM TO DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**

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)~~ (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.

Item 6 of the FDD is amended to include the following disclosure in the row for Attorneys' Fees and Costs:

The Attorneys' fees and costs section is only applicable where the franchisor is the substantially prevailing party in any action taken.

Item 17 of the FDD is amended as follows:

[Exhibit H](#)

Item 17, row d is amended to include the following: “Franchisee may terminate the agreement for any reasons available under the law.”

Exhibit E of the Franchise Agreement titled “Termination and Release Agreement” does not apply to claims that arise under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220.

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.

**Use of Franchise Brokers.**

The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor’s current and former franchisees to ask them about their experience with the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
**FRANCHISOR**

\_\_\_\_\_  
**FRANCHISEE**

By: \_\_\_\_\_ **By:**

Name: \_\_\_\_\_ ~~Title:~~

| **By:** Name: \_\_\_\_\_

| Title: \_\_\_\_\_ Title: \_\_\_\_\_



## WISCONSIN

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

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.

**RIDER TO STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND  
FRANCHISE AGREEMENT**

**FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS, INDIANA,  
MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND,  
SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN (EACH A “REGULATED  
STATE” AND COLLECTIVELY, THE “REGULATED STATES”)**

This Rider to State Addendum to the Franchise Disclosure Document and Franchise Agreement (“Rider”) is entered into by and between (i) Casago International, LLC, an Arizona limited liability company with an address at 15475 N. Greenway Hayden Road, Suite B2, Scottsdale, AZ 85260 (“Franchisor”), and (ii) \_\_\_\_\_, a (individual/limited liability company/corporation) with an address at \_\_\_\_\_ (“Franchisee”).

- A. Concurrently with the execution of this Rider, Franchisor and Franchisee are entering into a franchise agreement (the “Franchise Agreement,”), pursuant to which Franchisee will acquire the right and undertake the obligation to own and operate a franchised business that may be located in, or subject to the regulations of, one of the Regulated States (the “Applicable Franchise Registration State”).
- B. Franchisor and Franchisee wish to amend the Franchise Agreement as provided in this Rider.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Franchise Agreement is hereby amended as follows:

1. NASAA SOP Acknowledgment. For prospective franchisees that reside in or are looking to operate the Franchised Business in any Regulated State, the Franchise Agreement will be amended to include the following provision:

“No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving and claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

2. Except as provided in this Rider, the Franchise Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

[Exhibit H](#)

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**FRANCHISOR**

**FRANCHISEE**

By: \_\_\_\_\_ By:

Name: \_\_\_\_\_ ~~Title:~~ \_\_\_\_\_

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT I  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**COMPLIANCE CERTIFICATION**

**Franchisee Compliance Certification**

THIS FRANCHISEE ACKNOWLEDGMENT IS NOT APPLICABLE TO AND SHALL NOT BE USED AS TO ANY FRANCHISE OFFER AND/OR SALE INVOLVING ANY CALIFORNIA RESIDENT AND/OR FRANCHISEE AS THE COMPLIANCE CERTIFICATE VIOLATES CALIFORNIA CORPORATIONS CODE SECTIONS 31512 AND 31512.1.

DO NOT SIGN THIS QUESTIONNAIRE IF YOU ARE A RESIDENT OF MARYLAND OR THE BUSINESS IS TO BE OPERATED IN MARYLAND

**DO NOT COMPLETE OR SIGN THIS STATEMENT IF YOU RESIDE IN, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES :~~CA~~, HI, IL, IN, ~~MD~~, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A ~~«“REGULATED STATE”»~~):**

As you know, Casago International LLC (“we”, “us”) and you are preparing to enter into a Franchise Agreement and/or Development Agreement for the right to open and operate a franchised business (a “Franchised Business”). The purpose of this Questionnaire is to: (i) determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading; (ii) be certain that you have been properly represented in this transaction; and (iii) be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise. **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and pay us the appropriate franchise fee.** Please review each of the following questions carefully and provide honest responses to each question. If you answer “No” to any of the questions below, please explain your answer on the back of this sheet.

Yes        No        1.  
+

Have you received and personally reviewed the Franchise Agreement and/or Development Agreement, as well as each exhibit or schedule attached to this agreement, which you intend to enter into with us?

Yes \_\_\_\_\_ No 2.  
~~2.~~

Have you received and personally reviewed the Franchise Disclosure Document we provided?

Yes \_\_\_\_\_ No 3.  
~~3.~~

Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes \_\_\_\_\_ No 4.  
~~4.~~

Do you understand all the information contained in the Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes \_\_\_\_\_ No 5.  
~~5.~~

Have you reviewed the Disclosure Document and Franchise Agreement (and/or Development Agreement) with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business with these professional advisor(s)?

Yes          No          6.  
~~6.~~

Do you understand the success or failure of your Franchised Business will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Territory, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes \_\_\_\_\_ No 7.  
7.

Do you understand we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

Yes \_\_\_\_\_ No 8.  
~~8.~~

Do you understand we and our affiliates retain the exclusive unrestricted right to engage, through others, in the providing of services under the Proprietary Marks or any other mark at any location outside your Territory under the Franchise Agreement without regard to the proximity of these activities to the Franchised Business(es)?

Yes \_\_\_ No \_\_\_ 9. Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be mediated, at our option, in Scottsdale, ~~Arizona~~ AZ?

Yes \_\_\_ No \_\_\_ 10. Do you understand the Franchise Agreement and Development Agreement provide that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?

Yes \_\_\_ No \_\_\_ 11. Do you understand the sole entity or person against whom you may bring a claim under the Franchise Agreement or Development Agreement is us?

Yes \_\_\_ No \_\_\_ 12. Do you understand that the Franchisee (or one of its principals if Franchisee is an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a transfer of that Franchised Business?

Yes \_\_\_ No \_\_\_ 13. Do you understand that we require you to successfully complete certain initial training program(s) and if you do not successfully complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes \_\_\_ No \_\_\_ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises, (other than those that you timely open to fulfill your development obligations and have contracted to open under the Development Agreement, provided you have not materially breached that agreement and failed to timely cure that breach)?

Yes \_\_\_ No \_\_\_ 15. Do you understand that we will send written notices, as required by your Franchise Agreement and/or Development Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes \_\_\_ No \_\_\_ 16. Do you understand that we will not approve your purchase of a franchise from us, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes \_\_\_ No \_\_\_ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or

Exhibit I

that is contrary to, or different from, the information contained in the Disclosure Document?

Yes      No      18.

Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes      No      19.

Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and/or Development Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Disclosure Document?

Yes      No

20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.**

<p>_____ Signature of Franchise Applicant</p> <p>_____ Name (please print)</p> <p>Dated: _____, 20____</p> <p>_____ Signature of Franchise Applicant</p> <p>_____ Name (please print)</p> <p>Dated: _____, 20____</p>	<p>_____ Signature of Franchise Applicant</p> <p>_____ Name (please print)</p> <p>Dated: _____, 20____</p> <p>_____ Signature of Franchise Applicant</p> <p>_____ Name (please print)</p> <p>Dated: _____, 20____</p>
---	---

**GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER).**

**EXHIBIT J  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**STATE EFFECTIVE DATES PAGE**

### STATE EFFECTIVE DATES:

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

STATE	EFFECTIVE DATE
California	<del>Pending</del> <u>Not Registered</u>
Hawaii	<del>Pending</del> <u>Not Registered</u>
Florida	<del>Pending</del>
Illinois	<del>Pending</del> <u>Not Registered</u>
Indiana	<del>Pending</del> <u>Not Registered</u>
Maryland	<del>Pending</del> <u>Not Registered</u>
Michigan	<del>Pending</del> <u>Not Registered</u>
Minnesota	<del>Pending</del> <u>Not Registered</u>
New York	<del>Pending</del> <u>Not Registered</u>
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Utah	<del>Not Registered</del>
Virginia	<del>Pending</del> <u>Not Registered</u>
Washington	<del>Pending</del> <u>Not Registered</u>
Wisconsin	<del>Pending</del> <u>Not Registered</u>

Other states may require registration, filing or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT K  
TO CASAGO INTERNATIONAL LLC'S  
FRANCHISE DISCLOSURE DOCUMENT**

**RECEIPTS**

## RECEIPTS

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

**New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.**

If Casago International LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state administrator identified in Exhibit A of this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is also included in Exhibit A to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an Issue Date of May ~~12~~16, ~~2023~~2024, which included the following Exhibits:

- Exhibit A -- List of State Administrators/Agents for Service of Process
- Exhibit B -- Table of Contents of Operations Manuals
- Exhibit C -- Financial Statements
- Exhibit D -- Franchise Agreement
- Exhibit E -- Sample Termination and Release Agreement

[Exhibit K](#)

- Exhibit F -- List of Franchisees
- Exhibit G -- List of Franchisees Who Have Left the System
- Exhibit H -- State Specific Addenda
- Exhibit I -- Compliance Certification
- Exhibit J -- State Effective Dates Page
- Exhibit K -- Receipts

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

●Steve Schwab ●~~Ryan Dame~~ ● Catrina Wakefield ●~~Alex Husner~~ Jeremy Frost Casago International LLC,  
15475 North Greenway Hayden Loop, Suite B2, Scottsdale, ~~Arizona~~AZ 85260 or (~~602~~877)  
888-9107525-0999.

⋮

If an individual:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

| \_\_\_\_\_  
| If a Partnership, Corporation or Limited Liability Corporation:

| Name: \_\_\_\_\_

| Title: \_\_\_\_\_

| Name of Entity: \_\_\_\_\_

| Address: \_\_\_\_\_



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15475 North Greenway Hayden Loop, Suite B2, Scottsdale, ~~Arizona~~[AZ](#) 85260 or (~~602~~[877](#))  
~~888-9107525-0999~~.

If an individual:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

[Exhibit K](#)

| \_\_\_\_\_  
| If a Partnership, Corporation or Limited Liability Corporation:

| Name: \_\_\_\_\_

| Title: \_\_\_\_\_

| Name of Entity: \_\_\_\_\_

| Address: \_\_\_\_\_

Document comparison by Workshare Compare on Wednesday, May 22, 2024  
9:10:15 PM

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Document 2 ID	file:///D:/Law Firm/CDMLAW/Franchises/Casago/FDD/2024/Casago (Unit) FDD 2024-05-16 (Final v.1) - 2024-05-22.docx
Description	Casago (Unit) FDD 2024-05-16 (Final v.1) - 2024-05-22
Rendering set	Standard

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Style change	
Format change	
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Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	12
Style changes	0
Format changes	0

Total changes	3811
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