

## FRANCHISE DISCLOSURE DOCUMENT

### GRAND WELCOME FRANCHISING, LLC

Wyoming limited liability company

923 Incline Way #383

Incline Village, Nevada 89451

888-870-0102 / 818-237-4848

franchise@grandwelcome.com

www.grandwelcome.com



## GRAND WELCOME

The franchisee will operate a vacation home rental and management services business under the “Grand Welcome” trademarks.

The total investment necessary to begin operation of a Grand Welcome franchise ~~ranges from~~ franchised business is \$37,750 to \$169,750. This includes \$19,000 to \$109,000 that must be paid to the franchisor and/or affiliate(s).

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 the disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or 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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 12, 2024

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

To simplify the language in this disclosure document, the terms “Franchisor”, or “we” or “us” means Grand Welcome Franchising, LLC, the Franchisor. The terms “we”, “us” and “Franchisor” do not include you, the “Franchisee”. We refer to the purchaser(s) of a Grand Welcome franchise, as “you” or “Franchisee”, whether an individual, a partnership, corporation, or limited liability company. If you are a corporation, partnership or other entity, our Franchise Agreement also will apply to your owners, officers and directors. If you are married and your spouse is not a partner in the franchise business, certain provisions of our Franchise Agreement will also apply to that spouse.

We were formed as a limited liability company in the State of Wyoming on October 8, 2019. Our principal business address is 923 Incline Way #383 Incline Village, Nevada 89451, and our telephone number is 888-870-0102. We do business under our company name, “Grand Welcome” and its associated design (the “Marks”). Our affiliate, Grand Welcome IP, LLC, has registered, or has filed for registration, our primary service marks on the Principal Register of the United States Patent and Trademark Office. We do not own or operate any businesses of the type you will be operating. We have not offered franchises in any other line of business. We only offer franchises which operate under the “Grand Welcome” Marks. We began offering franchises on November 25, 2019.

The principal business addresses of our agents for service of process are shown on Exhibit A.

### **Our Parents, Predecessors and Affiliates**

We have no predecessor company.

We have a parent company, Grand Welcome Holdings, Inc., a Delaware corporation with a principal place of business at 999 Corporate Drive Suite 133 Ladera Ranch, CA 92694. Grand Welcome Holdings, Inc., was formed on July 2, 2019 and is our owner. Grand Welcome Holdings, Inc., has not offered franchises in this or in any other lines of business previously.

We have an affiliated company, Grand Welcome IP, LLC, a Wyoming limited liability company with a principal place of business at 1908 Thomas Avenue, Cheyenne, Wyoming 82001. Grand Welcome IP, LLC, was formed on September 21, 2018, and is the owner of our Marks and has exclusively licensed use of the Marks to us. Grand Welcome IP, LLC, has not offered franchises in this or in any other lines of business previously.

We have operated, through affiliates, vacation home rental and management businesses throughout the United States, using the Marks, since 2015. We currently operate in eight markets located in Hawaii, California and Nevada. Our affiliate operators have not offered franchises in this or any other lines of business previously.

We may operate other Grand Welcome concepts, including additional Grand Welcome businesses similar to the business offered by this Disclosure Document, in the future.

### **The Franchise Offered:**

We offer franchises for the right to operate a vacation home rental and management business under the Grand Welcome Marks and using our distinctive operating procedures and standards in a designated area (the “Franchised Business”). The Franchised Business will provide listing, maintenance and cleaning services to property owners (“Unit Owners”) and assistance and concierge services to guests (“Guests”). The distinguishing characteristics of the Franchised Business include, but are not limited to, our distinctive and uniform trade dress standards, operations procedures, service

compliance. You should thoroughly investigate all of these laws and requirements before purchasing a Grand Welcome franchise.

**ITEM 2: BUSINESS EXPERIENCE**

**---President/Chief Financial Officer: Elizabeth “Lisa” Guild**

Mrs. Guild has served as our President since April 2024. Her journey with Grand Welcome began in March 2022 as Chief Financial Officer, where she played a pivotal role in transforming our Franchisor operations and financial strategy. Before her tenure with us, Mrs. Guild contributed her financial expertise to a prestigious company, remaining unnamed due to ongoing confidentiality agreements related to its sale, from January 2022 to March 2022. This role underscored her ability to navigate complex financial landscapes and maintain discretion, a testament to her integrity and professionalism.

Her leadership was further evidenced during her tenure as the Global Chief Financial Officer of Brixton LLC, Oceanside, California, from June 2019 to December 2021. Here, she led financial operations on a global scale, driving significant growth and operational efficiency. As the Interim Chief Financial Officer and Executive Vice President of Finance for RLG Consulting, Inc., Irvine, California, from August 2017 to June 2019, Mrs. Guild demonstrated her capability to steer financial strategies and operations during transitional periods, ensuring stability and process efficiencies.

Mrs. Guild is a licensed CPA in the State of California, a credential that underscores her expertise and commitment to the highest standards of financial stewardship. Her diverse experience across different sectors and her proven track record of financial leadership and strategic growth initiatives make her an invaluable asset to our team and a visionary leader for our future.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
<u>Grand Welcome Franchising, LLC</u>	<u>04/2024-present</u>	<u>President/CFO</u>	<u>Incline Village, Nevada</u>
<u>Grand Welcome Franchising, LLC</u>	<u>03/2022-present</u>	<u>CFO</u>	<u>Incline Village, Nevada</u>
<u>Undisclosed due NDA Agreement</u>	<u>01/2022-03/2022</u>	<u>--</u>	<u>--</u>
<u>Briston LLC</u>	<u>06/2019-12/2021</u>	<u>Global Chief Financial Officer</u>	<u>Oceanside, California</u>

**Chief Operating Officer/Chief Technology Officer: Erland Odd**

Since April 2024, Mr. Odd has served as our Chief Operating Officer and as the company’s Chief Technology Officer since April 2023, bringing with him a transformative vision for the intersection of technology and customer experience in the hospitality and franchisee industry. His expertise and leadership have been instrumental in driving our technology strategy forward. Before joining our team, Mr. Odd held a pivotal executive role in Technology and Marketing Technology (MarTech) at Castle Hospitality Group from March 2015 to March 2023. In this position, he was at the forefront of integrating innovative technology solutions that enhanced guest experiences and operational efficiency, setting new standards in the hospitality sector.

As the Vice President of E-commerce and Digital Optimization for Aqua-Aston (a Marriott brand) from February 2012 to March 2015, Mr. Odd spearheaded initiatives that significantly elevated the brand’s online presence and customer engagement. His strategies not only optimized digital experiences but also drove substantial growth in e-commerce performance.

With over two decades of experience in hospitality technology and innovation across hotel, resort, and vacation rental verticals, Mr. Odd has consistently demonstrated his ability to lead through change, leveraging technology to create memorable guest experiences, streamline operations, and foster sustainable growth.

**Founder: Brandon Ezra**

Mr. Ezra is the founder of the Grand Welcome brand and served as our chief executive officer from our inception until April 2024. Mr. Ezra has also served as the chief executive officer of our affiliates, Grand Welcome IP, LLC, and Hawaiian Vacation Rentals, LLC, since their formation in 2015. Mr. Ezra was the chief executive officer of USA Travel, LLC, and Mammoth Real Estate, LLC, vacation home rental businesses located in Cheyenne, Wyoming, from 2009, the year when Mr. Ezra founded these companies, until 2015, when they merged with Hawaiian Vacation Rentals, LLC.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
<u>Grand Welcome Franchising, LLC</u>	<u>04/2024-present</u>	<u>COO/CTO</u>	<u>Incline Village, Nevada</u>
<u>Grand Welcome Franchising, LLC</u>	<u>04/2023-present</u>	<u>CTO</u>	<u>Incline Village, Nevada</u>
<u>Castle Hospitality Group</u>	<u>02/2015-03/2023</u>	<u>Technology and Marketing Technology (MarTech)</u>	<u>Hawaii, California</u>

**Sr Director of Revenue Management: Steven Costa**

Mr. Costa has been Head of Revenue Management for our Grand Welcome and our affiliate Hawaiian Vacation Rentals, LLC since May 2016. Prior to joining Grand Welcome, Mr. Costa was a Real Estate Investment Analyst and Property Marketing Specialist for Prudential California Realty in Yorba Linda, California, from October 2008 through May 2016.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
<u>Grand Welcome Franchising, LLC</u>	<u>05/2016-present</u>	<u>Head of Revenue Management</u>	<u>Corona, CA</u>
<u>Hawaiian Vacation Rentals, LLC</u>	<u>05/2016-present</u>	<u>CEO</u>	<u>Corona, CA</u>

**Director of Franchise Development: Jonathan Maher**

Mr. Maher is one of our Franchise Development Director and has held this position since July 2020. Before joining us, Mr. Maher served as General Manager for Vacasa in Austin, TX from February 2017 to June 2020.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
<u>Grand Welcome Franchising, LLC</u>	<u>07/2020 - Present</u>	<u>Director of Franchise Development</u>	<u>Austin, TX (Remote)</u>
<u>Vacasa</u>	<u>02/2017 – June 2020</u>	<u>General Manager</u>	<u>Austin, TX</u>

**Director of Franchise Development: Damon Crandall**

Mr. Crandall is one of our Franchise Development Director and has held this position since February 2024. Before joining us, Mr. Crandall was on sabbatical from May 2023 to February 2024. He served as Director of Franchise Development UNITS Franchising Group, Inc. in Charleston, SC from July 2020 to May 2023, and as Director of Franchise Recruitment with Pillar to Post, Inc. from January 2013 to July 2020 based out of Mississauga, Ontario, Canada.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
Grand Welcome Franchising, LLC	02/2024 - Present	Director of Franchise Development	Incline Village, NV (Remote)
Sabbatical	05/2023 – 02/2024	NA	NA
UNITS Franchise Group, Inc.	07/2020 – 05/2023	Director of Franchise Development	Charleston, SC (Remote)
Pillar To Post, Inc	01/2013 – 07/2020	Director of Franchise Recruitment	Mississauga, ON, CA (Remote)

### **Director of Franchisee Success and Training: Kori Iversen**

Ms. Iversen has been the Director of Franchise Success and Training since February 2024, but leading pre-opening, training, and support for Franchisee's on the Franchisee Success team since February 2023. Prior to joining Grand Welcome Ms. Iversen held the position as a Regional Sales Manager at Vacasa from 2019-2023.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
Grand Welcome Franchising LLC	02/2024 – Current	Director of Franchise Success and Training	Ocean Beach, NY
Grand Welcome Franchising LLC	02/2023 - Current	Franchisee Success Team	Ocean Beach, NY
Vacasa	2019 – 2023	Regional Sales Manager	Ocean Beach, NY

### **Director of Franchise Development: Ryan McLaughlin**

Mr. McLaughlin has been the Director of Franchise Development since April 2022 in Incline Village, Nevada. From May 2020 to April 2022, Mr. McLaughlin was President of McLaughlin Properties in Port Arkansas, Texas. Mr. McLaughlin was the Operations Director for Turnkey Vacation Rentals in Port Arkansas, Texas from March 2019 to May 2022.

<u>Employer</u>	<u>Start Date - End Date</u>	<u>Titles</u>	<u>City, State</u>
Grand Welcome Franchising LLC	04/2022 – Current	Director of Franchise Development	Incline Village, Nevada (Remote)
McLaughlin Properties, LLC	05/2020 – 04/2022	President	Port Aransas, Texas
Turnkey Vacation Rentals	03/2019 – 05/2022	Operations Director	Port Aransas, Texas

### **ITEM 3: LITIGATION**

On or about February 15, 2024, Attorney Hirzel and his office commenced an action in the Circuit Court of the 9th Judicial Circuit in and for Orange County Florida on behalf of Jay and Christina Breitlow. The “Complaint for Damages and Declaratory Relief” contains thirteen (13) counts: (1) Count I – Fraudulent Misrepresentation and Omission (against the Company and Mr. Ezra); (2) Count II – Negligent Misrepresentation and Omission (against the Company and Mr. Ezra); (3) Count III – Breaches of Contract (against the Company); (4) Count IV – Breach of Covenant of Good Faith and Fair Dealing (against the Company); (5) Count V – Violation of Nevada Deceptive Trade Practices Act (against the Company and Mr. Ezra); (6) Count VI – Violation of Florida Deceptive and Unfair Trade Practices Act (against the Company and Mr. Ezra); (7) Count VII – Violations of the Florida Franchise Act (against the Company and Mr. Ezra); (8) Count VIII – Violation of Florida Sale of Business Opportunity Act (against the company and Mr. Ezra); (9) Count IX – Rescission (against the Company); (10) Count X Accounting (against the Company); (11) Count XI – Unjust Enrichment (against the Company); (12) Count XII – Conversion (against the Company); and (13) Count XIII – Declaratory Relief (against the Company and Mr. Ezra). The case number assigned to the dispute is 482024CA001408A001OX. This case is currently pending.

insurance monthly premiums. We reserve the right to require additional types of insurance and coverage as provided in the Franchise Agreement.

(12) Additional Funds – 3 months. This is an estimate of the amount of additional operating capital that you may need to operate your Franchised Business during the first three (3) months after commencing operations. We relied upon the experience of our operating affiliates to compile these estimates. ~~You should review these figures carefully with a business advisor before making any decision to invest in the franchise. We cannot guarantee that you will not incur additional expenses in starting the business that may exceed this estimate.~~ This estimate includes such items as initial payroll, taxes, bank charges, miscellaneous supplies and equipment, initial staff recruiting expenses, additional marketing costs and other miscellaneous items.

~~These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business.~~ We estimate that a franchisee can expect to put additional cash into the business during at least the first three to six months, and sometimes longer.

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

We have identified various suppliers, distributors and manufacturers of equipment, supplies and services that your Franchised Business must use or provide which meet our standards and requirements. You must purchase all equipment, supplies and services, including billing and tax remittance services, from our designated suppliers and contractors or in accordance with our specifications. We maintain written lists of approved items of equipment, supplies and services (by brand name and/or by standards and specifications) and a list of designated suppliers and contractors for those items. We will update these lists periodically and issue the updated lists to all franchisees. We will provide you notice in the Manual or otherwise in writing (such as via email) of any changes in our standards and/or specifications.

From time to time, we or our affiliates may offer programs and services to you to assist with developing your market or signing unit listings. At your option, you may choose to participate in our programs and services. We reserve the right to offer, modify or withdraw any program or service at any time without notice to you. We will derive revenue from these programs and services.

Other than our programs and services, none of our officers own an interest in any approved suppliers of required goods or services that you are required to purchase for the operation of your Franchised Business.

Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. The minimum insurance required is: comprehensive general liability insurance, including coverage for personal and advertising injury, in the required amount of at One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate; prior to operating a vehicle on behalf of the Franchised Business, automobile insurance in the required amount of at least a combined single limit for bodily and property damage of at least One Million dollars (\$1,000,000), or greater if required by state law; and at all times when you have employees, employment practices/abuse and employee dishonesty insurance, including third-party coverage of a required minimum of One Million dollars (\$1,000,000) or greater if required by state law for worker's compensation coverage, and employer liability coverage of a required minimum of One Million Dollars (\$1,000,000).

We approve suppliers after careful review of the quality of the products and services they provide to us and our franchisees. If you would like us to consider another item or supplier, you must make such request in writing to us and have the supplier give us samples of its product or service and such other information that we may require. If the item and/or supplier meets our specifications, as we determine

We do not, and do not intend to, sell, assign, or discount to a third party all or part of the financing arrangement.

The following table summarizes the financing we may offer:

Item Financed	Source of Financing	Down Payment	Amount Financed	Term (Yrs)	Interest Rate	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Initial Franchise Fee	Us	15% minimum of the Initial Franchise Fee	Up to 85% of the Initial Franchise Fee	4 years	18%	Varies. See Note 1.	None	See Note 2.	See Note 3.	See Note 4.

<sup>1</sup> The Monthly Payment will vary depending on the amount financed.

<sup>2</sup> You are required to sign a Security Agreement that will grant us a security interest in the assets of your Grand Welcome Franchise, including but not limited to, your furniture, fixtures, equipment, inventory, contracts and accounts receivable.

<sup>3</sup> If you default on your obligations under the Promissory Note, we have the right to require immediate payment of the full balance of the amount owing under the Promissory Note, collect the full balance owing from you or any guarantor, file suit and obtain judgment, take possession of any collateral, or sell, lease or otherwise dispose of any collateral at public or private sale, with or without advertisement. You must also pay our costs to collect the debt, including courts costs and reasonable attorney's fees. Additionally, a default of the Promissory Note is a default of the franchise agreement, and we may terminate your franchise agreement.

<sup>4</sup> You waive your rights to notice of a collection action and to assert any defenses to collection against us or our affiliate. Additionally, a default of the Promissory Note is a default of the franchise agreement, and we may terminate your franchise agreement.

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

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

**1. Pre-Opening Obligations**

Before you open your Franchised Business, we will:

a. designate the boundaries of your territory (Franchise Agreement, Section 10.1). We expect you will operate your Franchised Business out of a home office. If you choose to operate out of a commercial office location during the term of the Franchise Agreement, we reserve the right to review the proposed commercial office location before you sign a lease or other binding commitment for commercial premises. We will have 10 business days after receipt of this information and materials consent to the site based on our then-current standards and specifications. No commercial site may be used for the office location of the Franchised Business unless it is consented to in writing by us.

b. determine your Minimum Performance Standards (Franchise Agreement, Section 3.2).

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company Owned Outlets in the Next Fiscal Year
Rhode Island	0	1	0
South Carolina	0	2	0
South Dakota	0	1	0
Tennessee	0	1	0
Texas	1	2	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	1	0
Washington	0	0	0
West Virginia	0	1	0
Wisconsin	0	1	0
Wyoming	0	0	0
<b>Total</b>	<b>7</b>	<b>34</b>	<b>0</b>

\* Our company-owned outlet is operated by our affiliate.

EXHIBIT H lists the location of each Grand Welcome franchisee in our System. During our last fiscal year, no franchisee has had an outlet terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business under the franchise agreement or has not communicated with us within 10 weeks of the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, 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.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise Disclosure Document.

## ITEM 21: FINANCIAL STATEMENTS

Our audited financials, which comprise the balance sheet and the related statements of operations and members equity, and cash flows for the year ended financial statement as of December 31, 2023, December 31, 2022 and as of December 31, 2021, are included in Exhibit F. Also attached are our unaudited financial statements as of February 29, 2024.

Our fiscal year end is December 31st.

## ITEM 22: CONTRACTS

A copy of all proposed agreements regarding the franchise offering are included in this Disclosure Document, as follows:

- Exhibit B -- The Franchise Agreement and all attachments to it.
- Exhibit C -- Unit Listing Agreement
- Exhibit D -- Promissory Note, if you obtain direct financing of the Initial Franchise Fee from us;

- Exhibit E – Security Agreement, if you obtain direct financing of the Initial Franchise Fee from us;
- EXHIBIT K -- Franchisee Acknowledgement Statement, as permitted by state law. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ITEM 23:     RECEIPT**

A receipt in duplicate is attached to the end of this Disclosure Document. You should sign both copies of the receipt. Keep one copy for your own records and return the other signed copy to Elizabeth Guild, Grand Welcome Franchising, LLC, 923 Incline Way #383, Incline Village, Nevada 89451.

## EXHIBIT A

### STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

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

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	Office of the New York State Attorney General NYS Department of Law Investor Protection Bureau, Franchise Section 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8211 Phone (212) 416-6042 Fax	Secretary of State 99 Washington Avenue Albany, NY 12231
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	<del>Department</del> Washington Dept of Financial Institutions Securities Division P.O. Box 903341200 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT B**  
**FRANCHISE AGREEMENT**

**GRAND WELCOME FRANCHISING, LLC**

**DATA SHEET**

Franchisee: \_\_\_\_\_  
(Individual(s) and  
Entity, if applicable) \_\_\_\_\_

Spouse Guarantor(s): \_\_\_\_\_

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

Territory/Territories Description: See attached Map and/or List of Zip Codes \_\_\_\_\_

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

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

**GRAND WELCOME FRANCHISING, LLC  
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) is being entered into this day of \_\_\_\_\_, (the “Effective Date”) by and between Grand Welcome Franchising, LLC, a Wyoming limited liability company with its principal place of business at 923 Incline Way #383, Incline Village, Nevada 89451 (herein “Franchisor”) and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_’s principals \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (“Principal(s)”). \_\_\_\_\_ and Principal(s) shall be individually and collectively referred to, and each is, the “Franchisee”.

**RECITATIONS**

Through the expenditure of considerable time, effort and money, Franchisor has developed and established a business that provides comprehensive vacation home rental and management services, using Franchisor’s format, trade dress, methods of marketing and operation, training and assistance, Franchisor’s enterprise property management system, Franchisor’s confidential operations manual of business practices and policies (taken together herein the “System”).

The System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including but not limited to the service mark Grand Welcome, as set forth in Attachment 1, and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated or substituted by Franchisor for use in connection with the System (the “Marks”).

Franchisor continues to develop, use, and control the use of such Marks in order to identify for the public the source of services and products marketed under the Marks and the System and to represent the System’s high standards of quality, appearance, and service.

Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, service, and appearance, and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards, practices, policies and specifications.

NOW, THEREFORE, the parties, in consideration of the promises, undertakings and commitments of each party to the other set forth herein, and intending to be legally bound hereby, mutually agree as follows:

1. **RECITATIONS.** The Recitations set out above form part of this Agreement.
2. **GRANT OF FRANCHISE.** Franchisor hereby grants to Franchisee and Franchisee accepts, upon the terms and conditions contained in this Agreement, the license to operate a Grand Welcome franchise that provides to property owners (each a “Unit Owner”) and their lodgers (each a “Guest”) comprehensive vacation home rental and management services, using only the Marks licensed hereunder, in strict conformity with the System, which may be changed, improved and further developed by Franchisor from time to time (the “Franchise” or “Franchised Business”). This grant applies only within a territory that is designated in Attachment 2 attached hereto and incorporated herein (the “Territory”).

**ATTACHMENT 6**

**INTERNET ADVERTISING, SOCIAL MEDIA,  
SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT**

**THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE AND TELEPHONE ACCOUNT AGREEMENT** (the “Agreement”) is made and entered into this day of \_\_\_\_\_ (the “Effective Date”) by and between Grand Welcome Franchising, LLC, a Wyoming limited liability company with its principal place of business at 923 Incline Way #383, Incline Village, Nevada 89451 (the “Franchisor”), and \_\_\_\_\_ a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_ ‘s principal(s) \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (“Principal(s)”). \_\_\_\_\_ and Principal(s) shall be individually and collectively referred to as, and each is, the “Franchisee”.

**WHEREAS**, Franchisee desires to enter into a franchise agreement with Franchisor for an Grand Welcome business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, software accounts, and use telephone listings linked to the Grand Welcome brand.

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Accounts**

2.1 **Interest in Websites, Social Media, and Software Accounts and Other Electronic Listings.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, software accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, “Electronic Advertising”) related to the Franchised Business or the Marks.

2.2 **Interest in Telephone Numbers and Listings.** Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

**EXHIBIT D**  
**PROMISSORY NOTE**

## PROMISSORY NOTE

\$ \_\_\_\_\_, 20\_\_\_\_

FOR VALUE RECEIVED, and intending to be legally bound hereby, the undersigned, \_\_\_\_\_, a \_\_\_\_\_ having a principal address of \_\_\_\_\_ and \_\_\_\_\_, an individual having a principal address of \_\_\_\_\_ (\_\_\_\_\_ and \_\_\_\_\_ collectively referred to as the "Borrower"), promises to pay to the order of Grand Welcome Franchising, LLC, with an address of 923 Incline Way #383, Incline Village, Nevada 89451 (the "Lender"), \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) ("Loaned Amount") in forty-eight (48) equal monthly principal installments of \$ \_\_\_\_\_ plus interest at the rate equivalent to eighteen percent (18%) per annum on the unpaid principal balance (as more specifically stated below) with the first installment due and payable on the 5th day of the month immediately following Borrower's Opening Date, as that term is defined in that certain franchise agreement executed by and between Borrower and Lender on or about \_\_\_\_\_, 20\_\_ (hereafter the "Franchise Agreement"), and the final installment of all unpaid principal and accrued interest due and payable on the 5<sup>th</sup> day of the \_\_\_\_\_ (\_\_) month following Borrower's Opening Date, if not sooner paid, with the privilege of prepaying the unpaid principal balance in whole or in part at any time without penalty. Interest shall be calculated on the basis of a 360-day year, counting the actual number of days elapsed.

In the event that any monthly payment hereunder shall become overdue for a period of three (3) days, the Borrower shall pay to the Lender a late charge of ten percent (10%) of such payment. Any other payments which may become due under the terms of this Note, including penalties, costs, and attorneys' fees, shall bear interest from the date upon which they become due at the rate of eighteen percent (18%) per annum or the highest rate allowable by law, whichever is lower. Such costs and fees shall become due and payable upon demand by Lender.

Notwithstanding the foregoing, this Note shall become immediately due and payable without further notice or demand upon the occurrence of any Event of Default. Each of the following shall constitute an "Event of Default," whatever the reason for such event and whether or not it shall be voluntary or involuntary, or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body: (a) if the Opening Date does not occur in accordance with the Franchise Agreement and Addendum thereto, (b) if any payment of principal and/or interest on the Loaned Amount as aforesaid shall not be paid when due, (c) if Borrower shall breach any covenant or default in the performance of any obligation of Borrower under this Note, the security agreement of even date herewith securing the Note ("Security Agreement"), the Franchise Agreement or Addendum thereto, or any other agreement between Borrower and Lender or Lender's affiliates, (d) if Borrower shall admit to Lender that Borrower is unable to pay their debts as they become due, or shall become insolvent, or shall suspend transaction or operation of their Franchised Business, as that term is defined in the Franchise Agreement; (e) if Borrower enters into any oral and/or written agreement to sell, assign, gift and/or in any way transfer (or if Borrower does sell, assign, gift and/or in any way transfer) any of their interest in the Franchised Business, without Lender's prior written consent; (f) if Borrower shall make an assignment for the benefit of creditors, or files a voluntary petition under the Bankruptcy Code, as amended, or federal or state insolvency law or apply for or consent to the appointment of a receiver, trustee or custodian of all or a part of their property, in each case which shall remain unstayed for thirty (30) days; (g) if an order for relief shall be entered following the filing of an involuntary petition against Borrower under the Bankruptcy Code, as amended, or any other Federal or state insolvency law, or if an order shall be entered appointing a trustee, receiver or custodian of all or part of their property, in each case which shall remain unstayed for thirty (30) days; or (h) if any individual of Borrower dies or becomes permanently incapacitated such that he or she is unable to perform daily functions on behalf of the Franchised Business.

Upon an Event of Default, payment of the entire unpaid balance of the Loaned Amount and all other sums due by Borrower hereunder together with interest accrued thereon at the rate hereinbefore specified, shall at the option of Lender and without further notice to Borrower, become due and payable immediately

**EXHIBIT E**  
**SECURITY AGREEMENT**

## SECURITY AGREEMENT

THIS AGREEMENT, made as of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ having a principal address of \_\_\_\_\_ and \_\_\_\_\_, an individual having a principal address of \_\_\_\_\_ (\_\_\_\_\_ and \_\_\_\_\_ collectively referred to as the "Debtor"), and Grand Welcome Franchising, LLC, a Wyoming limited liability company, with an address of 923 Incline Way #383, Incline Village, Nevada 89451 (the "Secured Party")

WHEREAS, Debtor has executed and delivered to Secured Party a promissory note, bearing even date herewith ("Note"), and

WHEREAS, Secured Party desires to secure the Debtor's payment of all amounts due under the Note and the Debtor's performance of all of their obligations under the Note by taking a security interest in certain of Debtor's property.

NOW, THEREFORE, intending to be legally bound by this Agreement, Debtor and Secured Party mutually covenant and agree as follows:

1. *Security Interest.* Debtor hereby grants and conveys to Secured Party a continuing security interest in and lien upon all Collateral (as hereinafter defined), now owned or hereafter acquired or arising in connection with the Debtor's Franchised Business, as that term is defined in that certain franchise agreement executed by and between Debtor and Secured Party on or about \_\_\_\_\_, 20\_\_ (hereafter the "Franchise Agreement") or otherwise, all in accordance with the provisions of the Uniform Commercial Code as enacted in the state in which the assets secured herein will be located (the "UCC"). Such security interest is granted as security for the payment of all amounts due by the Debtor to Secured Party under the Note and Debtor's performance of all of its obligations under the Note.

2. *Collateral.* For purposes of this Agreement, "Collateral" is defined to include Debtor's current vacation rental property, and all stocks and assets of each of Debtor, now owned or possessed or hereafter acquired, wherever located, whether new or used, including but not limited to, all accounts; accounts receivable; contract rights; leases; furniture; furnishings; equipment; fixtures; chattel paper; instruments; documents; letters of credit; all funds on deposit with any financial institution; commissions, as well as all parts, replacements, substitutions, profits, products and cash and non-cash proceeds of the foregoing Collateral (including insurance and condemnation proceeds payable by reason of condemnation of or loss or damage thereto).

3. *Debtor's Warranties, Representations and Agreements.* The Debtor represents and warrants to Secured Party and agrees that:

(a) Except for the security interest herein granted, Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance;

(b) Debtor agrees to keep complete and accurate Books and Records (as used herein, the term "Books and Records" is defined to include all books of original and final entry, records, ledgers, receipts and documentation, and make all necessary entries therein to reflect the quantities, costs, value and location of the Collateral. Debtor agrees to mark their Books and Records in such fashion as to indicate the security interest granted to Secured Party herein. Debtor will permit Secured Party, its officers, employees and agents, to have access to all of Debtor's Books and Records and any other records pertaining to the Collateral which Secured Party may request, and will cause all persons and services including online accounts, bookkeeping services, accountants and the like, to make all such Books and Records available to Secured Party, its officers, employees and agents and, if deemed necessary by Secured Party in Secured Party's sole discretion, permit Secured Party, its officers, employees and agents to duplicate, at Debtor's expense, the Books and Records at Debtor's place of business or any other place where they

**EXHIBIT J**  
**STATE ADDENDA**

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF CALIFORNIA ADDENDUM TO THE  
FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT**

The Department of Financial Protection and Innovation for the State of California requires that certain provisions contained in franchise documents be amended to be consistent with California Franchise Investment Law, Cal. Corp. Code Section 31000 et seq., and of the Rules and Regulations promulgated thereunder. To the extent that this Disclosure Document ~~contains~~ and the Franchise Agreement contain provisions that are inconsistent with the following, such provisions are hereby amended.

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT - 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

2. OUR WEBSITE [www.grandwelcome.com](http://www.grandwelcome.com) 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).

3. Item 3 of the Disclosure Document is amended to add:

Neither Franchisor nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C. 8.78(a) et seq. suspending or expelling such persons from membership in such association or exchange.

4. Item 10 ~~is~~ of the Disclosure Document and Franchise Agreement are amended to state:

The maximum interest rate in California is 10%.

5. Item 17 ~~is~~ of the Disclosure Document and the Franchise Agreement are amended to state:

(a) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 et seq.).

(b) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(c) The franchise agreement contains a liquidated damages clause. Under California Civil Code section 1671, certain liquidated damages clauses are unenforceable.

(d) The Franchise Agreement requires application of the laws of Nevada. This provision may not be enforceable under California law.

6. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
7. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).
8. California Business and Professions Code 20000 through 20043 provides 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.
- ~~10. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**~~
- ~~11. The terms of Item 5 and Item 11 of this Disclosure Document have been negotiated with other franchisees. A copy of all Negotiated Sales Notices filed in California in the last twelve months is attached on the following page(s).~~

**ADDENDUM TO THE FRANCHISE AGREEMENT**  
**REQUIRED BY THE STATE OF CALIFORNIA**

The Franchise Agreement is supplemented as follows:

~~No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.~~

9. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

10. The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND  
FRANCHISE AGREEMENT REQUIRED BY THE STATE OF HAWAII**

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

**THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF MINNESOTA**

The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the "Franchise Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

2. Item 6, Non-Sufficient Funds Fee, is amended to state:

Pursuant to Minn. Stat. § 604.113, the Non-Sufficient Funds Fee is \$30.00 per occurrence.

3. Item 17 is amended to state:

(a) Minn. Stat. § 80C.21 and Minnesota Rules § 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in this Franchise Disclosure Document or agreement(s) shall abrogate or reduce (1) any of your rights as provided for in Minn. Stat. Chapter 80C or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) In accordance with Minn. Stat. § 80C.14 subd. 3-5, except in certain specified cases, we will give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Franchise Agreement. Additionally, we will not unreasonably withhold our consent to a transfer of your Franchised Business.

(c) In accordance with Minnesota Rules 2860.4400(D), we cannot require you to assent to a general release.

(d) In accordance with Minnesota Rules 2860.4400(J), we cannot require you to consent to liquidated damages.

(e) Minn. Stat. § 80C.17 subd. 5 requires that an action be commenced pursuant to the Franchise Act within three (3) years after the cause of action accrues.

(f) You cannot consent to us obtaining injunctive relief. We may seek injunctive relief. See Minnesota Rules 2860.4400(J).

4. Item 5 and Item 7 are hereby amended to state:

**Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial franchise fees shall be deferred until the franchised business opens.**

**AMENDMENT TO THE FRANCHISE AGREEMENT  
REQUIRED BY THE STATE OF MINNESOTA**

In recognition of the requirements of the Minnesota Statutes Chapter 80C, the parties to the attached Grand Welcome Franchise Agreement (the "Franchise Agreement") agree as follows:

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

2. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee's assent to a release other than as part of a voluntary settlement of disputes. To the extent of any inconsistencies with the Minnesota Rules requirement contained in Sections 5.2.5 or 16.3.6 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

3. To the extent of any inconsistencies, Article 5 of the Franchise Agreement is hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 4, Franchisor will give Franchisee 180 days notice for non-renewal of the Franchise Agreement."

4. To the extent of any inconsistencies, Section 6.6 of the Franchise Agreement is hereby amended to state that the non-sufficient funds fee is Thirty Dollars (\$30.00) per occurrence.

5. To the extent of any inconsistencies, Sections 17.1 through 17.3 of the Franchise Agreement are hereby amended to state:

"Except in certain specified cases as set forth in Minn. Stat. § 80C.14 subd. 3, Franchisor will give Franchisee 90 days notice of termination (with 60 days to cure)".

6. To the extent of any inconsistencies, Article 20, Dispute Resolution, of the Franchise Agreement is hereby amended to state:

"Franchisor cannot require Franchisee to: (i) conduct litigation outside Minnesota, (ii) waive a jury trial, or (iii) consent to liquidated damages, termination penalties or judgment notes. Nothing in this Franchise Agreement shall abrogate or reduce (1) any of Franchisee's rights as provided for in Minn. Stat. Chapter 80C or (2) Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Franchisee cannot consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief."

67. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Statutes Chapter 80C are met independently without reference to this Amendment.

**8. Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial franchise fees shall be deferred until the franchised business opens.**

(Signatures appear on the following page)

IN WITNESS WHEREOF, the parties hereto have duly executed this Minnesota Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
GRAND WELCOME FRANCHISING, LLC

By: \_\_\_\_\_  
Name: Elizabeth Guild  
Title: President

FRANCHISEE (Entity):

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE (Principal):

\_\_\_\_\_  
Name: \_\_\_\_\_

FRANCHISEE (Principal):

\_\_\_\_\_  
Name: \_\_\_\_\_



**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF WASHINGTON**

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”

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

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

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

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

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

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

The Special Risks Page is hereby amended to include the following:

**Company Owned Outlets Are Not Required to Contribute to the Marketing Fund.** Outlets operated by the franchisor and/or affiliates are not required to make marketing fund contributions. This means the marketing fund contributions of franchisees could be partially or completely used for the benefit of franchisor and affiliate owned outlets.

**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 only 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.

EXHIBIT K ("Acknowledgements") is hereby amended to state that the Acknowledgements does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.**

**AMENDMENT TO THE GRAND WELCOME FRANCHISE AGREEMENT REQUIRED BY THE  
STATE OF WASHINGTON**

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

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

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

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

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

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

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

~~(Signatures appear on the following page)~~

Section 15.7 of the Franchise Agreement to state that : “Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party’s negligence, willful misconduct, strict liability, or fraud.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business.**

The parties hereto have duly executed this Washington Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:  
GRAND WELCOME FRANCHISING, LLC

By: \_\_\_\_\_  
Name: Elizabeth Guild  
Title: President

FRANCHISEE (Entity):

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

FRANCHISEE (Principal):

\_\_\_\_\_  
Name: \_\_\_\_\_

FRANCHISEE (Principal):

\_\_\_\_\_  
Name: \_\_\_\_\_

**EXHIBIT K**

**FRANCHISEE ACKNOWLEDGMENT STATEMENT**

EXHIBIT K-4

**GRAND WELCOME FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

**\*NOT FOR USE IN CALIFORNIA, HAWAII, MARYLAND OR WASHINGTON**

**\*Do not sign this Acknowledgement Statement if you are a resident of Maryland or the business is to be opened in Maryland.**

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.**

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

\_\_\_\_\_  
Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

\_\_\_\_\_  
Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

\_\_\_\_\_  
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no

**EXHIBIT K-2**

**GRAND WELCOME FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

**FOR USE BY FRANCHISEES IN WASHINGTON ONLY**

~~Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.~~

~~No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~Acknowledgement does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.~~

~~1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.~~

\_\_\_\_\_  
Initial

~~2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.~~

\_\_\_\_\_  
Initial

~~3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.~~

\_\_\_\_\_  
Initial

~~4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents,~~

~~as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.~~

~~\_\_\_\_\_  
Initial~~

~~5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.~~

~~\_\_\_\_\_  
Initial~~

~~6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.~~

~~\_\_\_\_\_  
Initial~~

~~7. Franchisee acknowledges that it has received the Grand Welcome Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.~~

~~\_\_\_\_\_  
Initial~~

~~8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.~~

~~\_\_\_\_\_  
Initial~~

~~9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.~~

~~\_\_\_\_\_  
Initial~~

~~10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.~~

~~\_\_\_\_\_  
Initial~~

11. ~~It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.~~

\_\_\_\_\_  
Initial

FRANCHISEE (Entity) \_\_\_\_\_ FRANCHISEE (Principal):

By: \_\_\_\_\_  
Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_ FRANCHISEE (Principal):  
\_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**RECEIPT**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

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

If Grand Welcome Franchising, 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Elizabeth Guild 923 Incline Way #383 Incline Village, Nevada 89451 (888) 870-0102	Jonathan Maher 923 Incline Way #383 Incline Village, Nevada 89451 (888) 870-0102	Damon Crandall 923 Incline Way #383 Incline Village, Nevada 89451 (888) 870-0102	Ryan McLaughlin 923 Incline Way #383, Incline Village, Nevada 89451 (888) 870-0102
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Issuance Date: April 12, 2024

I received a Disclosure Document dated April 12, 2024, that included the following Exhibits:

- EXHIBIT A: State Agencies/Agents for Service of Process
- EXHIBIT B: Franchise Agreement
- EXHIBIT C: Standard Unit Listing Agreement
- EXHIBIT D: Promissory Note
- EXHIBIT E: Security Agreement
- EXHIBIT F: Financial Statements of Grand Welcome Franchising, LLC
- EXHIBIT G: Operations Manual Table of Contents
- EXHIBIT H: Franchised Outlets as of December 31, 2023
- EXHIBIT I: General Release
- EXHIBIT J: State Addenda
- EXHIBIT K: Franchisee Acknowledgement Statement

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**KEEP FOR YOUR RECORDS**

**RECEIPT**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Grand Welcome Franchising, 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.

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- EXHIBIT J: State Addenda
- EXHIBIT K: Franchisee Acknowledgement Statement

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Address: \_\_\_\_\_

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Please return signed receipt to Grand Welcome Franchising, LLC,  
Elizabeth Guild, 923 Incline Way #383  
Incline Village, Nevada 89451