

FRANCHISE DISCLOSURE DOCUMENT



iTRIP, LLC
a Tennessee limited liability company
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We offer qualified individuals and entities a franchise for the right to independently own and operate a business that: (i) offers and provides (a) property management and online listing services for vacation or other rental properties on behalf of the property owner (each, a “Client”), (b) assistance to such Clients in connection with finding and securing potential third-party renters to lease such Clients’ respective property(ies), (c) certain digital marketing services, and (d) other related services that we authorize (collectively the “Approved Services”); and (ii) utilizing our proprietary marks and business system (each, an “iTrip Location”).

The total investment necessary to begin operation of a single iTrip Location ranges from \$107,075 to \$145,875. This includes \$56,500 to \$76,725 that must be paid to us or our affiliates prior to opening.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our headquarters at 205 Powell Place, Suite 309, Brentwood, Tennessee 37027, or by phone at (888) 694-8747.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 12, 2020 (as amended June 10, 2020) and further amended August 17, 2020

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 (at our option) or litigation only in the State of Tennessee. Out-of-state mediation/litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate/litigate with the franchisor in the State of Tennessee than in your own state.
- ~~2. **Governing Law.** The franchise agreement states that Tennessee law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.~~
- ~~3.2. **Spouse Liability (Individual Franchisee).** If you are an individual, then your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.~~
- ~~4.3. **Spouse Liability (Business Entity Franchisee).** If the franchisee is a business entity, then each of the entity's owners and, at our option, their respective spouses must sign a document that makes you and your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.~~

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.

We may use the services of one or more franchise brokers or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should make sure to do your own investigation of the franchise.

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Exhibits:

- A. Franchise Agreement (State Specific Addenda and Exhibits)
- B. Financial Statements
- C. State Specific Addenda to FDD
- D. List of Franchisees and List of Franchisees That Left the System
- E. Operations Manual Table of Contents
- F. Sample Termination and Release Agreement
- G. Franchisee Questionnaire/Compliance Certification
- H. List of State Franchise Administrators/Agents for Service of Process
- I. State Effective Dates Page

J. Receipts

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language of this Disclosure Document, the Franchisor is referred to in this Disclosure Document as “we,” “us” or “our.” We refer to the person interested in buying the franchise as “franchisee,” “you” or “your.” If you are a corporation, partnership, limited liability company or other entity, the terms “franchisee,” “you” and “your” also refer to your owners.

The Franchisor

We were organized under the laws of Tennessee as a limited liability company on June 2, 2015. Our principal business address is at 205 Powell Place, Suite 309, Brentwood, Tennessee 37027, and our telephone number is (888) 694-8747. We only do business under our corporate name and our proprietary marks, including the marks iTRIP and iTRIPVACATIONS.

We grant franchises for the right to independently own and operate iTrip Locations (each, a “Franchised Business”) that: (i) offer and provide (a) property management and online listing services for vacation or other rental properties on behalf of the property owner (each, a “Client”), (b) assistance to such Clients in connection with finding and securing potential third-party renters to lease such Clients’ respective property(ies), (c) certain digital marketing services, and (d) other related services that we authorize (collectively the “Approved Services”). Each Franchised Business operates under the marks iTRIP, iTRIPVACATIONS and any other proprietary marks we designate in the future (the “Proprietary Marks”), and also operate utilizing our proprietary business system described more fully below.

We first began offering franchises for the right to operate a Franchised Business as of July 15, 2015. Other than the business operated by our affiliate (as described below) we have not operated and do not operate businesses similar to the franchise offered under this Disclosure Document. We have not sold and do not sell franchises in any other line of business and, except as provided in this Disclosure Document, we are not otherwise engaged in any other business activity.

Our agents for service of process are listed in Exhibit H to this Disclosure Document.

Our Predecessors and Affiliates

We do not have any predecessors.

Our immediate parent is iTrip Holdco, LLC (“Parent”) a holding company formed on May 28, 2019 in the State of Delaware, with the same principal place of business as us). On June 17, 2019, Vacation Brands Purchaser, Inc., a Delaware corporation incorporated on September 20, 2018 with a principal place of business at 11121 Kingston Pike, Ste. E, Knoxville, TN 37934 (“Purchaser”), completed a transaction with our Parent by which Purchaser acquired ownership and control of us through our Parent (the “Transaction”). Substantially all of the same management team are continuing to operate our franchise system after the Transaction as before the Transaction.

On August 27, 2019, Purchaser’s “Vacation Brands” group of companies combined with the “Property Brands” group of companies to operate under the “Inhabit IQ” brand name, by means of common ownership by a holding company. That holding company is owned by the former parent entities of the Property Brands group of companies and the Vacation Brands group of companies, and now owns all of

the companies in both the Property Brands group and the Vacation Brands group, other than the two former parent entities of Vacation Brands and Property Brands. More specifically, Purchaser is wholly owned by Vacation Brands Holdings, LLC, a Delaware limited liability company formed on September 20, 2018 with the same principal place of business as Purchaser, which is wholly owned by PB-VB Holdco II, Inc., a Delaware corporation incorporated on July 17, 2019 with the same principal place of business as Purchaser, which is wholly owned by PB-VB Holdco I, LLC, a Delaware limited liability company formed on July 17, 2019 with the same principal place of business as Purchaser, which is wholly owned by Property Brands Ultimate Parent, LLC (a Delaware limited liability company formed on January 14, 2019) and Vacation Brands Parent Holdings, LLC, (a Delaware limited liability company formed on May 21, 2019) each of which have the same principal place of business as Purchaser.

None of our affiliates through our Parent (including, Vacation Brands Purchaser, Inc., Vacation Brands Holdings, LLC, PB-VB Holdco II LLC, PB-VB Holdco II, Inc., Property Brands Ultimate Parent, LLC and Vacation Brands Parent Holdings, LLC) offer franchises in any line of business or provide products or services to our franchisees. However, a few of Purchaser's subsidiaries or affiliates may, from time to time, provide products and services (through our Parent's combined "Inhabit IQ" brand) to our franchisees. Currently, the following subsidiaries of Purchaser provide services for the Franchised Business: Rental Guardian Holdings, LLC, a Delaware limited liability company organized on August 25, 2017, or its subsidiary provide travel and damage insurance to guests of properties managed by franchisees (the franchisee incurs no cost for this service); Blue Tent Marketing LLC, a Colorado limited liability company formed on September 9, 2002, provides franchisees with connection to one or more booking websites; and, Lynnbrook Consultants LLC (d/b/a Lynnbrook Group), a North Carolina limited liability company formed on September 28, 2010, provides payment processing services to franchisees.

Our affiliate, VR-IP, LLC, is a Tennessee (series) limited liability company organized on June 15, 2015 (the "TM Licensor"). As of July 15, 2015, TM Licensor (a) is the owner of the Proprietary Marks used in connection with the System and Franchised Businesses, and (b) has provided us with a license to use such Proprietary Marks in connection with our franchise system (as described more fully in Item 13 of this Disclosure Document). TM Licensor has a principal business address of 205 Powell Place, Suite 309, Brentwood, Tennessee 37027.

We also have three (3) affiliated entities that are general partnerships formed under the laws of Tennessee, namely (a) ITA Ventures (formed October 28, 2008), (b) ITA Ventures-II ("ITA2," formed May 3, 2010), and (c) ITA Ventures-III ("ITA3," formed September 27, 2013), each of which offered and granted licenses for the Proprietary Software and Web Hosting Program to third-party users (each, a "Licensed Location"). Prior to the date we began offering franchises for the right to operate a Franchised Business utilizing the Proprietary Marks and System, the entities described in this paragraph ceased all offer and sale of any new licenses of this kind. As of the Issuance Date, we have converted the majority of these Licensed Locations to Franchised Businesses, and we may decide to offer the remaining Licensed Locations the right to convert to a Franchised Business, but we are under no obligation to do so. ITA Ventures, ITA Ventures-II, and ITA Ventures-III all have a business address of 205 Powell Place, Suite 309, Brentwood, Tennessee 37027.

Except as provided in this Item, none of the affiliate entities above have offered, sold, or currently offer or sell franchises in any line of business, and these entities are not otherwise involved in any substantive business activity.

The Franchised Business

Your Franchised Business will be authorized to offer and provide the Approved Services, as well as any merchandise and other items that we authorize to sell in conjunction with the Approved Services (the “Approved Products”) to Clients. Franchisees will charge a management fee to such Clients for Approved Services rendered at the Clients’ property(ies) (the “Client Management Fee”).

Your Franchised Business will be operated using our Proprietary Marks and in accordance with our proprietary operating system, which includes our valuable know how, information, trade secrets, methods, confidential operations manual (the “Operations Manual”) and other proprietary manuals we may loan to you (collectively, the “Manuals”), standards and specifications, marketing and sales programs, fixture and furniture selection, staffing guidelines and other research and development connected with the establishment and operation of a Franchised Business (collectively, the “System”), which we may modify from time to time as we deem appropriate in our sole discretion.

You will also be required to use the customized and proprietary software system and web hosting methodology that we currently designate for use in connection with the provision of the Approved Services (collectively, the “Proprietary Software and Website Hosting Program”).

We expect that you will operate the Franchised Business from a home office that meets our System standards and specifications, to the extent such standards/specifications have been reduced and provided to you in writing. We do not currently have a typical range for the size of the home office from which an iTrip Location is operated, but we reserve the right to provide you with such a range in the future. Under certain circumstances, you may move your Franchised Business to a commercial space. After you have been operating the Franchised Business in compliance with the terms of the Franchise Agreement for a period of one (1) year, or at a sooner time at our discretion, we will permit you to relocate to a commercial office space that we approve in writing, but only if you can demonstrate that: (i) the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space; and (ii) this commercial office space is located within the Designated Territory and otherwise meets our then-current site selection criteria for a Premises that is not a home office.

In order to own and operate a Franchised Business, you must enter into our current form of franchise agreement that is attached as Exhibit A to this Disclosure Document (the “Franchise Agreement”). If the franchisee is a business entity (for example, a corporation, partnership or limited liability company), then all of the individuals that have any type of ownership interest in the franchisee entity, as well as their spouses, must sign our form of personal guaranty (attached as an Exhibit to the Franchise Agreement) where each owner agrees to be personally bound by, and personally guarantee the entity’s obligations under, all terms of the Franchise Agreement (the “Personal Guaranty”). If the franchisee is an individual, then the franchisee’s spouse will be required to execute the Personal Guaranty.

Once we agree on the location of your Franchised Business (the “Premises”), we will designate a geographical area around the Premises where we will not own or operate, or license a third party the right to own or operate, a Franchised Business that utilizes the Proprietary Marks and System (your “Designated Territory”). Your Designated Territory will be determined by researching a number of data points, including but not necessarily limited to: the number of absentee properties, the number of short-term rental listings, the short-term rental restrictions and regulations and the topography of a geographical area. These data points will be reviewed individually and in relation to one another. Depending on the results of our analysis, your Designated Territory will be categorized as a primary market or a boutique market. Typically, primary markets will have more than 900 short-term rental listings on one or more

listing sites, and boutique markets will have at least 500 short-term rental listings on one or more listing sites.

Market and Competition

The iTrip business concept, including the Approved Products and Approved Services, is targeted to the general public. As a franchisee, you will compete for consumers with a variety of other businesses, including those that offer rental services, such as real estate officers and/or brokers. Your competition may be local, independent businesses or may be part of a regional or national chain or franchise. Demand for the services you offer may be dependent on the local and national economic conditions and their effect on the public's discretionary spending. The Approved Products and Approved Services may be seasonal in nature depending on the geographic region within which your iTrip Location is located.

Your competitive advantage in the marketplace will be based on your adherence to our System standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on customer service.

Industry-Specific Regulations

Some state laws require licenses to operate home or vacation rentals. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your iTrip Location, including any real estate licensees required. Also, some local areas have homeowner associations that may have rules or regulations in place that may affect the home's ability to be rented. You should investigate these local rules and regulations and consult with a legal advisor about whether these and/or other requirements apply to your iTrip Location.

In addition, many states' laws affect businesses generally, including laws relating to operating home businesses, labor laws and the Fair Labor Standards Act, workers' compensation laws, business licensing laws, tax regulations (including lodging taxes) and the Americans with Disabilities Act. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your iTrip Location.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "USA Patriot Act"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity.

You must consult with your own attorney to ensure that the laws of the state where your Franchised Business is located permits you to provide the Approved Products and Services from your iTrip Location. It is your sole responsibility to investigate any regulations in your area, including those related to the establishment and operation of an iTrip Location generally.

Please be advised that you must investigate and comply with all of these applicable laws and regulations. You alone are responsible for complying with all applicable laws and regulations (including without limitation, any regulations and restrictions that affect the market and licensing requirements for the management of short-term rentals), despite any advice or information that we may give you. We have not researched any of these laws to determine their applicability to your Franchised Business.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer and Co-Founder: Steven W. Presley

Mr. Presley has been our Chief Executive Officer since June 2019, and previously served as our President from our inception, which was in June 2015, until June 2019. In addition, Mr. Presley has been a direct or indirect owner of the following entities for the following periods of time: (i) Snowman, d/b/a Price Morgan Vacation Properties, since October 2007; (ii) Sunvest TN, LLC, since August 2007; (iii) Quantum Investments, GP, since January 2004; (iv) Quantum Investments – SP, LLC, since January 2004; (v) ITA Ventures, since October 2008; (vi) ITA Ventures-II, since May 2010; (vii) ITA Ventures-III since September 2013; (viii) ITA-III, LLC (series), since June 2012; (ix) ITA International, since April 2013; (x) Southern Florida Vacation Properties, LLC, between January 2012 and December 2013; (xi) PMB, since September 2013; (xii) STTM-Kiawah, LLC since January 2015; and (xiii) Vacay Card, LLC, since May 2015.

Chief Innovation Officer and Co-Founder: Damon Todd Morrison

Mr. Morrison was named our Chief Innovation Officer since October 2018 after serving as our (a) Chief Operations Officer from January 2017 through September 2018, and (b) Chief Technology Officer from our inception in June 2015 to December 2016. In addition, Mr. Morrison has been a direct or indirect owner of the following entities for the following periods of time: (i) Snowman Rentals, LLC, d/b/a Price Morgan Vacation Properties, since October 2007; (ii) Hot Yoga House, LLC, since August 2008; (iii) ITA Ventures, since October 2008; (iv) ITA Ventures-II, since May 2010; (v) ITA Ventures-III since September 2013; (vi) ITA-III, LLC (series), since June 2012; (vii) ITA International, since April 2013; (viii) Southern Florida Vacation Properties, LLC, between January 2012 and December 2013; (ix) PMB, since September 2013; (x) STTM-Kiawah, LLC since January 2015; and (xi) Vacay Card, LLC, since May 2015. Mr. Morrison primarily performs his role in connection with these entities from Hernando Beach, FL.

Chief Commercial Officer and Co-Founder: Thomas J. Bissmeyer

Mr. Bissmeyer was named our Chief Commercial Officer in or around January 2019 after serving as our Executive Vice President of Sales and Marketing since January 2017. Prior to that time, Mr. Bissmeyer served as our Chief Operation Officer from our inception in June 2015 to December 2016. In addition, Mr. Bissmeyer has been a direct or indirect owner of the following entities for the following periods of time: (i) ITA Ventures, since January 2009; (ii) ITA Ventures-II, since May 2010; (iii) ITA Ventures-III, since September 2013; (iv) ITA-III, LLC (series), since 2012; (v) ITA International, since April 2013; (vi) Southern Florida Vacation Properties, LLC, between January 2012 and December 2013; (vii) PMB, since September 2013; (viii) STTM-Kiawah, LLC since January 2015; (ix) Vacay Card, LLC, since May 2015; (x) Bissmeyer Interests LLC since December 1997; (xi) Bissmeyer Properties LP, since December 1997; (xii) High Country Speaking LLC, since December 2003; (xiii) Willowleaf Distribution LLC, since December 1996; (xiv) SALT Holdings LLC, since January 2005; (xv) Colorado Assisted Living Residence LLC, since January 2014; (xvi) Centennial Assisted Living Residence LLC, since February

2015; and (xvii) RTW Management LLC, since August 2012. Mr. Bissmeyer primarily performs his role in connection with these entities from McKinney, TX.

Vice President of Operations: Steve Caron

Mr. Caron has been our Vice President of Operations since June 2019. Previously, he was our Chief Operating Officer from October 2018 to June 2019. Prior to that time, Mr. Caron served as Vice President, Head of Vacation Rentals of Choice Hotels International from April 2016 to October 2018 in Rockville, Maryland. Additionally, Mr. Caron served as Vice President of Vacation Rentals of Tourico Holidays, Inc. from February 2013 to April 2016 in Altamonte Springs, Florida.

Vickie Storm; Vice President of Franchise Development

Ms. Storm has been our Vice President of Franchise Development since January 2020. Before this position Ms. Storm served as our Vice President of Business Development from April 2016 to December 2019. Prior to that time, Ms. Storm served as the President and Chief Marketing Officer of NXG Strategies, located in Franklin, TN, from January 2012 to July 2015.

**ITEM 3
LITIGATION**

No litigation must be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

No bankruptcy information must be disclosed in this Item.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

Upon execution of your Franchise Agreement, you must pay us an initial franchise fee equal to the amount set forth on Exhibit A to your Franchise Agreement (the “Initial Franchise Fee”), which covers the franchise license to operate your Franchised Business within your Designated Territory. The Initial Franchise Fee will range between \$10,000 and \$30,000 depending on how your Designated Territory is defined. Each Designated Territory is determined by researching a number of data points, including but not necessarily limited to: the number of absentee properties, the number of short-term rental listings, the short-term rental restrictions and regulations and the topography of a geographical area. These data points are reviewed individually and in relation to one another to define your Designated Territory. Depending on the results of our analysis, your Designated Territory will be categorized as a primary market or a boutique market. Typically, primary markets will have more than 900 short-term rental listings on one or more listing sites (each a “Primary Market”), and boutique markets will have at least 500 short-term rental listings on one or more listing sites (each a “Boutique Market”). If your Designated Territory is categorized as a Boutique Market, then you will be required to pay a \$10,000 Initial Franchise Fee. If your Designated Territory is categorized as a Primary Market, then you will be required to pay a \$30,000 Initial Franchise Fee. Your Initial Franchise Fee is payable in lump sum, deemed fully earned upon

payment, and is not refundable under any circumstances. Except as provided in this Item, the Initial Franchisee Fee is applied uniformly to all of our franchisees.

Initial Training Fee

You must pay us an initial training fee amounting to \$10,000 (“Initial Training Fee”) that helps us defray certain of the costs and expenses we incur in connection with providing our proprietary initial training program to you and, if appropriate, your Designated Manager or other management personnel prior to the initial launch and opening of your Franchised Business.

Initial Operational Support Fee

You must also pay us a one-time operational support fee amounting to \$10,000 as consideration for the ongoing operational assistance and support we provide in connection with your initial 12-month period of operations (the “Initial Operational Support Fee”).

Proprietary Software and Web Hosting Program: Training and Integration Fee

You must pay us a fee associated with the initial training and integration of your Franchised Business in connection with the Proprietary Software and Web Hosting Program amounting to \$25,000 (the “Software Training and Integration Fee”), which must be paid in a lump sum and will be deemed fully earned and non-refundable upon payment.

This fee is paid for the component of our initial training program regarding the Proprietary Software and Web Hosting Program and help defray our costs associated with (a) providing this training, and (b) setting up your Franchised Business to utilize and/or be integrated into this software and hosting platform as an initial matter. The Software Training and Integration Fee is not tied to any post-opening obligations or ongoing software license, both of which are tied to the Software License Fee described immediately below in this Item 5.

Software License Fee (First Payment)

You must pay us an ongoing license fee of \$540 each month (on the 5th or other date that we designate) – beginning in the first month after you sign your Franchise Agreement – for the right to continue accessing and utilizing the Proprietary Software and Web Hosting Program (the “Software License Fee”), which must be paid in a lump sum each month and will be deemed fully earned and non-refundable upon payment. You will likely pay at least the Software License Fee for one (1) month prior to opening your Franchised Business, which is why we have disclosed this fee here. This amount is deemed fully earned and non-refundable upon payment.

Digital Marketing (First Payment)

You must pay our approved supplier, which is currently us, on a monthly basis (see Item 6) for certain digital marketing campaigns and services that are designed to market and promote your Franchised Business within your Designated Territory. Your first monthly payment will be \$960 (if your Designated Territory is categorized as a Boutique Market) or \$1,185 (if your Designated Territory is classified as a Primary Market) and will be due in the first month after you sign your Franchise Agreement (in an effort to get those in the Designated Territory aware of your Franchised Business and its opening in the near future). Similar to the Software License Fee, we expect that you will make at least one (1) of these monthly payments for digital marketing prior to opening. This amount is deemed fully earned and non-

refundable upon payment.

Except as provided in this Item, the initial fees described above are applied uniformly to all of our new System franchisees.

United States Military Veteran Discount Program

To provide support to the veterans of the United States military, we offer qualified applicants a 10% discount on the Initial Franchise Fee. In order to qualify and participate in our United States Military Veteran Program, you must: (i) be a United States military veteran; (ii) have been honorably discharged from any branch thereof; (iii) provide us with a certified copy of your Certificate of Release or Discharge from Active Duty (DD 214 Form) evidencing your honorable discharge; (iv) own a majority interest in the iTrip Location; (v) otherwise meet the requirements of our program; and, (vi) request participation in our program prior to signing the Franchise Agreement. We may modify or discontinue the United States Military Veteran at any time.

You pay us or our affiliates no other fees or payments for services or goods before your Franchised Business opens.

ITEM 6 OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	The royalty fee will be based on the Total Rental Revenue generated in connection with all Clients during the preceding calendar month that will amount to a minimum of four percent (4%) and a maximum of five percent (5%) of each Client's Total Rental Revenue (the "Royalty Fee"). The Royalty Fee will be calculated as follows: four percent (4%) of that Client's Total Rental Revenue, plus an additional two-tenths of a percent (0.2%) of that Client's Total Rental Revenue per each percentage point that Franchisee charges that Client as a Client Management Fee that is in excess of fifteen percent (15%) of that Client's Total Rental Revenue.	On the fifth of each month.	Your Royalty Fee will begin once your Franchised Business opens. We may require you to pay your Royalty Fee and other recurring amounts via electronic funds transfer ("EFT"). See Note 1 for a definition of "Total Rental Revenue", as well as Notes 2 and 3, following this Chart. Please see Note 4 following this Chart for a breakdown of the Royalty Fee based on the Client Management Fee you charge a given Client.
Digital Marketing Requirement (Primary Market)	An amount equal to the greater of: (i) \$1,185; or (ii) one and a half percent (1.5%) of the Gross Sales of the Franchised Business during	As incurred, beginning in the first full month after	All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your Digital

Name of Fee	Amount	Due Date	Remarks
	that preceding calendar month	you sign your Franchise Agreement.	Marketing Requirement expenditures. Currently, we are the approved supplier for your digital marketing materials and these monthly payments must be made to us. The Digital Marketing Requirement may be increased each year of operations by Franchisor to account for inflation in accordance with the Consumer Price Index ("CPI"). See Note 1 for a definition of the term "Gross Sales"
Digital Marketing Requirement (Boutique Market)	An amount equal to the greater of: (i) \$960; or (ii) one and a half percent (1.5%) of the Gross Sales of the Franchised Business during that preceding calendar month	As incurred, beginning in the first full month after you sign your Franchise Agreement.	All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your Digital Marketing Requirement expenditures. Currently, we are the approved supplier for your digital marketing materials and these monthly payments must be made to us. The Digital Marketing Requirement may be increased each year of operations by Franchisor to account for inflation in accordance with the Consumer Price Index ("CPI"). See Note 1 for a definition of the term "Gross Sales"
Direct Mail Requirement	\$1,000 each month for the first 18 months you are open and operating your Franchised Business	As incurred.	All advertising materials must be approved by us prior to use/publication. We may require you to provide us with monthly reports detailing your Direct Mail Advertising expenditures. The Direct Mail Requirement may be increased each year of operations by Franchisor to account for inflation in accordance with the CPI.
Fund Contribution	When fund is formed: Up to 1% of Gross Sales	Same as Royalty Fee	We reserve the right to form an advertising fund and if we do, you must contribute the percentage in Column 2.
Initial Marketing Spend (Primary)	\$1,500	As incurred.	Must be spent within the 60-day period following the execution of the Franchise

Name of Fee	Amount	Due Date	Remarks
Market)			Agreement or at the time period we require or approve in writing.
Initial Marketing Spend (Boutique Market)	\$1,000	As incurred.	Must be spent within the 60-day period following the execution of the Franchise Agreement or at the time period we require or approve in writing.
Software License Fee	Then-current fee, currently \$540 each month	Same interval and manner as your monthly Royalty Fee.	Monthly payments begin in the first month following the execution of your Franchise Agreement.
Logo Items Start-Up Kit Fee	\$750	As incurred.	You must purchase an initial inventory of logo items from our Approved Supplier prior to your first in-market training (the “Logo Items Start-Up Kit”). You will have the option to select any of the following items as part your Logo Items Start-Up Kit: shirts, mugs, pens, bags, sunglasses, water bottles and such other logo items that may become available in the future. The Logo Items Start-Up Fee is the required minimum amount of logo items that you must order to commence operating your Franchised Business.
Printed Materials Start-Up Kit Fee	\$750	As incurred.	You must purchase an initial inventory of business cards, rack cards and brochures from our Approved Supplier, in order to commence operating your Franchised Business (the “Printed Materials Start-Up Kit”).
Account Takeover Fee	\$2,000 or \$2,500 per Existing Account	As incurred.	If your Designated Territory contains one (1) or more Clients that entered into a contractual relationship with an iTrip Location for any Approved Services prior to the execution of your Franchise Agreement (each, an “Existing Account”), you will have the right to assume and service each such Existing Account within a defined period of time following the opening of your Franchised Business (the “Account Takeover Period”). If you choose to take over one (1) or

Name of Fee	Amount	Due Date	Remarks
			more Existing Accounts, you will be required to pay the Account Takeover Fee for each Existing Account and sign an approved form of account assignment agreement. The Account Takeover Fee will also apply (but will increase to \$2,500 per Existing Account) to any prospective Client that we (a) have the right to solicit within your Designated Territory, and (b) actually contract with to provide Approved Services, all within the first 12 months following the execution of your Franchise Agreement (the "Ramp-Up Period"). See Note 8 following this Chart and Item 12 of this Disclosure Document for more information.
Creative/Brand Fund (the "Fund")	Up to 1% of the Gross Sales of your Franchised Business (your "Fund Contribution")	Same interval and manner as your monthly Royalty Fee.	We have not currently established a Fund designed to promote, market and advertise our brand, Proprietary Marks and System, but we reserve the right to do so in the future. If established, we may collect your Fund Contribution in the same manner as we collect your Royalty Fee. See Notes 1, 2 and 3.
Limited Damage Waiver ("LDW") Program Fees	Our then-current fee (the "LDW Fee") per rental transaction where renter elects to participate in the LDW Program (each, an "Applicable Transaction"), which may vary based on the Client Property and other factors Currently, the typical range for the LDW Fee is between \$59.00 and \$400.00 per rental transaction based on our System experience with our current LDW Program	As incurred.	Unless prohibited by state law where you or your Client Property at issue is located, you must offer prospective renters of your Client Properties the right to participate in a limited damage waiver program before completing a rental transaction using our Proprietary Software and Web Hosting Program. As part of the LDW Program, the renter will pay an additional amount to cover a portion of the LDW fees payable to us in connection with each LDW Program participation, and you will be invoiced the balance of the LDW fees directly.

Name of Fee	Amount	Due Date	Remarks
Renewal Fee	\$5,000	Prior to renewal.	There are other conditions that you must meet in order for us to approve your renewal request.
Transfer Fee	\$10,000	Payable prior to obtaining our consent to your proposed transfer.	There are other conditions that you and the proposed transferee must meet in order for us to approve any proposed transfer/assignment.
Additional Training Fee	Our then-current training tuition fee (the “Training Fee”), which is currently: (i) \$300/day for each trainer we provide; and (ii) a fee of \$1,500/trainee for those additional/replacement personnel that are required to attend our Initial Training Program	As incurred.	In addition to our then-current Training Fee, you must reimburse us for any expenses we incur in providing additional on-site training or other special assistance to you or your personnel. We will not charge any Training Fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability. We will also not charge any Training Fee in connection with you (and up to 1 other person) to attend our Initial Training Program. The current Training Fee of \$1,500/person is only for additional or replacement personnel that attend our Initial Training Program or for attendees who fail to successfully complete the Initial Training Program and elect to reattend. You will also be responsible for the costs/expenses incurred in connection with these individuals attending such training. Please see Item 11 of this Disclosure Document for additional information.
Annual Conference Registration Fee	Our then-current registration fee to attend any Annual Conference we designate for iTrip Locations, currently \$399 per person	As incurred.	We may schedule and hold an annual conference, as we deem advisable in our sole discretion, and require that you (or your Designated Manager) attend such conference. You will responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then-current

Name of Fee	Amount	Due Date	Remarks
			attendance/registration fee.
Additional Email Address Fee	\$100 per year per account (except that the first 2 accounts are provided to you without any cost)	As incurred.	You are required to use the two (2) email addresses we will provide you in connection with the Franchised Business and these email addresses must be the only email addresses used in connection with the Franchised Business. If you request additional email addresses, you will be required to pay a fee of \$100 per year per account.
Audit Fees	Actual cost of Audit.	Upon billing after audit.	Payable if audit reveals that you have underreported the Gross Sales of your Franchised Business by 2% or more for any designated reporting period. See Note 5.
New Product or Supplier Testing	The actual costs we incur in connection with the evaluation/testing procedure, plus our fee of \$500 assessed for evaluating suppliers/products	As incurred	If you propose an alternate supplier or product/service that we have not already authorized for use in connection with your Franchised Business, you may be required to reimburse us for the actual costs we incur in connection with evaluating your proposal. Please see Item 8 of this Disclosure Document for additional information.
Collection Charges	Varies	Upon demand.	You must pay all collection charges associated with our efforts in collecting any amounts owed to you or us under the Franchise Agreement.
Costs and Attorneys' Fees	Will vary according to circumstance.	Upon demand.	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.
Indemnification	Will vary according to circumstance.	Upon demand.	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 Franchised Business.

Name of Fee	Amount	Due Date	Remarks
Insurance	Will vary according to circumstance.	Upon 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 a service fee to do so. Otherwise, these payments are made directly to your third-party insurance provider. See Note 6.
Interest	1.5% per month or highest commercial contract interest rate applicable laws permit.	Upon demand.	Payable on all delinquent payments that are due to us for more than 30 days. See Note 7.
Dishonored Check Charge	\$50	Upon demand.	Payable if a check you provide to us is returned or dishonored by the bank, or if your EFT Account does not have sufficient funds to cover amounts you owe under the Franchise Agreement as they become due and owing to us.
Relocation Fee	\$2,000 if you decide to relocate your Franchised Business to a commercial office space	When you submit a letter requesting consideration of a new location.	Payable to us to defray our costs associated with evaluating and approving/rejecting your relocation proposal.
Franchised Business Management Fee	Up to 8% of the Gross Sales of your Franchised Business during the period of time we or our representative manages your Franchised Business on your behalf (the "Management Fee"), plus the costs and expenses we incur.	As incurred	The Management Fee will only be due to us if (a) you are in material default under your Franchise Agreement, and (b) we exercise our right to temporarily operate your Franchised Business in an effort to assist in getting the operations of the Franchised Business back into compliance with the Franchise Agreement and System standards.
Advertising Cooperative Fee	As determined by the Cooperative (not to exceed your Direct Mail Requirement in any given month).	Upon Demand	Payable to us if we assign your Franchised Business to a Regional Advertising Cooperative. Any payment for a Regional Advertising Cooperative will be credited against your monthly Direct Mail Requirement. If there is an affiliate-owned iTrip Location in your Cooperative, then our affiliate will be able to vote on all matters that you and the other Cooperative members have the right to vote on. If the number of affiliate-owned iTrip Locations in your Cooperative area is such that the affiliate will have

Name of Fee	Amount	Due Date	Remarks
			controlling voting power within the Cooperative, then the minimum amount you might be required to pay to the Cooperative will remain at \$0 and the maximum monthly contribution will be your Direct Mail Requirement for the month at issue.
Payment processing services fee	Varies. Approximately 1-2% of online payment amounts made by customers	As incurred.	Lynnbrook Group is a subsidiary of Purchaser (defined in Item 1) and provides franchisees with online payment processing services.
Blue Tent fee for connecting to certain booking websites	Currently no charge, but we or our affiliate, Blue Tent, may impose a charge for this in the future.	Upon demand.	Blue Tent Marketing, LLC is a subsidiary of Purchaser (defined in Item 1) that may provide franchisees with a connection to one or more booking websites such as booking.com.

Explanatory Notes

Generally. Except as otherwise stated in this Item, all fees listed in this Item 6 Chart are imposed by, and payable to, us and are uniformly imposed on all of the franchisees in our System. These fees are payable in U.S. dollars and are non-refundable unless otherwise stated in this Item. We may directly charge those who use and book a Client Property via our Proprietary Software and Web Hosting Program and/or certain third-party websites in connection with leasing a Clients' property.

1. **Definition of Total Rental Revenue, Client Management Fee and Gross Sales.** For purposes of this Disclosure Document (and your Franchise Agreement), the terms below are defined as follows:
 - a. "Total Rental Revenue" means the total amount of gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services contract with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees. Total Rental Revenue does not include any applicable taxes or refundable deposits;
 - b. "Client Management Fee" means the fee that Franchisee charges to a given Client in connection with a contract for Approved Services, including all commissions and other consideration paid to Franchisee by that Client, whether that Client Management Fee is specifically set forth in the contract or that is otherwise collected from the Client; and
 - c. "Gross Sales" means all revenues and income from any source that you derive or receive from, through, by or on account of the operation of the franchised Business, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not you ultimately receive payment on credit transactions), or otherwise. Gross Sales specifically includes, without

limitation, (a) all Client Management Fees and/or other consideration that you receive from Clients under any Approved Services contract, (b) any other amounts paid to you on account of the provision of Approved Services, including any excursion-related fees and/or cleaning and processing fees, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange, and (c) any business interruption insurance proceeds that you obtain due to the non-operation or partial operation of the Franchised Business over the applicable reporting period. "Gross Sales" does not include (a) any sales tax and equivalent taxes that are collected by you for or on behalf of any governmental taxing authority and paid thereto, or (b) the value of any refund issued or granted to any Client that is credited in good faith by you in full or partial satisfaction of the price of the Approved Services offered in connection with the Franchised Business.

2. **Royalty Fee and Other Fees.** Your Royalty Fee, as well as any other fees payable to us or our affiliates under the Franchise Agreement, may be collected by us via EFT from the bank account you are required to designate solely for use in connection with your Franchised Business (your "EFT Account"). You must provide us with the details of your EFT Account prior to opening your Franchised Business and execute all documents necessary to authorize us to make withdrawals from this account throughout the term of your Franchise Agreement, including our then-current EFT Withdrawal Authorization form that is attached as an Exhibit to your Franchise Agreement. You must provide us with advance written notice of any change to the information related to your EFT Account. Upon our written request, you must make all such payments described in this Item by bank or certified check.

3. **Collection Interval.** We reserve the right to change the interval at which we collect your Royalty Fee, Fund Contribution and other recurring fees payable to us or our affiliates under the Franchise Agreement upon written notice to you. For example, we may collect these recurring fees on a weekly rather than monthly basis.

4. **Royalty Fee Calculation.** On or before the fifth (5th) of each calendar month (or other day Franchisor designates in writing) that the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee will pay Franchisor a royalty fee based on the Total Rental Revenue generated in connection with all Clients during the preceding calendar month that will amount to a minimum of four percent (4%) and a maximum of five percent (5%) of each Client's Total Rental Revenue. The Royalty Fee associated for each Client in a given month will be based on the Client Management Fee that Franchisee charges that Client during the preceding calendar month and will be calculated as follows: four percent (4%) of that Client's Total Rental Revenue, plus an additional two-tenths of a percent (0.2%) of that Client's Total Rental Revenue per each percentage point that Franchisee charges that Client as a Client Management Fee that is in excess of fifteen percent (15%) of that Client's Total Rental Revenue. For purposes of clarification, below please find a basic table detailing how the Royalty Fee associated with a particular Client will change based on that Client Management Fee that Franchisee charges that Client, with the parties understanding and acknowledging that the Chart below is not exhaustive, and that the Royalty Fee will always be tied to the exact Client Management Fee charged by Franchisee in connection with a particular Client:

Client Management Fee Charged	Royalty Fee paid on that Client's Total Rental Revenue
15% or less of Total Rental Revenue	4.0% of Total Rental Revenue
15.5% of Total Rental Revenue	4.1% of Total Rental Revenue

Client Management Fee Charged	Royalty Fee paid on that Client's Total Rental Revenue
16% of Total Rental Revenue	4.2% of Total Rental Revenue
17% of Total Rental Revenue	4.4% of Total Rental Revenue
18% of Total Rental Revenue	4.6% of Total Rental Revenue
19% of Total Rental Revenue	4.8% of Total Rental Revenue
20% or more of Total Rental Revenue	5.0% of Total Rental Revenue

5. **Right to Inspect/Audit.** We have the right to inspect your books and other financial information associated with your Franchised Business during the term of the Franchise Agreement. If we conduct an audit and it reveals that you have underreported your Gross Sales by two percent (2%) or more for any given reporting period (whether weekly, monthly or otherwise), then you must reimburse us for the costs/expenses we incur in connection with conducting the audit of your Franchised Business (including, without limitation, any fees paid to auditors and/or attorneys) and pay the amount due plus interest.

If you understated your Gross Sales by 5% or more for any given reporting period, then we can terminate the Franchise Agreement and you must pay the amount due, plus interest and the cost of the audit.

6. **Insurance.** You must maintain the following insurance:
- (i) “All risk” property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee’s property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;
 - (ii) Workers’ compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;
 - (iii) Comprehensive General Liability Insurance and Professional Liability Insurance, against claims for bodily and personal injury, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee’s conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per occurrence or \$2,000,000 in the aggregate for Professional Liability and General Liability or, if higher, the statutory minimum limit required by state law;
 - (iv) Automobile liability insurance for the Approved Vehicle and any other vehicles that are utilized in connection with the Franchised Business, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law;
 - (v) The business interruption insurance, as well as any other type of insurance, in the amount that Franchisor designates in the Manuals or otherwise in writing; and

- (vi) Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.
7. **Interest on Late Payments.** Interest begins to accrue on the due date of any payment that has not been timely received or is not paid in full. Please note that the highest interest rate allowed in California is 10% annually.
8. **Account Takeover and Lead Referral Programs.** As the owner of the Franchised Business, you will be solely responsible for: (i) determining whether you can participate in these programs as described in the Item 6 Chart above under the applicable real estate and other laws where your Franchised Business is located; and (ii) notifying us in writing if any applicable law might prohibit or affect the parties' ability to participate in either of these programs.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT*

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee ¹	\$10,000	\$30,000	Lump sum	Upon execution of the Franchise Agreement	Us
Software Training and Integration Fee ¹	\$25,000	\$25,000	Lump sum	Upon execution of the Franchise Agreement	Us
Software License Fee ¹	\$1,620	\$1,620	As incurred	As incurred	Us
Logo Items Start-Up Kit Fee ²	\$750	\$750	Lump sum	Prior to first in-market training	Approved Supplier
Printed Materials Start-Up Kit Fee ²	\$750	\$750	As incurred	Prior to first in-market training	Approved Supplier
Local Advertising (Digital Marketing and Direct Mail Requirements) – 3 Months ³	\$6,555	\$6,555	As incurred	As agreed	Approved Suppliers (currently us) for Digital Marketing Requirement; Third-party vendors
Chamber of Commerce Fee ⁴	\$200	\$500	As incurred	As agreed	Third-party vendors
Vehicle ⁵	\$0	\$5,000	As incurred	As agreed	Third-party vendors
Initial Training Fee; Initial Operational Support Fee ⁶	\$20,000	\$20,000	Lump sum	Upon execution of the Franchise Agreement	Us

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Travel and Living Expenses During Initial Training ⁶	\$2,000	\$4,000	As incurred	As incurred	Airlines, hotels, and restaurants
Insurance Premium, (Annual Amount) ⁷	\$2,500	\$3,000	As agreed	Prior to opening	Insurance agent or carrier
Business License and Permits ⁸	\$200	\$200	As incurred	As incurred	Government agencies
Other Professional Fees ⁹	\$1,500	\$3,000	As agreed	As agreed	Third-party vendors
Office Equipment, Computer System. Software and Related Supplies ¹⁰	\$0	\$4,000	As incurred	As agreed	Third-party vendors
Initial Marketing Spend ¹¹	\$1,000	\$1,500	As incurred	In the 60-day period following the execution of the Franchise Agreement	Third-party vendor
Additional Funds, 3 Months ¹²	\$35,000	\$40,000	As agreed	As incurred	Employees, utilities, suppliers and other third parties, etc.
Total Estimated Initial Investment¹³	\$107,075	\$145,875			

* Unless otherwise stated, none of the expenses listed on this chart is fully refundable.

Explanatory Notes

1. **Initial Fees Due to Franchisor.** The details of the Initial Franchise Fee, Software Training and Integration Fee, Logo Items Start-Up Kit Fee, Printed Materials Start-Up Kit and Software License Fee are described in Item 5. The amount stated in this table covers the first three months.
2. **Start Up Kits.** You will separately purchase a Start-Up Kit for the logo items and printed materials that you will need to commence operating your Franchised Business. The Printed Materials Start-Up Kit Fee will cover the cost you will likely incur in connection with obtaining an initial stock of (a) “rack cards” (4” x 9” promotional cards that can be placed in third-party businesses), (b) brochures, and (c) business cards, all of which you must ensure are either designated or approved by us prior to using, displaying or distributing in any manner. The Logo Items Start-Up Kit Fee will cover the cost of your initial inventory of iTrip logo items that you must purchase prior to your first in-market training. You will have the ability to select your choice of logo items, which will include, without limitation, shirts, mugs, pens, bags, sunglasses

and water bottles. All printed materials and logo items must be purchased from our Approved Supplier.

3. **Local Advertising.** This range is designed to account for your Digital Marketing Requirement and Direct Mail Requirement in each of the first three (3) months your Franchised Business is open and operating. This estimate assumes and expects that you will timely attend and complete initial training as well as all other pre-opening obligations and open your Franchised Business within the time period prescribed in your Franchise Agreement.
4. **Chamber of Commerce.** You must become a member of the Chamber of Commerce of the area in which your Franchised Business is Located. We estimate that the membership will be between \$200 and \$500.
5. **Approved Vehicle.** You are required to purchase or lease, and keep in good working condition, a vehicle that meets our standards and specifications for use in connection with your Franchised Business (the "Approved Vehicle"). The Approved Vehicle will be used to provide property management services within your Designated Territory, and otherwise assist you in the operation of your Franchised Business. The Approved Vehicle must be maintained in accordance with the standards and specifications we set forth in the Manual(s) or otherwise in writing. Our standard franchise offering expects that you will lease a vehicle and make installment payments for such vehicle. The low end of this estimate assumes you already own or lease a vehicle that meets our standards and specifications. The high end of the estimate assumes that you will lease a vehicle to be used in connection with the Franchised Business.
6. **Initial Training and Operational Support Fees; Training Expenses.** This is the range designed to cover (a) the Initial Training Fee, (b) the Initial Operational Support Fee, and (c) your estimated range of costs to cover the travel and living expenses, including airfare, lodging and meals, which you will incur when you and your employees attend the initial training program. The cost you incur will vary depending upon factors such as distance traveled, mode of transportation, travel preferences (such as air travel or ground transportation), nature of accommodations, per diem expenses actually incurred, and the number of persons who attend training. This estimate does not include any wages or salary for you or your trainees during training. The low estimate assumes that you and one (1) other individual will attend our proprietary training program, while the high estimate assumes that a total of three (3) people will be attending this initial training.
7. **Insurance.** This is an estimate of insurance premiums for the first twelve (12) months of business operation. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors. We expect and intend that you will pay your premiums for the entire first year of operations at the outset of your insurance contract in order to get the most favorable pricing, and our estimate is based on this assumption.
8. **Business License and Permits.** You are required to obtain all business licenses, permits, certificates or approvals before you start business. Local, municipal, county, and state regulations vary on what licenses and permits are required by you to operate. Certain states may require that you obtain a license to rent properties. You are solely responsible for researching all laws applicable to where your Franchised Business is operated to determine whether or not you must obtain such a license.

9. **Professional Fees.** You should consult with an attorney, accountant and/or other business advisors regarding the purchase and operation of the Franchised Business. This item includes an estimate of the cost to incorporate as an entity and an initial consultation with an accountant.
10. **Office Equipment, Computer System/Software.** You will need to purchase furniture, fixtures and equipment for the Premises that meet our specifications and are from approved or designated vendors (if we choose to designate vendors for these items). You may decide to lease the furniture and/or equipment needed rather than purchasing it with a lump sum payment or use existing furniture and/or equipment that you already own. A variety of factors (such as the condition of the national and regional economy, availability of credit, number of suppliers leasing products in your area, the interest rates offered by suppliers, duration of leases offered, security requirements, and your credit history) may affect the availability of leased products, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease the furniture and/or equipment. The amounts listed are an estimate and may vary per your location and market. The low end of the estimate assumes that you will use furniture and equipment, including a computer, that you already own (and that meet our System standards), while the high end of the estimate assumes you will purchase or lease all of the furniture and equipment to be used in connection with your Franchised Business. The high end of this range also includes your Software License Fee for the first three (3) months that you are operating your Franchised Business.
11. **Initial Marketing Spend.** You are required to provide funding for a pre-opening and opening sales and marketing campaign that we approve or designate.
12. **Additional Funds.** You will need additional capital to support on-going expenses during the initial three (3) months after you open your Franchised Business. The estimate includes items such as payroll, third-party listing services, royalty, additional advertising, repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax, any limited damage waiver program fees, Account Takeover Fees, and other miscellaneous items, that may not be covered by sales revenues. This range does not include any draw or salary for you. Additional factors, basis and experience we relied upon in formulating the estimated amount for Additional Funds (and all estimates in this Item 7) include (a) the experience of our affiliate that has owned and operated a business substantially similar to the Franchised Business offered under this Disclosure Document since October 2007, (b) our own experience in operating businesses substantially similar to the Franchised Business offered under this Disclosure Document, and (c) estimates we have received from certain third-party vendors.
13. **Total Estimated Initial Investment.** We do not offer direct or indirect financing to you for any part of the initial investment. Unless otherwise noted above, all of the expenditures listed in the Item 7 Table are non-refundable.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential Manuals and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may

periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System. We notify franchisees in writing of changes or additions to our standards, specifications and lists, through our Manual or other written notices to franchisees.

Approved Products and Services

You may only market, offer, sell and provide the Approved Services, as well as any related merchandise and other products that Franchisor authorizes for sale in conjunction with the Approved Services and the Approved Products at your Franchised Business in a manner that meets our System standards and specifications. We will provide you with a list of our then-current Approved Products and Services, along with their standards and specifications, as part of the Manuals or otherwise in writing prior to the opening of your Franchised Business. We may update or modify this list in writing at any time.

If you wish to offer any product or service in your Franchised Business other than our Approved Products and Services, or use any item in connection with your Franchised Business that does not meet our System standards and specifications, then you must obtain our prior written approval as described more fully in this Item.

Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Franchised Business from a supplier that we approve or designate (each, an “Approved Supplier”), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of the Manuals or otherwise in writing, and we may update or modify this list as we deem appropriate.

Currently, we have Approved Suppliers for the following items that you must purchase in connection with the establishment and/or operation of your Franchised Business: (i) computer software (as well as maintenance and support); (ii) website hosting services; (iii) third-party prospects listing services; (iv) digital locks; (v) shirts and other apparel; (vi) private-label merchandise (if and as authorized for resale in connection with your Franchised Business by us); (vii) our current LDW Program; (viii) direct mail materials, marketing materials (digital or otherwise), and brochures; and (ix) the Logo Items Start-Up Kit and Printed Materials Start-Up Kit. In addition, the following subsidiaries of Purchaser (defined in Item 1) are our affiliates and are the only approved suppliers for the following services to franchisees, respectively: Rental Guardian Holdings, LLC or its subsidiary provide travel and damage insurance to guests of properties managed by franchisees; and, Lynnbrook Group provides payment processing services to franchisees.

As of the Issuance Date of this Disclosure Document, we are the Approved Supplier for (a) Proprietary Software and Website Hosting Program (including ongoing Software License Fees), (b) Digital Marketing Requirement, and (c) the LDW Program described previously disclosed in Item 6 above. In certain states, we may designate a third-party provider to provide the LDW Program if a System franchisee can demonstrate that such an arrangement is required by applicable law.

Except as provided above, as of the Issuance Date neither we nor any of our affiliates: (i) are an Approved Supplier for any items you are required to purchase in connection with your Franchised Business; and (ii) have officers that own an interest in any of our Approved Suppliers (other than us and our affiliates).

We do reserve the right to designate ourselves or any of our affiliate(s) as an Approved Supplier for any

item or service you are required to purchase in connection with your Franchised Business at any time in the future. Among other things, we may develop proprietary products for use in your Franchised Business, including private-label products that bear our Proprietary Marks, and require you to purchase these items from us or our affiliate(s).

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved 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 will account for approximately 75% to 95% of your total costs incurred in establishing your Franchised Business, and approximately 35% to 75% of your ongoing costs to operate the Franchised Business after the initial start-up phase. Please be advised that these percentages do not include the lease payments that you make in connection with your Premises (as defined in Item 11).

We reserve the right to derive revenue from any of the purchases (items or services) that our System franchisees are required to make in connection with the Franchised Business. In our last fiscal year ending December 31, 2019, we received \$1,558,670.47 in revenue on account of franchisees’ required purchases and leases (or 21.6% of our total revenue from the 2019 fiscal year amounting to \$ 7,232,668.00). In their last fiscal year ending December 31, 2019: (i) our affiliate, PMB Marketing & Consulting Services, LLC, received \$130,299.60 on account of franchisees’ required purchases and leases over part of the past fiscal year ending December 31, 2019, but please note (a) we determined to no longer use PMB as an Approved Supplier for such purchases before that year-end, and (b) PMB is not an Approved Supplier for any item our System franchisees are required to purchase as of the Issuance Date of this Disclosure Document; (ii) our affiliate ITA2 received \$15,624.74 on account of our System franchisees’ required purchases; and (iii) our affiliate ITA3 received no revenue on account of our System franchisees’ required purchases.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Franchised Business that are not Approved Products and Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. You must pay our then-current supplier or non-approved product evaluation fee in the amount of \$500 when submitting your request, as well as cover our costs incurred in evaluating your request. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier’s production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose

with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and/or services, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (although are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the iTrip businesses in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of approved suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Franchised 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 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.

We currently do not have any purchasing cooperatives, but we reserve the right to create purchasing cooperatives in the future.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Operation from Home Office that Complies with System.

We expect that you will operate from a home office, which must meet our System standards and specifications, to the extent such standards/specifications have been reduced and provided to you in writing.

After you have been open and operating for a period of one (1) year from a home office location, or an earlier timeframe that we approve, you may request to relocate to a third-party commercial office space. In the event you submit such a request to us in writing, we will use commercially reasonable efforts to: (i) provide you with basic site selection criteria that we establish for a third-party premises of an iTrip Location, if any; (ii) review and evaluate any site relocation proposals; and (iii) approve or reject such site selection proposals within 20 days of the date you provide us with all information we reasonably request. Our approval of any given site, including your home office, does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location.

Insurance

You must purchase and maintain the following insurance in connection with the operation of your iTrip Location:

- (i) “All risk” property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee’s property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;
- (ii) Workers’ compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;
- (iii) Comprehensive General Liability Insurance and Professional Liability Insurance against claims for bodily and personal injury, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee’s conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per occurrence or \$2,000,000 in the aggregate for Professional Liability and General Liability or, if higher, the statutory minimum limit required by state law;
- (iv) Automobile liability insurance for the Approved Vehicle and any other vehicles that are utilized in connection with the Franchised Business, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law; and
- (v) The business interruption insurance, as well as any other type of insurance, in the amount that Franchisor designates in the Manuals or otherwise in writing;
- (vi) Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.

We have not designated an Approved Supplier that you must use for insurance, but you must buy insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as we periodically specify. You 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 by the Franchise Agreement. 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).

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

	Obligation	Section in Franchise Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2(B), 5(E), and Exhibit A (Data Sheet)	Item 11
b.	Pre-opening purchases/leases	Sections 6(A), 6(C), and 6(D)	Items 7, 8, 11
c.	Site development and other pre-opening requirements	Sections 2(B), 6(A), and 6(D)	Items 6, 7, 11
d.	Initial and ongoing training	Sections 5(A), 5(B), 5(C), and 5(G)	Item 11
e.	Opening	Section 6(D)	Item 11
f.	Fees	Sections 2(C), 2(D)(3), 3(B)(4), 4, 5(A)(5), 5(B), 5(C), 5(G), 5(Q), and 13(F)(9)	Items 5, 6, 7, 11
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 6 and 8	Items 6, 11
h.	Trademarks and proprietary information	Section 7	Items 13, 14
i.	Restrictions on products/services offered	Sections 6(G), 6(H), 6(T), 6(U) and 6(V)	Items 8, 11, 16
j.	Warranty and customer service requirements	Section 6(V)	Not Applicable
k.	Territorial development and sales quotas	Section 2(D) and 6(DD)	Item 12
l.	Ongoing product/service purchases	Sections 6(K), 6(L) and 6(N)	Items 8, 16
m.	Maintenance, appearance and remodeling requirements	Sections 6(H), 6(I), 6(K), and 6(R)	Items 8, 11
n.	Insurance	Sections 11(A), 11(B), 11(C) and 11(D)	Items 6, 8, 11
o.	Advertising	Sections 2(D)(2), 7(C), and 9	Items 6, 11

	Obligation	Section in Franchise Agreement	Disclosure Document Item
p.	Indemnification	Section 11(E)	Item 9
q.	Owner's participation/ management/staffing	Sections 6(F), 6(Q), 6(V), 6(X), and 6(BB)	Item 15
r.	Records and reports	Sections 6(B) and 10	Items 6, 9, 21
s.	Inspections and audits	Sections 5(L), 6(L), 6(W), 10(B), and 10(H)	Items 6, 11, 21
t.	Transfer	Section 13	Item 17
u.	Renewal	Sections 3(B) and 3(C)	Item 17
v.	Post-termination obligations	Section 16	Item 17
w.	Non-competition covenants	Section 14	Item 17
<u>X</u>	<u>Guarantee</u>	<u>Section 23</u>	<u>Items 1, 15</u>

ITEM 10 FINANCING

We do not offer direct or indirect financing, nor do we guarantee your obligations.

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 Franchised Business, we will:

1. Once you secure a Premises, as defined below, that we approve for a Franchised Business, define your Designated Territory for that Franchised Business and include its boundaries in a Data Sheet attached as an Exhibit to your Franchise Agreement. (Franchise Agreement, Section 2(B));

2. Provide you with access to, or otherwise loan, one (1) copy of our confidential and proprietary Manuals. You must operate your Franchised Business in accordance with the Manuals and all applicable laws and regulations. The Manuals may be amended or modified by us to reflect changes in the System, and you must comply with these amendments/modifications when you receive them, but they will not materially alter your rights and obligations under the Franchise Agreement. You must keep the Manuals confidential and current, and you may not copy any part of the Manuals. You are required to keep a copy of the Manuals at your Premises, and if there is a dispute relating to the contents of the Manuals, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manuals in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The table of contents for our Operations Manual as of the Issuance Date of this Disclosure Document is attached to this Disclosure Document as Exhibit E and is a total of approximately 344 pages (Franchise Agreement, Section 5(D));

3. Provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them), either as part of the Manuals or otherwise in writing. (Franchise Agreement, Section 5(D));

4. Provide you with the Logo Items Start-Up Kit and Printed Materials Start-Up Kit, upon payment. (Franchise Agreement, Section 4(A)(5));

5. Provide you with two (2) email address(es), which you are required to use in connection with the Franchised Business and must be the only email addresses used in connection with the Franchised Business. (Franchise Agreement, Section 5(J));

6. At our option, assist you in developing and conducting a grand opening advertising program, which program shall be conducted at your expense. (Franchise Agreement, Section 5(F));

7. License to you our Proprietary Software and Web Hosting Program. (Franchise Agreement, Section 4(A)(2));

8. Approve or disapprove any advertising, direct mail and promotional materials and programs you propose within fifteen (15) days of receipt. If we do not respond within fifteen (15) days, the material is disapproved. (Franchise Agreement, Section 9(B));

9. Offer and make available an initial training program (the “Initial Training Program”) for you and up to one (1) additional person designated by you, provided (a) all initial training-related and other initial fees described in Item 5 of this Disclosure Document have been paid in full, and (b) these individuals attend at the same time. One of the trainees must be you (or one of your principals responsible for the Franchised Business if you are an entity) and, if applicable, the other attendee must be your proposed designated manager that you wish to be responsible for the day-to-day management of the Franchised Business, subject to our prior written approval, which we will not unreasonably withhold or delay (the “Designated Manager”). (Franchise Agreement, Section 5(A)).

The Initial Training Program will be comprised of three (3) components, namely: (i) two (2) general training sessions that our training personnel will, in our sole discretion, conduct virtually or within your Designated Territory and at your Premises (each, an “On-Site Module”); and (ii) one (1) session of training that will take place at our designated training facility in Tennessee (or other location that we designate, including, the Internet, a webinar or other virtual medium that we deem appropriate in our sole discretion) and focus on the training and assistance in connection with the Proprietary Software and Web Hosting Program (the “Software Module”). (Franchise Agreement, Section 5(A)).

You must complete both On-Site Modules and the Software Module (collectively, the “Modules”) before you can commence operations of the Franchised Business and/or otherwise commence soliciting any potential Clients or servicing any Existing Accounts, which you may only do with our prior written approval. If, before the completion of all three (3) Modules of the Initial Training Program, you have been approved by us to solicit a Client and/or Existing Account, then we will supervise the maintenance of the Client’s/Existing Accounts’ account until all three (3) Modules are completed. Each Module of the Initial Training Program will be provided at the location or via the virtual medium we designate in our sole discretion, subject to the schedules and availability of our personnel, and each particular Module may be provided to you in the chronological order that meets our schedule. (Franchise Agreement, Section 5(A)).

Prior to providing either of the On-Site Modules, you will be required to participate in a preliminary training call, which may be conducted via telephone, Skype or other medium that we designate, for purposes of going over some preliminary steps that you must complete before we will send our training personnel to provide training to you: (i) in your Designated Territory or (ii) virtually via the Internet, webinar or other virtual medium that we deem appropriate in our sole discretion. (Franchise Agreement, Section 5(A)).

You will be responsible for all costs and expenses associated with your attendance and completion of the On-Site Module, including without limitation, the costs associated with flight or other travel, lodging, meals, local transportation and (if appropriate) wages. We will cover the costs and expenses associated with conducting the On-Site Modules virtually or within your Designated Territory, which we may provide as we deem appropriate at (a) your home office, (b) the vehicle that you are utilizing in connection with the Franchised Business (or the vehicle being used by our personnel), or (c) any other locations that might be relevant to the operation of the Franchised Business within the Designated Territory. (Franchise Agreement, Section 5(A)).

Below please find a Training Chart providing the details of our Initial Training Program.

TRAINING PROGRAM

A. On-Site Module I

Subjects(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
- General Overview - Local Completion Agreements - Guest and Owners Agreements - Begin Creating Unique Value Propositions	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Designated Territory Tour - Competitor Research - Home Owners' Association (HOA) Overview and Visits - Chamber of Commerce/Visitor Center Visit	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Overview of iTrip-Related Websites - Hub Setup - Realtor Program - Pro-Forma Overview - Setting Up CRM, Realtor Programs and Other Programs	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Maintenance of Destination Page - Using Photos, Keywords, Pricing Programs and Vendor Programs - Additional Home Owners' Association Visits - Community Visits	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium

Subjects(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
- Meetings with Realtor Offices - Meetings with Vendors - Attend Networking Event - Plan Board of Realtor Events	0	7	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Finalize Unique Value Propositions - Review and Set Up Fees - Review of Additional Avenues of Revenue (cleaning, restoration, affiliate programs, etc.) - Meetings with Realtor Offices - Create Business Development Plan - Create Direct Mail Plan - Create Realtor Plans	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Meetings with Realtor Offices - Set Up Weekly Accountability and Coaching Calls	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
TOTALS	0	28	

B. On-Site Module II

Subjects(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
- Review of On-Site Module I Topics - Review of Business Development Plan - Vacation Rental Calls - Call/Follow Up on Leads	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Additional Vendor Meetings - Additional HOA Meetings - Additional Realtor Meetings	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Attend Networking Event - Schedule Meetings with Long-Term Property Management Companies - Chamber of Commerce/Visitor Center Visit and Confirm Future Events	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual

Subjects(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
			medium
- Additional Realtor Meetings	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Creating Guest Books for Properties - Creating and Finalizing Brochures - Meetings with Long-Term Property Management Companies	0	3	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Additional Realtor Meetings	0	4	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
- Review of Unique Value Proposition - Review of Business Development Plan - Review Topics for Nashville Training - Franchisee Roles in Operating the Franchised Business - Additional Realtor Meetings - Meetings with Long-Term Property Management Companies - Set Up Weekly Accountability and Coaching Calls	0	7	Home office, your vehicle, any other location we designate within the Designated Territory or virtual medium
TOTALS	0	28	

C. Off-Site Module

Subjects(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
Software-related training - Hub Back-Office Set Up - Creating Areas and Adding Properties - Fees and Taxes	3	0	Nashville, Tennessee or other training facility we designate (including, via a virtual medium we deem appropriate).
Software and related training - Creating Seasons and Rates	4	0	Nashville, Tennessee or other training facility

Subjects(s)	Hours of Classroom Training	Hours of On-the-Job Training	Location
- Creating Quotes and Bookies - Creating Help Center Topics - Creating and Editing Templates			we designate (including, via a virtual medium we deem appropriate).
Software and related training - Creating Businesses and Property Referrers - Manage CRM System, Calendar and Drip Campaigns - Creating Promotions	3	0	Nashville, Tennessee or other training facility we designate (including, via a virtual medium we deem appropriate).
Software and related training - Creating Maintenance Items - Creating System Reports - Month-End Closing - Creating and Distributing Owner Statements	4	0	Nashville, Tennessee or other training facility we designate (including, via a virtual medium we deem appropriate).
Sales Training	7	0	Nashville, Tennessee or other training facility we designate (including, via a virtual medium we deem appropriate).
TOTALS	21	0	

We do not currently have a set training schedule, but our Initial Training Program will be made available on an as-needed basis subject to the availability of our personnel. Instructional materials, including components of the Manuals, will be provided to you and used as necessary as you proceed through the Initial Training Program. The Initial Training Program is subject to change without notice to reflect updates in the materials, methods and Manuals, as well as changes in personnel or other circumstances. The subjects taught and the time periods allocated for each subject may vary based on the experience of the people being trained. We may, as we deem appropriate in our sole discretion, provide certain or all portions of your Initial Training Program via the Internet, webinar or other virtual medium. Our training managers and their years of experience within the industry and with our System are listed below. Our training managers may utilize other employees to assist them with all aspects of training. Failure to complete the Initial Training Program to our satisfaction within the applicable time period may result in the termination of the Franchise Agreement. (Franchise Agreement, Section 15(B)).

Jeff Beaudin, Vice President of Training, will typically oversee each of the On-Site Modules of the Initial Training Program. Mr. Beaudin has been with us since our inception, which was in June 2015, and has over four (4) years of experience in connection with the training topics at issue. While Mr. Beaudin may oversee the training for internal purposes, much of the actual training and instruction is provided by our

primary training personnel (all of which we expect will have at least 1 year of experience with us and the topics of instruction, and will most time have more experience).

Ashley Nations, Vice President of Software Product & Support, will typically oversee the Software Module of the Initial Training Program that is provided at our designated training facility in Nashville, Tennessee (or other location we designate, including via the Internet, webinar or other virtual medium that we may designate in our sole discretion). Ms. Nations has over four (4) years of experience with certain of our affiliates (and has been with us since our inception, which was in June 2015) and at least that much experience with the software and topics of instruction.

We reserve the right to appoint and substitute other individuals to assist in providing training. Our head training instructor will be an individual that has at least one (1) year of experience with us and in connection with the subject matters being taught. We will loan you one (1) copy of our proprietary instructional materials prior to or upon your attendance at our Initial Training Program, which may include our Manuals and certain other instructional materials that we develop. You, or another person that successfully completes our Initial Training Program, will be required to train all other personnel that works at your Franchised Business. (Franchise Agreement, Section 5(A)).

If you wish to have more than two (2) individuals attend the Initial Training Program, we will train these individuals, subject to the availability of our training staff, at our corporate headquarters or any other location we may select (including via the Internet, webinar or other virtual medium that we deem appropriate in our sole discretion) and we reserve the right to charge our then-current training tuition fee, which is currently \$1,500 per trainee. If you, your Designated Manager (if applicable) or other trainee you designate fails to complete the Initial Training Program to our satisfaction, that person may re-attend or you may send a replacement to our next available Initial Training Program session, provided there is availability. We may charge our then-current training tuition rate for these individuals to re-attend the Initial Training Program as well. In any event, you are solely responsible for all expenses incurred related to your and your employee's attendance at our Initial Training Program, including transportation to and from the training site, lodging, meals and employee wages. (Franchise Agreement, Section 5(A)(5)).

B. Site Selection

Unless we approve otherwise in writing, you will be required to operate the Franchised Business from your home or the home of one (1) of your owners (the "Premises"). In deciding whether to approve a site, we may consider, among other things: (i) Internet accessibility; (ii) whether you have a dedicated workspace; (iii) the proximity of the proposed site to your Designated Territory (if not located within the Designated Territory); and (iv) the general size, appearance, and other physical characteristics of the proposed site.

After you have been open and operating the Franchised Business for a period of one (1) year from a home office location, or at a sooner time at our discretion, you may request to relocate to a third-party commercial office space. In the event you submit such a request to us in writing, we will use commercially reasonable efforts to: (i) provide you with basic site selection criteria that we establish for a third-party premises of an iTrip Location, if any; (ii) review and evaluate any site relocation proposals; and (iii) approve or reject such site selection proposals within 20 days of the date you provide us with all reasonably requested information that request in connection with a given site proposal. ~~Our approval of any given site, including your home office, does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location.~~

We do not generally or typically own the Premises and lease it to the franchisee. In the event we approve your proposal to relocate to a third-party commercial space, we must then also approve of the lease for the Premises (the “Lease”) or purchase agreement for the location, prior to you entering into any such agreement for that location to serve as the Premises of the Franchised Business. We may condition its approval of any Lease for the proposed Premises on the landlord’s execution of our form of consent and agreement of landlord attached to the Franchise Agreement as Exhibit C. We will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from you.

C. Time to Open

Except as provided in this Item, you must open and commence operations of your Franchised Business within 90 days of the date you execute your Franchise Agreement for that Franchised Business. Prior to opening and/or soliciting prospective Clients, you must complete the Initial Training Program described in this Item, unless we otherwise approve in writing. We estimate that it will take between 60 to 90 days to open your Franchised Business from the time you execute your Franchise Agreement. Your total timeframe may be shorter or longer depending on the time necessary to attend and complete the Initial Training Program, to obtain financing, to obtain the permits and licenses for the operation of the Franchised Business, and to complete preparation for operating the Franchised Business, including purchasing any supplies needed prior to opening. If you do not open or operate your Franchised Business within this 90-day period, then we may terminate your Franchise Agreement (unless we agree to extend your opening deadline in a writing signed by both parties) (Franchise Agreement, Section 6(D)).

D. Post-Opening Obligations

During the operation of the Franchised Business, we will:

1. At our option, offer, and require you and your Designated Manager to attend, additional training programs and/or refresher courses, as we deem necessary in our sole discretion (“Additional Training”). While you have the option to attend any Additional Training we offer, subject to the availability of our classes, we may require that you and your Designated Manager attend up to five (5) days of Additional Training each year at our headquarters or other location we designate (including via the Internet, webinar or other virtual medium we deem appropriate in our sole discretion). You will be required to pay our then-current Additional Training Fee for any Additional Training you and your employees attend. You will also be solely responsible for all expenses incurred in attending Additional Training. (Franchise Agreement, Section 5(C));

2. At our option, provide you with continuing consultation and advice, as we deem necessary in our sole discretion, regarding the management and operation of the Franchised Business. We may provide this assistance by group webinar, telephone, facsimile, or intranet communication, as we deem advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, guest satisfaction surveys and other brand quality measurements we impose in connection with the operation of your Franchised Business, and such advice/consultation will be subject to your timely provision of any reports we require you to submit. (Franchise Agreement, Section 5(G));

3. Review, in our reasonable discretion, your request to relocate the commercial office space serving as the Premises for your Franchised Business provided: (i) you secure an alternate location

within the Designated Territory that meets our then-current site selection criteria for the premises of an iTrip Location; and (ii) you pay us a relocation fee amounting to Two Thousand Dollars (\$2,000). (Franchise Agreement, Section 2(C));

4. After you have been open and operating the Franchised Business for a period of one (1) year from a home office location and you request to move the Franchised Business to a third-party commercial space, review such space and your proposal. (Franchise Agreement, Section 5(E));

5. Approve or deny any advertising/marketing materials you wish to use in connection with your Franchised Business as described more fully below in this Item 11 under the heading “Advertising and Marketing.” (Franchise Agreement, Section 5(H));

6. Approve or disapprove your requests to: (i) purchase and/or offer non-approved products or services in connection with the Franchised Business; and (ii) make Required Purchases from suppliers other than our then-current Approved Suppliers. (Franchise Agreement, Section 6(L));

7. At our option, schedule and hold an annual conference, as we deem advisable in our sole discretion, to discuss the current state of the System, improvements to the System, hold discussion forums for System franchisees and recognize certain franchisees. In the event we schedule a conference, we will require you to attend, but for no more than five (5) days each year. You will be responsible for the costs and expenses you incur in connection with any annual conference/convention (lodging, travel, meals, etc.), and we reserve the right to charge you our then-current attendance/registration fee (currently, \$399 per person). (Franchise Agreement, Section 5(Q));

8. Display the contact information of your Franchised Business on the website that we or our designee maintains to advertise and promote the ITRIP brand, our Proprietary Marks and other iTrip Locations, provided you are in compliance with the terms of your Franchise Agreement. Please see below in this Item 11 under the heading “Advertising and Marketing” for further information. (Franchise Agreement, Sections 5(I) and 9(G));

9. At our option, administer and maintain a System-wide advertising and marketing fund (the “Fund”) for the benefit of the System, as we deem necessary in our sole discretion. Currently, we have not established a System-wide Marketing Fund. (Franchise Agreement, Section 9(E));

10. At our option, establish and maintain a website portal or other intranet for use by you and other iTrip Location owners (the “iTrip Web Portal”), wherein we may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which you must strictly comply with promptly after such content is posted or otherwise listed on the iTrip Web Portal. (Franchise Agreement, Section 5(D));

11. At our option, conduct, as we deem advisable in our sole discretion, inspections of the premises and audits of the Franchised Business and your operations generally to ensure compliance with our System standards and specifications. We may also prepare written reports outlining any recommended or required changes or improvements in the operations of an iTrip franchise, as we deem appropriate in our sole discretion, and detail any deficiencies that become evident as a result of any inspection or audit. (Franchise Agreement, Section 5(L));

12. At our option, establish a System-wide call center (the “Call Center”) and, if we do so, you will be required to pay related subscription fees at our then-current rate or the then-current rate

charged by our approved supplier for call center services. (Franchise Agreement, Section 5(R));

13. At our option, supplement, revise or otherwise modify the Manuals and/or the iTrip Web Portal as we deem necessary or prudent in our sole discretion, which may, among other things, provide new operations concepts and ideas. We may provide you with these updates through various mediums, including mail, e-mail and our System-wide intranet. (Franchise Agreement, Section 5(D)); and

14. At our option: (i) research vacation rental and/or property management services, products and equipment and methods of doing business and provide you with information we have developed as a result of this research, as we deem appropriate in our sole discretion; and (ii) create and develop additional products and services to be offered or provided as Approved Products and Services at iTrip Locations, including proprietary products and services that may be sold under the trademarks we designate. (Franchise Agreement, Section 5(K)).

E. Advertising

All advertising and promotional materials that you use in connection with your Franchised Business must be approved by us and conform to the standards and requirements that we specify in the Manuals or otherwise (including, without limitation, the requirement that: (i) all advertising and promotional materials and other items we designate must bear the Proprietary Marks in the form, color, location and manner we prescribe and (ii) all advertising and promotion in any medium be conducted in a dignified manner). We may make available to you from time to time, at your expense, certain promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also obtain our approval prior to advertising outside of the Designated Territory. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene applicable regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 9(B)).

If you wish to use any advertising or promotional materials other than those that we have previously approved or designated within the preceding 12 months, then you must submit the materials you wish to use to us for our prior written approval at least 20 days prior to publication. We will use commercially reasonable efforts to notify you of our approval or disapproval of your proposed materials within 15 days of the date we receive the materials from you. 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. Once approved, you may use the proposed materials for a period of 90 days, unless we: (i) prescribe a different time period for use; or (ii) require you to discontinue using the previously approved materials in writing. We may require you to discontinue the use of any advertising or marketing material, including materials we previously approved, at any time. (Franchise Agreement, Section 9(B)). Except as otherwise provided in this Item, we are not required to spend any amount on advertising in your Designated Territory.

Initial Marketing Spend. You are required to expend a designated minimum amount within your Designated Territory to promote and advertise the grand opening of your Franchised Business (the “Initial Marketing Spend”), which must be expended within (a) the 60-day period following the execution of this Agreement, or (b) other time period we require or approve in writing. If your Designated Territory is classified as a Primary Market, then your Initial Marketing Spend will be a minimum of \$1,500. If, however, your Designated Territory is categorized as a Boutique Market, then your Initial Marketing Spend will be a minimum of \$1,000. (Franchise Agreement, Section 9(C)).

Digital Marketing Requirement. In addition to the Initial Marketing Spend, you must expend the greater of the following amounts each month on digital marketing campaigns and placement in a manner, or from a supplier, that we prescribe or approve (collectively, the “Digital Marketing Requirement”). For a Designated Territory that is classified as a Primary Market, the Digital Marketing Requirement will be the greater of: (i) \$1,185; or (ii) one and a half percent (1.5%) of the Gross Sales of the Franchised Business during that preceding calendar month. If your Designated Territory is categorized as a Boutique Market, then your Digital Marketing Requirement will be the greater of: (i) \$960; or (ii) one and a half percent (1.5%) of the Gross Sales of the Franchised Business during that preceding calendar month. (Franchise Agreement, Section 9(D)(1)).

Direct Mail Requirement. You must also expend a total of \$1,000 each calendar month on direct mail advertising to prospective Clients that own properties within the Designated Territory in a manner that, or from a supplier that, we prescribe or approve (the “Direct Mail Requirement”) for the first 18 months of operation. Thereafter, you are permitted to use an approved supplier to purchase additional direct mail marketing and other local advertising as you deem appropriate in your reasonable discretion. (Franchise Agreement, Section 9(D)(2)).

Creative Brand Fund. We have not yet established a systemwide advertising fund, and therefore we are not currently obligated to conduct advertising for the franchise system. However, we reserve the right to establish and administer a creative brand fund (the “Fund”) for the promotion, marketing, development and benefit of the System and our brand generally, and if we do you must contribute to the Fund (See Item 6). We will notify you in writing of the starting date and amount of your fund contribution, should we elect to form a Creative Brand Fund. If we institute such a Fund, we will administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees associated with: preparing and producing video, audio, and written materials and electronic media; website maintenance and development, internet advertising, administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing.

We will account for the Fund Contributions separately from our other funds and not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund Contributions. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason. We may spend, in any fiscal year, more or less than the total Fund Contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund Contributions to pay costs before spending the Fund’s other assets. We will not use Fund Contributions for advertising that principally is a solicitation for the sale of franchises, except

that we may use/display the phrase “Franchises Available” on any and all advertising/marketing that is covered by the Fund. We will prepare an unaudited, annual statement of Fund collections and costs and give it to you upon written request. We may incorporate the Fund or operate it through a separate entity if we deem appropriate. Any franchisor-owned or affiliate-owned iTrip Locations may, but will not be required to, contribute to the Fund in the same manner that each franchised iTrip Location is required to contribute.

We are not required to spend any of your Fund Contributions in the Designated Territory you are granted under your Franchise Agreement, and we will provide you with an accounting of the Fund within 120 days after our fiscal year end (upon your written request). We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. If we do not spend all Fund Contributions in a given year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we deem appropriate in our sole discretion. (Franchise Agreement, Section 9(E)).

Since we did not collect any Fund Contributions in our past fiscal year, we did not expend any Fund Contributions in the previous fiscal year.

Advertising Council. Currently, we have not established an advertising council (the “Advertising Council”), but we reserve the right to do so in the future. If we establish an Advertising Council, it will serve in an advisory capacity to us with respect to certain advertising expenditures, including providing advice/guidance on how to administer the Fund (if established in the future). At our discretion, the Advertising Council may be comprised of our management representatives, employees, you and/or other franchisees in the System. We will have the right to modify or dissolve an Advertising Council (if created) at any time. (Franchise Agreement, Section 9(F)).

Regional Advertising Cooperatives (“Cooperatives”). Currently, we have not established any regional advertising cooperatives. However, we reserve the right to establish regional advertising cooperatives that are comprised of a geographical market area that contain two or more iTrip Locations (whether a Franchised Business or Affiliate-owned) (each a “Cooperative”). If we assign your Franchised Business to a Cooperative that we have established, you must work with the other iTrip Location owners in your Cooperative and us to develop and implement regional advertising campaigns designed to benefit all the iTrip Locations within the geographical boundaries of the Cooperative. We have not established any Cooperatives as of the Issuance Date of this Disclosure Document and have not contemplated how much a Franchised Business might be required to contribute to such a Cooperative (though it will not exceed your Direct Mail Requirement in any given month). We will have the right to establish, modify, merge and dissolve Cooperative as we deem appropriate. Any amounts you expend on Cooperatives will be credited towards your Direct Mail Requirement. (Franchise Agreement, Section 9(H)).

F. Computer System

You must purchase any and all computer hardware, software and peripherals in accordance with our System standards and specifications. We have the right to specify or require that you use certain brands, types, makes, and/or models of computer hardware and software in connection with the Franchised Business, including without limitation (i) a laptop or other computer that meets our System specifications and is capable of running our Proprietary Software and Website Hosting Program and other software we may require; (ii) printers and other peripheral hardware/devices; and (iii) equipment necessary to maintain a physical, electronic or other security system for the Franchised Business that we designate (collectively,

the “Computer System”). We may require you to purchase any of these items from one of our Approved Suppliers. (Franchise Agreement, Sections 4(C) and 6(K)).

The current minimum hardware requirements for your Computer System are as follows: (i) an Apple Macbook with the latest version of Microsoft Office; (ii) an Apple iPad with 4G wireless service; (iii) a Windows PC running Windows 7 or newer; (iv) the most current version of QuickBooksPro; and (v) a printer/scanner/copier (all-in-one). We must approve of all of the foregoing hardware before it is used in connection with your Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating your Franchised Business. You will also need to maintain Internet access via DSL or cable broadband connection. (Franchise Agreement, Sections 4(C) and 6(K)).

If you already have computer hardware and/or software that meets our then-current standards for a Computer System and/or the Proprietary Software and Website Hosting Program, then you may use these items in connection with your Franchised Business provided you obtain our approval. Otherwise, we estimate the costs to purchase our current Computer System to be between \$2,600 and \$3,500. You must keep your Computer System in good maintenance and repair and 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. We estimate that you will spend approximately \$750 to \$1,500 annually on maintenance and support contracts for – as well as any upgrades to – your Computer System, but this range does not account for the monthly Software License Fee you will be required to pay in connection with the Proprietary Software and Website Hosting Program (see Items 6 and 8 of this Disclosure Document for additional information). We do not have any contractual obligation for maintenance, repairs, updates and upgrades to your Computer System. There is no contractual limit on our ability to require you to upgrade the Computer System, add components to the Computer System and replace components of the Computer System.

You must license from us our then-current customized and Proprietary Software and Web Hosting Program to be used at your Franchised Business in connection with the provision of the Approved Services, and you must execute our then-current form of software license agreement (which is attached as a Exhibit G to the Franchise Agreement). You must pay us an ongoing license fee of \$540 each month (on the 5th or other date that we designate) – beginning in the first month after you sign your Franchise Agreement – for the right to continuously access and utilize the Proprietary Software and Web Hosting Program (the “Software License Fee”), which must be paid in a lump sum each month and will be deemed fully earned and non-refundable upon payment. The Software License Fee will also cover the maintenance and support associated with our Proprietary Software and Web Hosting Program. (Franchise Agreement, Section 4(A)(8)).

We will also have the right to, at any time without notice, electronically and independently connect with your Computer System to monitor or retrieve data stored on the Computer System (or for any other purpose we deem necessary). You must provide all assistance we require to bring your Computer System online with our headquarters computer at the earliest possible time and to maintain this connection as we require. You must input and maintain in your Computer System all data and information which we prescribe in the Manuals. There are no contractual limitations on our right to access the information and data on any component of your Computer System. (Franchise Agreement, Section 4(C)).

You are also required to participate in any System-wide area computer network, intranet system, or extranet system that we implement, including, without limitation, the iTrip Web Portal, and may be required to use such networks or system to, among other things: (i) submit your reports due under the Franchise Agreement to us online; (ii) view and print portions of the Manuals; (iii) download approved

local advertising materials; (iv) communicate with us and other System franchisees; and (v) complete certain components of any ongoing training we designate. (Franchise Agreement, Section 4(C)).

G. Website and Internet Use

Except as approved in advance in writing by us, you 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 Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Pinterest, Twitter, YouTube or any other social media and/or networking site. Any such Internet website or presence is considered “advertising” and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more of the above presences on the Internet, you must: (i) establish and operate your World Wide Web or Internet site in accordance with System standards and any other policies we designate in the Manuals or otherwise in writing from time to time; and (ii) utilize any templates that we provide to you to create and/or modify such site(s). We alone will be, and at times will remain, the sole owner of the copyrights to all material which appears on your website and/or social media platform. All content and information which appears on your website and/or social media platform or which you gather from visitors to your website or social media platform will be considered our Confidential Information. (Franchise Agreement, Section 9(G)).

We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the “Website”), including the contact information of your Franchised Business. We agree to establish an interior page on our corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) the Franchise Agreement governing that Franchised Business is not subject to termination. We have sole control over all aspects of the Website, including without limitation its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We also have the right to discontinue operation of the Website at any time without notice to you. We have the right to modify our policies regarding your use of social media and Internet websites in connection with your Franchised Business as we deem necessary or appropriate in the best interest of the System. We (or our affiliate) are the sole registrant of the Internet domain name www.itrip.net, as well as any other Internet domain names that we or our affiliates register in the future. You must not register any Internet domain name 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. We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any iTrip website we establish and maintain, including all material you may furnish to us.

You are required to use the two (2) email addresses we will provide you in connection with the Franchised Business and these email addresses must be the only email addresses used in connection with the Franchised Business. If you request additional email addresses, you will be required to pay a fee of \$100 per year per account.

ITEM 12 TERRITORY

Premises and Relocation

You may only operate your Franchised Business from the Premises we approve, which we expect to be

from a home-office location. Once we agree on the Premises, we will designate it on the Data Sheet attached to your Franchise Agreement.

After you have been operating the Franchised Business in compliance with the terms of the Franchise Agreement for a period of one (1) year, or at a sooner time at our discretion, we will permit you to relocate to a Premises that is comprised of commercial office space that we approve in writing, but only if you can demonstrate that: (i) the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space; and (ii) this commercial office space is located within the Designated Territory and otherwise meets our then-current site selection criteria for a Premises that is not a home office.

Otherwise, you may not relocate your Franchised Business without our written consent, which we will not unreasonably withhold provided: (i) the new location is located within your Designated Territory and meets our then-current criteria for a Premises; and (ii) you pay our then-current relocation fee. When considering a request for relocation, we may take into account the desirability of the proposed new location, its distance from other and future-planned franchised locations, the traffic patterns, security, cost, and the demographics of the area, as well as any other related factors we deem appropriate. We will not unreasonably withhold our approval of your relocation request, provided the location meets our site-selection criteria.

Franchise Agreement: Designated Territory

Once you have secured the Premises of your Franchised Business, we will define the Designated Territory on the Data Sheet attached to your Franchise Agreement. Each Designated Territory is determined by researching a number of data points, including but not necessarily limited to: the number of absentee properties, the number of short-term rental listings, the short-term rental restrictions and regulations and the topography of a geographical area. These data points are reviewed individually and in relation to one another to define your Designated Territory. Depending on the results of our analysis, your Designated Territory will be categorized as a primary market or a boutique market. Typically, primary markets will have more than 900 short-term rental listings on one or more listing sites (a “Primary Market”), and boutique markets will have at least 500 short-term rental listings on one or more listing sites (a “Boutique Market”). The size and shape of your Designated Territory will likely vary from other System franchisees based on the location and demographics surrounding your Premises. We do not have a standard or minimal area around your Premises that we grant to all System franchisees as a Designated Territory.

In determining your Designated Territory, we may also review and account for various factors, including without limitation: (i) natural geographic boundaries, such as inlet and other waterways, as well as man-made boundaries, such as highways; (ii) the number of absentee owners within a given area; (iii) the number of short-term rental properties already listed in a given area; (iii) number of visitors to the area; and (iv) traditional demographic information about an area, including population.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Data Sheet. The sources we use to determine the population within your Designated Territory will most likely be (a) the then-current third-party territory mapping software we determine to license or otherwise use, or (b) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

As of the Issuance Date of this Disclosure Document, we expect and intend to describe your Designated

Territory in terms of specific GPS coordinates that will define the boundaries of your territory.

Your Designated Territory will be exclusive in that, during the term of your Franchise Agreement, we will not open or operate, or license a third party the right to open or operate, any other iTrip Location utilizing the Proprietary Marks and System within your Designated Territory.

During the first three (3) years of operation, your Designated Territory cannot be modified except by mutual written agreement signed by both parties. After you have been operating your Franchised Business for three (3) full years of operation, then you will be required to generate at least \$1,000,000 in Total Rental Revenue each subsequent year of operation or we may, at our option: (i) terminate any territorial rights you have within the Designated Territory; or (ii) terminate your Franchise Agreement, subject to applicable law. We are not required to take either action in the event you fail to generate the Total Rental Revenue described above, but we reserve the right to do so.

You will only have the right to operate the Franchised Business and offer/provide the Approved Services in connection with Client properties that are located within your Designated Territory.

Permitted Solicitation and Contracting with Clients

You may not solicit prospective Clients with respect to properties that are located outside of your Designated Territory, unless (a) the property at issue is located in a geographical area that has not been granted to any other franchisee/licensee or other third party in connection with their operation of an iTrip Location, and (b) you obtain our prior written consent. Any Client with whom you contract that is located in a geographical area that is later granted by us in connection with another iTrip Location will become an “Existing Account” within that geographical area and be subject to the terms of the Account Takeover Procedure, as described below in this Item.

Permitted Advertisement and Promotion

You may not actively advertise your Franchised Business outside of your Designated Territory, unless (a) the area where you wish to advertise is contiguous to your Designated Territory and is not granted to another franchisee or other iTrip Location, and (b) you obtain our prior written consent.

Existing Accounts and Account Takeover Procedure

In the event your Designated Territory contains one (1) or more Clients that have already entered into a contractual relationship with another iTrip Location for any Approved Services prior to the execution of your Franchise Agreement (each, an “Existing Account”), you will have the right to assume and service each Existing Account any time from the date your Franchised Business is opened through the six (6) month period that follows (the “Account Takeover Period”) upon: (i) payment of a fee of \$2,000 for each Existing Account that you wish to take over (the “Account Takeover Fee”); and (ii) execution of a prescribed form of agreement by you and the owner of the iTrip Location that has the contractual relationship with the Existing Account (the “Account Assignment Agreement”). In the event you do not complete the foregoing steps in connection with a given Existing Account within the Account Takeover Period, then that Existing Account may continue to be serviced by the prior iTrip Location that has the contractual relationship with that Existing Account until the date that is twelve (12) months after we sign your Franchise Agreement.

Limited Right to Enter Designated Territory during Ramp-Up Period to Assist in Client Generation

In addition to the rights reserved under the “Reserved Rights” heading below, we have the right, but not the obligation, to solicit, recruit and contract with prospective Clients located within the Designated Territory to enter into an Approved Services contract with you, with said rights to expire one (1) year from the date you enter into the Franchise Agreement (the “Ramp-Up Period”). Once we contract with a prospective Client within the Designated Territory during the Ramp-Up Period, we will assign that contract to you pursuant to an Account Assignment Agreement and, at the time of such assignment, you will pay us the applicable Account Takeover Fee of \$2,500 per Client. At the end of the Ramp-Up Period, you and we will mutually decide if the Ramp-Up Period needs to be extended.

Reserved Rights

Under the Franchise Agreement, we and our affiliates reserve the exclusive right to: (i) open and operate, and license third parties the right to open or operate, other iTrip Locations utilizing the Proprietary Marks and System outside the Designated Territory; (ii) offer, sell and/or license certain software, software-as-a-service (SAAS), apps/applications and web-hosting services under a mark other than ITRIP that are similar to the types of software, SAAS, apps and/or web-hosting services that you utilize in connection with the Franchised Business at any location, within or outside the Designated Territory; (iii) acquire, or be acquired by, any company, including a company operating one or more businesses offering products or services similar to those offered by an iTrip Location, located within or outside your Designated Territory, and subsequently operate (or license a third party the right to operate) these locations; (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; and (v) use, and license others the right to use, the Proprietary Marks and System to engage in any other activity not expressly prohibited by the Franchise Agreement.

The Franchise Agreement does not grant you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory.

Additional Disclosures

The Franchise Agreement does not provide you with any right or option to open and operate additional Franchised Businesses within your Designated Territory or any other location.

Purchaser (defined in Item 1) and its subsidiaries own or have an interest in, or may in the future own or have an interest in, businesses that offer complementary or supplementary products or services to the Approved Services. Examples of such complementary or supplementary products include businesses that provide property management software, connection to one or more booking websites, or payment processing solutions that perform certain functions that the software used by iTrip franchisees also performs, or businesses that provide travel and damage insurance policy management software. None of these businesses are franchised. At some point in the future (there is no specific timetable), Purchaser may combine or otherwise consolidate some of the products or services offered by those other businesses with the Approved Services offered by iTrip businesses.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. Neither we nor our affiliates have established, or presently intend to establish, other franchised or company-owned businesses that sell

our Approved Services under a different trade name or trademark, but we reserve the right to do so in the future without your consent.

ITEM 13 TRADEMARKS

We grant you a limited, non-exclusive license to use our then-current Proprietary Marks, which includes our current primary marks ITRIPVACATIONS and ITRIP, in connection with the operation of your Franchised Business only at your Premises and within your Designated Territory, provided you use these Proprietary Marks as outlined in your Franchise Agreement(s) and our Manuals.

Our affiliate, TM Licensor, owns the following federal registrations for our primary Proprietary Marks on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Federal Registrations

Mark	Registration No.	Principal or Supplemental Register	Registration Date
ITRIPVACATIONS	5,066,998	Principal	October 25, 2016
ITRIPVACATIONS (and design)	5,066,999	Principal	October 25, 2016
ITRIP	5,204,590	Principal	May 16, 2017

We will work with the TM Licensor to ensure that our affiliate files all affidavits and other documents with the USPTO to maintain and obtain the federal registrations described above. Our affiliate entered into a license agreement with us dated June 15, 2015, under which we were granted a perpetual, worldwide license to use, and sublicense third parties the right to use, the Proprietary Marks in connection with the System and iTrip franchises (the “License Agreement”). Other than this License Agreement, there are no agreements in effect that significantly limit our right to use, or license the use of, the Proprietary Marks that are material to the franchise.

Please note that TM Licensor is also the owner of state trademark registrations for the mark ITRIP (Registration No. 50681) and ITRIPVACATIONS (and design) (Registration No. 50682), which are on file with the Trademark Register of the Tennessee Department of State. These registrations do not expire until October 2026, and we expect and intend to work with TM Licensor to ensure all affidavits and other documents are filed to continue to protect these state trademark registrations.

You must strictly comply with our standards, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the term of the Franchise Agreement. Any increase in the goodwill associated with our Proprietary Marks during the term of the Franchise Agreement will benefit us. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of your Franchise Agreement.

As of the Issuance Date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any superior rights in, or infringing uses of, our Proprietary

Marks that could materially affect your right to use these marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition or cancellation proceedings, or any material litigation, involving the Proprietary Marks.

As previously noted in Item 1 of this Disclosure Document, there are a number of Licensed Locations that operate under a license with one of our affiliates to use the Proprietary Software and Website Hosting Program in connection with independent businesses that may provide property management services that are similar to the Approved Services. Each one (1) of these Licensed Locations is permitted to use the Proprietary Software and Website Hosting program in connection with properties located in a defined geographical area (each, a “Licensed Area”). Our affiliates all have ceased offering any type of license when we began offering franchises, and we will not permit any type of territorial overlap between any Licensed Area and any Designated Territory granted to you or any other System franchisee. We are not aware of any agreements in effect as of the Issuance Date of this Disclosure Document that will significantly limit our right to use, or license the use of, the Proprietary Marks that are material to the franchise.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name or “d/b/a”. You must follow our instructions for identifying yourself as a franchisee and for filing and maintaining the requisite trade names or fictitious name registrations. You may not modify the Proprietary Marks with words, designs or symbols, except those that we license to you. You may not use our Proprietary Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the term of the Franchise Agreement and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your owners, managers, employees, independent contractors, agents or representatives will, directly or indirectly, contest, challenge or assist in the contesting or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise System, or contest our sole right to register, use, or license others to use, our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term “iTrip” or any similar phrase. You cannot, either during or after the term of the Franchise Agreement, do anything or aid or assist any person or entity to do anything, which would infringe upon or harm our rights in any of our Proprietary Marks. Further, you may not hinder, or prevent us from using or franchising our names and marks in any jurisdiction. All goodwill which may arise from your use of our Proprietary Marks is and will remain our sole and exclusive property and will inure solely to our benefit.

You must immediately notify us, in writing, if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information, and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. We will indemnify, defend and hold you harmless in connection with any third-party claims that are brought against you that arise solely out of your authorized use of any Proprietary Marks in the manner we prescribe, provided you immediately notify us of the proceeding (within three days) and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel, unless we approve of your use of such counsel in writing prior to you engaging counsel. We will not reimburse you for disputes where we challenge your use of our Proprietary Marks.

You must modify or discontinue using any of the Proprietary Marks, and add new names, designs, logos or commercial symbols to the Proprietary Marks as we instruct. We may, at our sole discretion, impose changes whenever we believe the change is advisable. We do not have to compensate you for any costs you incur to make the changes we require. You will receive written notice of any change and will be given a reasonable time to conform to our directions (including changing signage, marketing displays, trade dress and other advertising), at your sole expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or pending patent applications that are material to the franchise. We have not registered any copyrights with the U.S. Copyright Office. We do, however, claim common law copyright and trade secret protection for several aspects of the franchise System including, without limitation, our Manuals, the Proprietary Software and Web Hosting Program, training materials, advertising, and business materials.

There are no agreements currently in effect which significantly limit your right to use any our copyrights. 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 immediately notify us of such unauthorized use. As of the Issuance Date of this Disclosure Document, we are unaware of any infringing uses of or superior previous rights to any of our copyrights which could materially affect your use of them in this state or in the state in which the franchised iTrip Business will be located. We may revise our System and 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 that we consider trade secrets and confidential information. You may not, during the term of the Franchise Agreement or any time after its expiration or termination, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any of these trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the Franchised Business (the "Confidential Information"). You may not copy any of our Confidential Information to another person or give it to a third party except as we authorize. You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations.

You must require your Designated Manager and any personnel having access to any of our Confidential Information to sign our then-current form of Confidentiality and Non-Competition Agreement that is attached to the Franchise Agreement as Exhibit E, where these individuals agree that they will maintain the confidentiality of information they receive in connection with their employment and restrict their right to work for a competitor while they are employed by you. This confidentiality agreement, which will be in a form that we prescribe, will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights.

The Franchise Agreement provides that if you, your employees, or principals develop any new concept, process or improvement in the operation or promotion of any Franchised Business, you will promptly notify us and provide us with all necessary related information, without compensation. Any new 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 intellectual property rights related to such new concepts.

You and your principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. 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 such rights. You and your principals will irrevocably designate and appoint us as your 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 these provisions in the Franchise Agreement 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 to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

We may revise any of our copyrighted materials at our discretion and may require that you cease using any outdated item or portion of the Manuals.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

While we recommend and expect that you will personally participate and manage the day-to-day operations of your Franchised Business, you may hire a Designated Manager to manage daily operations with our prior written approval. Both you and your Designated Manager (if applicable) will be required to successfully complete the Initial Training Program to our satisfaction (prior to undertaking any management responsibilities). We will not unreasonably withhold our approval of any Designated Manager you propose, provided the Designated Manager has successfully completed our Initial Training Program and otherwise demonstrated that he/she has a good handle on our System standards and specifications for daily operations of an iTrip Location. If the franchisee is a business entity, we do not require the Designated Manager to own an equity interest in the entity, but the Designated Manager must sign our prescribed form of Confidentiality and Non-Competition Agreement.

Your Franchised Business must, at all times, be managed and staffed with at least one (1) individual who has successfully completed our Initial Training Program. In the event that you operate more than one Franchised Business, you must have a properly trained Designated Manager at each iTrip Location you own and operate. You must keep us informed at all times of the identity of any personnel acting as Designated Manager and obtain our approval before substituting a new Designated Manager at any of your locations. You must immediately notify us of your Designated Manager's death, disability or termination of employment, and within 10 days of such notification inform us of the designated successor or acting Designated Manager if you choose to replace the former Designated Manager. We must approve your replacement Designated Manager before you appoint him/her. Your replacement Designated Manager must successfully complete our Initial Training Program.

You will be solely responsible for all employment-related decisions associated with your Franchised Business personnel, including hiring, firing, scheduling and compensation. Nothing in the Franchise Agreement or Development Agreement is intended, or may be construed to, establish or create any kind of employer-employee or joint employer relationship between (a) us, and (b) you and your personnel.

If you are an individual, then your spouse will also be required to sign the Franchise Agreement or, in the alternative, form of Personal Guaranty attached to the Franchise Agreement as an Exhibit (the “Guaranty”). If you are a business entity (limited liability company, corporation, partnership, etc.), then (a) each of your shareholders/members/partners (the “Owners”), as applicable, must sign the Guaranty, and (b) at our option, the spouses of each such Owner must sign the Guaranty.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only offer and must offer all of the Approved Services and Approved Products that we expressly authorize through your Franchised Business and may only offer these services at the Premises and in the manner prescribed in your Franchise Agreement and our Manuals. We may supplement, revise and/or modify our Approved Services and/or Approved Products as we deem appropriate from time to time, as well as our System standards and specifications associated with the provision of these products/services. These changes will be outlined in our Manuals or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

If we discontinue any Approved Service offered by the Franchised Business, then you must cease offering or selling such service within a reasonable time, unless such product/service represents (a) a health or safety hazard, or (b) a regulatory violation of a licensure requirement (in which case you must immediately comply upon receipt of notice from us). You may not use the Premises of your Franchised Business for any other business purpose other than the operation of your Franchised Business.

As described more fully in Item 12, you may not solicit prospective Clients with respect to properties that are located outside of the Designated Territory, unless (a) the property at issue is located in a geographical area that has not been granted to any other franchisee/licensee or other third party in connection with their operation of an iTrip Location, and (b) you obtain our prior written consent. You agree and acknowledge that any Client that you contract with that is located in a geographical area that is subsequently granted by us in connection with a different iTrip Location will become an “Existing Account” within that geographical area and be subject to the terms of the Account Takeover Procedure (described in Item 12).

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

	Provision	Section in Franchise or Other Agreement	Summary
a.	Term of the Franchise	Section 3(A)	The initial term is for 10 years commencing on the date we sign your Franchise Agreement.
b.	Renewal or extension of the	Section 3(B)	You have the right to be considered for 2 additional (and consecutive) 10-year terms.

	Provision	Section in Franchise or Other Agreement	Summary
	term		
c.	Requirements for franchisee to renew or extend	Section 3	In order to renew (which means renewing your franchise relationship with us), you must: provide us with notice of your intent to renew; not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us or the landlord of the Premises; not have received more than three (3) separate, written notices of material default from us with respect to the Franchise Agreement in the 12-month period preceding the renewal request date or renewal date; execute our then-current form of franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); pay a renewal fee of \$5,000; attend a training refresher course; execute a general release; must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by us; and agree to, at your expense, re-image, renovate, refurbish and modernize the Premises as necessary to meet our then-current standards for new iTrip Locations.
d.	Termination by franchisee	Not Applicable	Not Applicable
e.	Termination by franchisor without cause	Not Applicable	Not Applicable
f.	Termination by franchisor with "cause"	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 15(C)	Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of any provision of your Franchise Agreement or any other agreement with us or our affiliates within 30 days of being provided with notice of your default(s).
h.	"Cause" defined - defaults which cannot be cured	Section 15(A)	Your Franchise Agreement may be terminated automatically and without notice from us if: you become insolvent or make a general assignment for the benefit of creditors; a bankruptcy petition is filed by or against you and not dismissed within 30 days; a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; a receiver or custodian of your assets of property is appointed; a final judgment in the amount of \$10,000 or more is entered against you and not satisfied within 60 days (or longer period if we consent); you attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement.

	Provision	Section in Franchise or Other Agreement	Summary
		Section 15(B)	Your Franchise Agreement may be terminated by us upon written notice and no opportunity to cure if: you commit any fraud or misrepresentation in connection with your Franchised Business; you or other required attendees fail to timely complete our Initial Training Program; you receive three or more notices to cure the same or similar defaults under Section 15(C) of your Franchise Agreement in any 12-month period (whether or not subsequently cured); you violate any in-term restrictive covenants; you misuse the Proprietary Marks, Confidential Information or other confidential information provided to you; you misuse the Proprietary Software and Website Hosting Program or any other proprietary software that might be developed; you take, withhold, misdirect or appropriate for your own use any funds withheld from your employees' wages which should have been set aside for the iTrip Business' employee taxes, FICA, insurance or benefits; wrongfully take our property; systemically fail to deal fairly with your employees, customers or suppliers; or knowingly permit or, having discovered the facts, fail to take any action against or to discharge any agent, servant or employee who has embezzled; you and we agree in writing to terminate; you make an unauthorized transfer; you knowingly conceal revenues, knowingly maintain false books or records, falsify information, otherwise defraud, make false representations or submit any substantially false report to us; you do not maintain the required financial records; a judgment is entered against you involving aggregate liability (in excess of the insurance coverage) of \$100,000 or more, if such judgment remains unpaid or unsatisfied for a period of ten days or more following entry thereof; an audit shows that you understated your Gross Revenues by 2% or more 3 times within any 36 month period or 5% or more for the reporting period; you refuse us permission to inspect or audit your Business; you interfere or attempt to interfere with our contractual relations with others; you commit any act or default that by nature is incurable which materially impairs the goodwill associated with our Proprietary Marks, or if the default is curable, you fail to cure such default after at least 72 hours' written notice to cure; you default under your lease for the Premises and fail to timely cure; you fail to open and commence operations within the required time period; you fail to cure the following defaults within 10 days' notice: (i) failure to offer only the Approved Products and Approved Services; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item from the appropriate Approved Supplier(s); you abandon your

	Provision	Section in Franchise or Other Agreement	Summary
			Franchised Business; you fail to provide us with access to the Proprietary Software, Website Hosting Program, Computer System and fail to remedy within 48 hours; you fail to pay us, our affiliates, any Approved Supplier(s) or Client(s) any amount owed within 10 days' notice; you do not purchase or maintain required insurance; you breach advertising standards and fail to cure within 3 days following written notice; you purchase any proprietary programs, products or services or purchase any non-proprietary goods or services under a systemwide supply contract we negotiate, and you use, divert, sell or otherwise exploit them for the benefit of any other individual, entity or business; you fail to comply with any law or regulation within 15 days' notice; you fail to obtain required licenses, certifications, permits or approvals within 10 days' notice; you are convicted of a felony or any other crime of moral turpitude or offense that will adversely affect the System; you take any property of the Franchised Business for personal use; there are insufficient funds in your EFT Account on three or more occasions in any 12-month period; you commit repeated violations of any applicable law; if an audit reveals you have not properly obtained and maintained the Escrow Account(s); or if you fail, after three (3) full years of operation, to generate the minimum Total Rental Revenue requirement as set forth in Section 6(BB) of the Franchise Agreement.
i.	Franchisee's obligations on termination/non-renewal	Section 16	Upon termination or expiration of the Franchise Agreement, your obligations include: immediately discontinuing the use of the Proprietary Marks and trade dress; cease doing business in a form or manner that may give the general public the impression that you are operating an iTrip Franchised Business; return of the Manuals of any other Confidential Information to us; provide us with all customer information, lists and applicable contracts, including the then-current and up-to-date (a) Client and property lists, and (b) any Approved Services contracts and other agreements between Clients and the former Franchised Business; cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee; comply with all post-term restrictive covenants; at our written option, assign the lease for the Premises to us; provide us with written confirmation of compliance with these obligations within 30 days; and, redecorate and remodel the Premises of the iTrip Location to de-identify it.
j.	Assignment of contract by franchisor	Section 13(A)	No restrictions on our right to assign.
k.	"Transfer" by	Sections	Includes any transfer of Franchise Agreement, assets of the

	Provision	Section in Franchise or Other Agreement	Summary
	franchisee – defined	13(B) and 13(D)	Franchised Business, or ownership change in you.
l.	Franchisor approval of transfer by franchisee	Section 13(B)	No transfer without our consent except as provided in Franchise Agreement, but we will not unreasonably withhold our approval if you meet our conditions.
m.	Conditions for franchisor approval of transfer	Section 13(F)	We may condition any transfer on the following conditions: all of your accrued monetary obligations to us, our affiliates, and designated/approved suppliers and vendors, are satisfied; you cure all existing defaults; you, your principals and the transferee execute a general release; you or the transferee provide us with a copy of the executed purchase agreement; the transferee meets our qualifications and standards for a franchisee; the transferee executes our then-current franchise agreement; you pay us the required transfer fee; the transferee satisfactorily completes the Initial Training Program; you comply with the post-termination provisions of the Franchise Agreement; the transferee demonstrates that he or she has obtained or maintained all required permits and licenses; lessors, if applicable, consent to the transfer; the transfer must be made in compliance with all applicable laws; the purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business; you must request that we provide the transferee with our then-current Disclosure Document; and we will have the right to disclose to any transferee such revenue reports and other financial information.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 13(E)	Except in certain circumstances (death/disability or transfer from individual franchisee to business entity), you must provide us with a period of 60 days to match any third-party <i>bona fide</i> offer to purchase any interest in the Franchise Agreement or Franchised Business. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o.	Franchisor's option to purchase franchisee's business	Section 16(M)	We have the right, but not the obligation, to purchase all or any portion of the assets of your Franchised Business upon expiration/termination of your Franchise Agreement at the depreciated book value.
p.	Death or disability of franchisee	Section 13(C)	If you are a business entity, then upon the death or disability of one or more of your owners (and not the last surviving owner), your estate, heirs, legatees, guardians or representatives of such owner may assign the deceased or disabled owner's interest to: such owner's spouse; (ii) any individual or business entity which, at the

	Provision	Section in Franchise or Other Agreement	Summary
			time of the subject death or disability, is already a shareholder, member, partner or other category of owner of you; or (iii) you. On your (or if you are a business entity, your last surviving owner's) death or disability your rights pass to your "Estate". Within six (6) months following such death or disability and subject to our right of first refusal, your Estate must assign the franchise in accordance with the requirements described in m. above. Your Estate may continue to operate your Franchised Business until the consummation of such assignment.
q.	Non-competition covenants during the term of the franchise	Section 14(A)	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with, a Competing Business (as defined in the Franchise Agreement); (ii) employ or seek to employ any of our management employees or us, our affiliates or any other System franchisee or induce such persons to leave their management employment; or (iii) divert, or attempt to divert, any prospective customer to a Competing Business- <u>(subject to state law).</u>
r.	Non-competition covenants after the franchise is terminated or expires	Section 14(B)(1) Section 14(B)(2)	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising, or establishing of joint ventures for the operation, of any Competing Business- <u>(subject to state law).</u> For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with a Competing Business: (i) at the Premises or within your Designated Territory; (ii) within a 50-mile radius of your Designated Territory; or (iii) within a 50-mile radius of any other designated territory franchised or licensed by us to an iTrip Location as of the date of expiration/termination of your Franchise Agreement- <u>(subject to state law).</u> During this two-year period, these parties are also prohibited from: (i) soliciting business from customers of your former Franchised

	Provision	Section in Franchise or Other Agreement	Summary
			Business; (ii) contacting any of our suppliers/vendors for a competitive business purpose; or (iii) subject to and only as such restrictions are permitted by applicable law, soliciting any of our management employees, our affiliates' management employees or any management employee of another System franchisee to discontinue their employment- <u>(subject to state law)</u> .
s.	Modification of the agreement	Section 19(E)	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manuals as we deem appropriate in our discretion from time to time.
t.	Integration/merger clause	Sections 19 and 27	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 22(B) Section 22(C)	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place in Nashville, Tennessee (subject to state law). You must notify us of any potential disputes, and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v.	Choice of forum	Section 22(D)	Subject to Sections 20(A) and 22(C) of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current corporate headquarters or, if appropriate, the United States District Court for the Middle District of Tennessee (subject to state law).
w.	Choice of law	Section 22(A)	The Franchise Agreement is governed by the laws of the state of Tennessee, without reference to this state's conflict of laws principles (subject to state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise, but we reserve the right to use one in the future.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

BACKGROUND

PART I: GROSS SALES AND CERTAIN EXPENSES OF THE AFFILIATE-OWNED iTRIP LOCATION

Part I of this Item 19 discloses the historical financial information regarding our affiliate-owned iTrip business that has been open and operating since 2008 and has been utilizing the Proprietary Marks and System (the "Affiliate Location"). ~~The financial information presented below includes~~ Subsection A of Part I (i.e. Part I.A) presents certain historic information provided to us by the Affiliate Location relating to gross sales and certain expenses for the 2019 fiscal year (the "2019 Measurement Period"). Then, to reflect the immediate impact of the COVID-19 pandemic on the Affiliate Location, Subsection B of Part I (i.e. Part I.B) presents certain historic data provided to us by the Affiliate Location relating to gross sales and expenses for the first seven (7) months of the 2020 calendar year (i.e. January 1, 2020 through July 31, 2020) (the "2020 Measurement Period"). We have excluded our franchisees from Part I of this Item because: ~~(i) we do not have certain revenue and cost information from these franchisees; and (ii) many of the franchisees were not open over the entire 2019 calendar year.~~

~~Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.~~

Please note for Part I that the information was provided to us by our Affiliate Location. We have not audited this information or independently verified this information. The Affiliate Location has sold and expended the amounts set forth in this Item below.

When reviewing Part I of this Item, it is important that you review the notes following the ~~chart~~ charts below, including the General Note No. 4 to Part I that details certain of the differences between the Affiliate Location and a newly-operated Franchised Business, as part of your evaluation of our franchise offering.

~~Part II of this Item details the average Total Rental Revenue, including sales taxes and other occupancy/vacation rental taxes, generated by our 60 franchisees (operating in a total of 66 territories) that operated a Franchised Business for at least 12 months during calendar years 2018 and 2019 (the "Representative Franchisees").~~

~~Please note for Part II that we pulled each Representative's Franchisee's Total Revenue from the Proprietary Software and Website Hosting Program. We have not audited this information or independently verified this information. The Representative Franchisees generated the Total Rental Revenue figures described in Part II.~~

~~Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.~~

PART I.A: GROSS SALES AND CERTAIN OPERATING EXPENSES OF AFFILIATE LOCATION OVER THE 2019 MEASUREMENT PERIOD

The table immediately below presents the Affiliate Location's Gross Sales and certain operating expenses for the 2019 Measurement Period.

Income/Expense	Amount
Gross Sales¹	\$ 942,105
Certain Operating Expenses²	
Advertising and Promotion ³	\$56,205
Contract Labor and Payroll Expenses ⁴	\$313,497
Cleaning Fees ⁵	\$3,800
Linens and Towels	\$13,621
Digital Locks ⁶	\$15,373
Repairs and Maintenance ⁷	\$101,707
Referral Commissions ⁸	\$20,885
Telephone Expenses ⁹	\$6,416
Meals and Entertainment	\$2,590
Business Licenses and Permits	\$1,080
Office Supplies	\$905
Accounting Expenses	\$3,636
Parking Passes and Arm Bands	\$34,736
Other Expenses ¹⁰	\$46,985
Total of Certain Operating Expenses¹¹	\$621,436
Gross Sales Less Certain Operating Expenses¹²	\$320,669
Estimated Recurring Fees for Franchisees¹³	
Estimated Royalty ¹⁴	\$135,859 to \$169,824
Estimated Software License Fee ¹⁵	\$6,480

PART I.B: GROSS SALES AND CERTAIN OPERATING EXPENSES OF AFFILIATE LOCATION OVER THE 2020 MEASUREMENT PERIOD

The table immediately below presents the Affiliate Location's Gross Sales and certain operating expenses for the 2020 Measurement Period. As mentioned above, this supplemental data is disclosed to reflect the immediate impact of the COVID-19 pandemic on the Affiliate Location.

Income/Expense	Amount
<u>Gross Sales¹</u>	<u>\$632,085</u>

<u>Income/Expense</u>	<u>Amount</u>
<u>Certain Operating Expenses²</u>	
<u>Advertising and Promotion³</u>	<u>\$41,659</u>
<u>Contract Labor and Payroll Expenses⁴</u>	<u>\$219,870</u>
<u>Cleaning Fees⁵</u>	<u>\$8,995</u>
<u>Linens and Towels</u>	<u>\$20,509</u>
<u>Digital Locks⁶</u>	<u>\$5,994</u>
<u>Repairs and Maintenance⁷</u>	<u>\$33,837</u>
<u>Referral Commissions⁸</u>	<u>\$7,851</u>
<u>Telephone Expenses⁹</u>	<u>\$2,716</u>
<u>Meals and Entertainment</u>	<u>\$582</u>
<u>Business Licenses and Permits</u>	<u>\$1,850</u>
<u>Office Supplies</u>	<u>\$2,563</u>
<u>Accounting Expenses</u>	<u>\$4,434</u>
<u>Parking Passes and Arm Bands</u>	<u>\$24,765</u>
<u>Other Expenses¹⁰</u>	<u>\$43,076</u>
<u>Total of Certain Operating Expenses¹¹</u>	<u>\$418,701</u>
<u>Gross Sales Less Certain Operating Expenses¹²</u>	<u>\$213,384</u>
<u>Estimated Recurring Fees for Franchisees¹³</u>	
<u>Estimated Royalty¹⁴</u>	<u>\$108,565</u>
	<u>to</u>
	<u>\$135,706</u>
<u>Estimated Software License Fee¹⁵</u>	<u>\$3,780</u>

Explanatory Notes to Part I:

1. *Gross Sales.* The term “Gross Sales” means the total revenue generated by the Affiliate Location over the 2019 Measurement Period and the 2020 Measurement Period, respectively, including all Client Management Fees and other amounts collected from Clients of the Affiliate Location, in connection with providing the Approved Services and Approved Products to such Clients, over the 2019 Measurement Period and the 2020 Measurement Period, respectively. The Gross Sales of the Affiliate Location are generated through the Total Rental Revenue collected by the Affiliate Location for the servicing of Client Properties located within the Affiliate Location’s Designated Territory in Florida, where the Affiliate Location generated \$3,854,997 in Total Rental Revenue (including applicable sales taxes and other occupancy/vacation rental taxes that must be paid to appropriate taxing authorities) over the Measurement Period, 2019 Measurement Period and \$3,080,522 in Total Rental Revenue (including applicable sales taxes and other occupancy/vacation rental taxes that must be paid to appropriate taxing authorities) over the 2020 Measurement Period.

2. *Certain Operating Expenses.* The term “Certain Operating Expenses” means the specific operating expenses identified on the profit and loss statement for the Affiliate Location ~~over~~for the 2019 Measurement Period and the 2020 Measurement Period, respectively, (which are set forth in the rows immediately following this heading in the ~~Chart~~charts in this Item).

3. *Advertising and Promotion.* The term “Advertising and Promotion” means the amounts

that the Affiliate Location expended over the 2019 Measurement Period and the 2020 Measurement Period, respectively, on digital marketing and other efforts designed to advertise and promote the Affiliate Location within its territory of operations. Please be advised that the Affiliate Location does not have a minimum Digital Marketing Requirement or Direct Mail Requirement as you would have under a Franchise Agreement to operate a new Franchised Business, but the Affiliate Location does expend monthly amounts on digital advertising. Given its mature operations, the Affiliate Location did not expend amounts on direct mail marketing over the 2019 Measurement Period or the 2020 Measurement Period so such amounts are not accounted for here (you will recall that you will only have a monthly Digital Mail Requirement under your Franchise Agreement for the first 18 months of operation).

4. *Contract Labor and Payroll Expenses.* The term “Contract Labor and Payroll Expenses” means the amounts that the Affiliate Location paid to individual personnel of the Business over the 2019 Measurement Period and the 2020 Measurement Period, respectively, to assist in the day-to-day management and/or operation of the Affiliate Location (but does not include any amounts paid as compensation to, or any draw by, the actual owners of the Affiliate Location), as well as associated payroll taxes for applicable personnel. We do not expect that you will have such a third-party manager operating your new Franchised Business – instead, we expect that you (or, if you are an entity, your operating principal) will manage the day-to-day operations of your Franchised Business directly (unless you have multiple locations).

5. *Cleaning Supplies.* The term “Cleaning Supplies” means the amounts that the Affiliate Location expended over the 2019 Measurement Period and the 2020 Measurement Period, respectively, on cleaning supplies that were not covered by the inbound renters associated with any Client property. This does not include any amounts expended on cleaning staff or services.

6. *Digital Locks.* The term “Digital Locks” means the amount that the Affiliate Location expended on a certain type of lock monitoring service over the 2019 Measurement Period and the 2020 Measurement Period, respectively, in an effort to protect the security of Client properties that were under an Approved Services contract with the Affiliate Location.

7. *Repairs and Maintenance.* The term “Repairs and Maintenance” means the amounts that the Affiliate Location expended over the 2019 Measurement Period and the 2020 Measurement Period, respectively, on repair and maintenance work at Client Properties ~~over the Measurement Period~~ that the Affiliate Location determined not to bill to (a) that Client, or (b) the renter(s) at issue, in order to ensure that the Client Properties are properly maintained.

8. *Referral Commissions.* The term “Referral Commissions” means the amounts that the Affiliate Location paid over the 2019 Measurement Period and the 2020 Measurement Period, respectively, to third-party real estate agents or other third parties as consideration for referrals of prospective Clients and/or prospective Client properties to the Affiliate Location. This does not include any compensation paid to individuals that enter into an independent contractor agreement to provide operational/management assistance in connection with the Affiliate Location. This amount does not include any Lead Referral Fees you may be required to pay during your first twelve (12) months of operation.

9. *Telephone Expenses.* The term “Telephone Expenses” means the amounts that the Affiliate Location expended over the 2019 Measurement Period and the 2020 Measurement Period, respectively, on a fax line and bridge line (line where inbound calls can be routed to multiple numbers) for use in connection with the Affiliate Location. This line item does not include any amounts expended

by the owner/personnel of the Affiliate Location on cell phones (because with this Affiliate Location, the owner and any representatives use their personal phone and incur these expenses personally).

10. *Miscellaneous.* The term “Miscellaneous” includes all other operating expenses that were identified on the profit and loss statement of the Affiliate Location that was provided to us by its owner that are not specifically identified in any of the other line items under the heading “Certain Operating Expenses,” namely the amounts expended by the Affiliate Location over the 2019 Measurement Period and the 2020 Measurement Period, respectively, on: (i) banking-related expenses; (ii) insurance; (iii) postage and shipping charges; (iv) storage expense; (v) business development; (vi) amortization and depreciation expense; (vii) credit card fees; (viii) the amounts incurred in connection with the LDW Program, and (ix) other minor expenses from the Affiliate Location’s profit and loss statement. Please note that “Miscellaneous” does not include any other costs or expenses that you might incur in connection with opening and operating your new Franchised Business, including payments to us such as your Initial Franchise Fee and ongoing Royalty Fee payments.

11. *Total of Certain Operating Expenses.* This figure is calculated by taking the sum of all the individual line items detailing specific operating expenses over the 2019 Measurement Period, or the 2020 Measurement (as applicable), which are discussed more fully in Explanatory Note Nos. 3 through ~~11~~10 above. It is important to note that this figure may not include (a) every single item that could be considered an “operating cost” of the Affiliate Location over the 2019 Measurement Period and the 2020 Measurement Period, or (b) all the costs of goods you will incur in connection with the operation of a new Franchised Business. Please note that the Chartcharts above ~~does do~~ not account for or disclose: (i) the travel costs and expenses associated with the owners of the Affiliate Location making trips to the territory where the Affiliate Location operates to check up and maintain Client Properties and otherwise oversee the operation of the Affiliate Location on the grounds that a System franchisee must be located within its Designated Territory or, if we permit, very close to that territory; or (ii) amounts expended by any independent contractor(s) that the Affiliate Location engages to assist in the operation and/or management of the Affiliate Location ~~over the Measurement Period~~, as it is our understanding that such third party(ies) account for such travel (and any relevant tax benefits) on their respective individual tax return~~s(s-))~~.

We strongly recommend that you speak to your business advisors to identify all types of operating costs and expenses, including those related to marketing and advertising your Franchised Business, and discuss them with your business advisor before entering into any agreement with us to purchase a franchise.

12. *Gross Sales Less Certain Operating Expenses.* This figure is calculated by taking the Gross Sales figure set forth in the Chartcharts above and deducting the Total of Certain Operating Expenses figure also set forth in ~~that Chart~~the charts above. This calculation is subject to the figures in the Chartrespective charts and the various Explanatory Notes set forth in this portion of Item 19.

13. *Estimated Recurring Fees for a New Franchisees.* We are including the estimated Royalty and Software License Fee that a franchisee would be required to pay under our current form of Franchise Agreement over the 2019 Measurement Period and the 2020 Measurement Period, respectively, in order to give you a more accurate picture of how much these fees would be if the Affiliate Location was being operated as a Franchised Business. These estimated amounts are not intended to be projections of any kind. Please note that while franchisees are required to expend certain amounts as part of their Digital Marketing and Direct Mail Requirements, the Affiliate Location expended amounts on advertising and promotion (see Explanatory Note No. 3) over the 2019 Measurement Period and the 2020 Measurement Period, respectively, that are comparable to what a Franchised Business might be required to expend. As such, we did not include additional estimated amounts to cover the Digital Marketing and

Digital Mail Requirements in the ~~Chart~~charts above.

Please note that we discuss the differences between the Affiliate Location and a new Franchised Business in ~~the General Note No. 1~~Notes to Part I following ~~this Item 19~~immediately following these Explanatory Notes, and we encourage you to: (i) review ~~the General Note No. 1 following this Item 19~~Notes to Part I for additional information on how the Affiliate Location may differ from a new Franchised Business; and (ii) consult with your business advisors to help determine how the Royalty Fee and amounts due under your Franchise Agreement might affect the operating costs and expenses associated with operating your Franchised Business.

14. *Estimated Royalty.* Under our standard form of Franchise Agreement, franchisees are required to pay a Royalty ~~Fee~~ each month amounting to between four percent (4%) and five percent (5%) of the Total Rental Revenue generated by your Franchised Business during the preceding calendar month. Item 6 of this Disclosure Document provides more details on how your exact Royalty Percentage will be calculated each month. For purposes of this Item 19, we have disclosed an estimated Royalty range of \$135,859 to \$169,824 over the 2019 Measurement Period and a range of \$108,565 to \$135,706 over the 2020 Measurement Period based on (a) the \$3,854,997 in Total Rental Revenue ~~figure described~~collected by the Affiliate Location over the 2019 Measurement and the \$3,080,522 in ~~Explanatory Note No. 1 above to this Part I~~Total Rental Revenue collected by the Affiliate Location over the 2020 Measurement Period, less (b) the applicable sales taxes and other occupancy/vacation rental taxes that were applied to the Affiliate Location over the 2019 Measurement Period and 2020 Measurement (which for the Affiliate Location amounted to approximately 13.5% of the Total Rental Revenue ~~figure collected for the applicable Measurement Period~~). The low end of this estimate is four percent (4%) of ~~this~~the Total Rental Revenue collected for the applicable Measurement Period less ~~the~~ applicable ~~the~~ sales taxes and other occupancy/vacation rental taxes ~~figure~~, while the high end represented five percent (5%) of ~~this~~the Total Rental Revenue collected for the applicable Measurement Period less ~~the~~ applicable ~~sales~~ taxes ~~figure and other occupancy/vacation rental taxes~~. Please see Item 6 of this Disclosure Document for how the actual Royalty percentage is determined for a particular Client transaction that is generated by your Franchised Business.

15. *Estimated Software License Fee.* As a franchisee, you will be required to expend \$540 per month as a Software License Fee for the right to access and use the Proprietary Software and Website Hosting Program, which is disclosed and described more fully in Item 6 of this Disclosure Document. The estimate of \$6,480 and \$3,780 represents the Software License Fees that would have been due over the 2019 Measurement Period and the 2020 Measurement Period, respectively, if the Affiliate Location was governed by our current form of Franchise Agreement.

Part II: ~~Average Total Rental Revenue including Sales Tax and Other Occupancy/Vacation Rental Taxes[†] (Per Territory) Generated by Representative Franchisees in 2018 and 2019 Calendar Years~~

Year	Group	Total Rental Revenue	Total Territories	Average Total Rental Revenue Per Territory	Number of Territories that Met or Exceeded the Average	Median Total Rental Revenue Per Territory
2018	All Representative Franchisees*	\$71,698,184	46	\$1,558,656	13 (29%)	\$1,063,707

Year	Group	Total Rental Revenue	Total Territories	Average Total Rental Revenue Per Territory	Number of Territories that Met or Exceeded the Average	Median Total Rental Revenue Per Territory
	36 Representative Franchisees Operating within a Single Territory	\$61,812,504	36	\$1,717,014	9 (26%)	\$1,019,532
	5 Representative Franchisees Operating within 2 Territories Each	\$9,885,680	10	\$988,568	9 (80%)	\$1,087,944
2019	All Representative Franchisees*	\$88,797,085	66	\$1,345,410	24 (36%)	\$923,779
	55 Representative Franchisees Operating within a Single Territory	\$74,351,598	55	\$1,351,847	20 (36%)	\$792,864
	4 Representative Franchisees Operating within 2 Territories Each	\$10,428,533	8	\$1,303,567	6 (75%)	\$1,400,562
	1 Representative Franchisee Operating within 3 Territories Each	\$4,016,954	3	\$1,338,985	2 (67%)	\$1,198,695

Explanatory Notes to Part II:

~~1. **Total Rental Revenue (including Certain Taxes).** The term “Total Rental Revenue, including Certain Taxes” means: (i) the total gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services contract with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees; plus (ii) the respective and applicable sales, tourist and PCB taxes collected in connection with the total revenue that each Representative Franchisee must pay to the appropriate taxing authority. The sales and other applicable taxes vary amongst the Representative Franchisees based on what state they are located in and the applicable taxes where they operate their respective Franchised Business, which is one of the reasons we are not in a position to disclose the specific taxes for each Representative Franchisee in the Part II Chart above. It is important to note that: (i) the term “Total Rental Revenue” when used in your Franchise Agreement and elsewhere in this Disclosure Document outside this Item 19, the term “Total Rental Revenue” does not include sales taxes; and (ii) your Royalty Fee will be based on such Total Rental Revenue. For the 2018 calendar year, the highest reported Total Rental Revenue, including Sales Tax and other occupancy/vacation rental taxes, per Territory over the Measurement Period was: (i) \$8,718,996 among All Representative Franchisees; (ii) \$8,718,996 among Representative Franchisees Operating within a Single Territory; and (iii) \$3,456,784 among Representative Franchisees Operating within 2 Territories Each. The lowest Rental Revenue per Territory for the 2018 calendar year was: (a)~~

~~\$2,420 among All Representative Franchisees; (b) \$2,420 among Representative Franchisees operating within a Single Territory; and (c) \$891,941 among Representative Franchisees Operating within 2 Territories Each. For the 2019 calendar year, the highest reported Total Rental Revenue, including Sales Tax and other occupancy/vacation rental taxes, per Territory over the Measurement Period was: (i) \$8,604,461 among All Representative Franchisees; (ii) \$8,604,461 among Representative Franchisees Operating within a Single Territory; and (iii) \$4,153,750 among Representative Franchisees Operating within 2 Territories Each. The lowest Rental Revenue per Territory for the 2019 calendar year was: (a) \$1,662 among All Representative Franchisees; (b) \$1,662 among Representative Franchisees operating within a Single Territory; and (c) \$1,00,213 among Representative Franchisees Operating within 2 Territories Each.~~

~~2.1. Certain of the Representative Franchisees were already licensing a version of the Proprietary Software and Web Hosting Program from our affiliate at the time these parties decided to enter into a Franchise Agreement with us to operate an actual Franchised Business utilizing our Proprietary Marks, System and Manuals. These particular Representative Franchisees had an existing book of business and some level of experience in the relevant industry as of the date they commenced operating a Franchised Business. Please note that your Franchised Business may not have an existing clientele base and, as a result, it may take some time to reach the kind of Total Rental Revenue figures described in this Item.~~

~~3.1. The figures disclosed in Part II of this Item do not reflect the costs of sales, operating expenses, taxes, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.~~

Notes Regarding Affiliate Location Disclosed in Part I and Item 19 Generally

General Notes to Part I:

1. When reviewing this Item 19 and evaluating our franchise offering generally, it is very important to note the following characteristics of the Affiliate Location (as compared to a new Franchised Business):

a. The territory wherein the Affiliate Location operates is located within the State of Florida and encompasses a popular vacation area. With that said, the Affiliate Location's territory was determined utilizing the same factors that we use to determine a franchisee's Designated Territory (as described more fully in Item 12);

b. The Affiliate Location does not have a written franchise or other license agreement with Franchisor, but the Affiliate Location does utilize the Proprietary Marks and System in a manner similar to how you will be required to use such intellectual property in the operation of a new Franchised Business;

c. While the Affiliate Location does not have any Royalty Fee or advertising-related requirements that it must comply with on a monthly or other recurring basis, the Affiliate Location does engage in advertising within its territory in order to generate Client and Client Properties. As previously discussed, the Affiliate Location did not expend any amounts on direct mail advertising over the 2019 Measurement Period or the 2020 Measurement Period given its mature operations (please recall that you will only be required to comply with the Direct Mail Requirement in your first 18 months of

operation);

d. The Affiliate Location was not required to pay us or any other party an Initial Franchise Fee or the other initial fees described in Item 5 of this Disclosure Document. At the same time, the Affiliate Location did not incur various other pre-opening expenses that you might incur in connection with the development of a new Franchised Business because the Affiliate Location opened in ~~October 2007~~2008 and was continuously operating ~~for some time as of~~through the ~~beginning of~~2019 Measurement Period and the 2020 Measurement Period;

e. The Affiliate Location is operated from a home office and, as a result, did not incur any operating costs associated with renting a third-party space from which to operate the business. You will recall that we expect that you will operate your Franchised Business from a home office, unless we agree otherwise in writing;

f. Certain aspects of the Affiliate Location are primarily managed on a day-to-day basis by an individual that is engaged by the Affiliate Location on an independent contractor basis. While this engagement would be similar to you engaging a “Designated Manager” or other third party to assist in managing certain aspects of your Franchised Business, we do not expect that you will be engaging such a third party at the outset of operating your new Franchised Business (unless you are a multi-unit owner); and

g. The Affiliate Location is primarily operated using one (1) vehicle at any given time, which is what we expect and intend you will use in connection with the initial operations of your Franchised Business. Please note, however, that the Certain Operating Expenses of the Affiliate Location in this Item 19 does not include amounts expended in connection with leasing or purchasing such a vehicle (as such vehicle was acquired prior to the commencement of the 2019 Measurement Period and the 2020 Measurement Period).

2. The figures provided in this Item exclude certain tax liabilities for which you will be responsible.

3. The figures disclosed in this Item may not include all the professional fees or other administrative expenses that you might incur in connection with opening and commencing operations of your Franchised Business, including legal and accounting fees.

4. Interest expense, interest income, depreciation, amortization and other income or expenses will vary substantially from business to business, depending on the amount and kind of financing you obtain to establish your Franchised Business. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which assets of your Franchised Business may be amortized or depreciated, as well as the effect, if any, of any recent or proposed tax legislation. Please note that the figures set forth in this Item 19 ~~do not involve any~~reflect depreciation ~~or in~~the amount of \$813 for the 2019 Measurement Period and \$592 for the 2020 Measurement Period, but do not reflect amortization.

PART II: AVERAGE AND MEDIAN TOTAL RENTAL REVENUE GENERATED BY iTRIP FRANCHISEES

Part II of this Item presents certain historical data of franchised iTrip Locations. Subsection A of Part II (i.e. Part II.A) details the average and median Total Rental Revenue, including sales taxes and

other occupancy/vacation rental taxes, generated by our 60 franchisees (operating in a total of 66 territories) (the “Representative Franchisees”) that operated a Franchised Business for at least 12 months during the 2018 calendar year (the “2018 Measurement Period”) and the 2019 Measurement Period. Then, to reflect the immediate impact of the COVID-19 pandemic on the Representative Franchisees, Subsection B of Part II (i.e. Part II.B) presents a certain historical data of the Representative Franchisees for of the 2020 Measurement Period.

Please note for Part II that we pulled each Representative Franchisee’s Total Revenue from the Proprietary Software and Website Hosting Program. We have not audited this information or independently verified this information. The Representative Franchisees generated the Total Rental Revenue figures described in Part II.

Part II.A: Average and Median Total Rental Revenue including Sales Tax and Other Occupancy/Vacation Rental Taxes¹ (Per Territory) Generated by Representative Franchisees over the 2018 Measurement Period and the 2019 Measurement Period

The table immediately below presents the annual average and median Total Rental Revenue of the Representative Franchisees for the 2018 Measurement Period and the 2019 Measurement Period.

<u>Year</u>	<u>Group</u>	<u>Total Rental Revenue</u>	<u>Total Territories</u>	<u>Average Total Rental Revenue Per Territory</u>	<u>Number of Territories that Met or Exceeded the Average</u>	<u>Median Total Rental Revenue Per Territory</u>
<u>2018</u>	<u>All Representative Franchisees*</u>	<u>\$71,698,184</u>	<u>46</u>	<u>\$1,558,656</u>	<u>13 (29%)</u>	<u>\$1,063,707</u>
	<u>36 Representative Franchisees Operating within a Single Territory</u>	<u>\$61,812,504</u>	<u>36</u>	<u>\$1,717,014</u>	<u>9 (26%)</u>	<u>\$1,019,532</u>
	<u>5 Representative Franchisees Operating within 2 Territories Each</u>	<u>\$9,885,680</u>	<u>10</u>	<u>\$988,568</u>	<u>9 (80%)</u>	<u>\$1,087,944</u>
<u>2019</u>	<u>All Representative Franchisees*</u>	<u>\$88,797,085</u>	<u>66</u>	<u>\$1,345,410</u>	<u>24 (36%)</u>	<u>\$923,779</u>
	<u>55 Representative Franchisees Operating within a Single Territory</u>	<u>\$74,351,598</u>	<u>55</u>	<u>\$1,351,847</u>	<u>20 (36%)</u>	<u>\$792,864</u>
	<u>4 Representative Franchisees Operating within 2 Territories Each</u>	<u>\$10,428,533</u>	<u>8</u>	<u>\$1,303,567</u>	<u>6 (75%)</u>	<u>\$1,400,562</u>
	<u>1 Representative Franchisee Operating within 3 Territories Each</u>	<u>\$4,016,954</u>	<u>3</u>	<u>\$1,338,985</u>	<u>2 (67%)</u>	<u>\$1,198,695</u>

Note to Chart in Part II.A:

1. For the 2018 Measurement Period, the highest reported Total Rental Revenue, including Sales Tax and other occupancy/vacation rental taxes, per Territory over the 2018 Measurement Period was: (i) \$8,718,996 among All Representative Franchisees; (ii) \$8,718,996 among Representative Franchisees Operating within a Single Territory; and (iii) \$3,456,784 among Representative Franchisees Operating within 2 Territories Each. The lowest Rental Revenue per Territory for the 2018 Measurement Period was: (a) \$2,420 among All Representative Franchisees; (b) \$2,420 among Representative Franchisees operating within a Single Territory; and (c) \$891,941 among Representative Franchisees Operating within 2 Territories Each.
2. For the 2019 Measurement Period, the highest reported Total Rental Revenue, including Sales Tax and other occupancy/vacation rental taxes, per Territory over the 2019 Measurement Period was: (i) \$8,604,461 among All Representative Franchisees; (ii) \$8,604,461 among Representative Franchisees Operating within a Single Territory; and (iii) \$4,153,750 among Representative Franchisees Operating within 2 Territories Each. The lowest Rental Revenue per Territory for the 2019 Measurement Period was: (a) \$6,019 among All Representative Franchisees; (b) \$6,019 among Representative Franchisees operating within a Single Territory; and (c) \$1,000,213 among Representative Franchisees Operating within 2 Territories Each.

Part II.B: Average and Median Total Rental Revenue including Sales Tax and Other Occupancy/Vacation Rental Taxes¹ (Per Territory) Generated by Representative Franchisees Based on Operations over the 2020 Measurement Period

The table immediately below presents the average and median Total Rental Revenue of the Representative Franchisees over the 2020 Measurement Period. As previously mentioned above, this supplemental data is disclosed to reflect the immediate impact of the COVID-19 pandemic on franchised iTrip Locations.

<u>Period</u>	<u>Group</u>	<u>Total Rental Revenue</u>	<u>Total Territories</u>	<u>Average Total Rental Revenue Per Territory</u>	<u>Number of Territories that Met or Exceeded the Average</u>	<u>Median Total Rental Revenue Per Territory</u>
<u>First Seven (7) Months of the 2020 Calendar Year</u>	<u>All Representative Franchisees*</u>	<u>\$77,157,363</u>	<u>66</u>	<u>\$1,169,051</u>	<u>22 (33%)</u>	<u>\$727,162</u>
	<u>55 Representative Franchisees Operating within a Single Territory</u>	<u>\$68,180,401</u>	<u>55</u>	<u>\$1,239,644</u>	<u>19 (35%)</u>	<u>\$710,923</u>
	<u>4 Representative Franchisees Operating within 2 Territories Each</u>	<u>\$6,556,332</u>	<u>8</u>	<u>\$819,542</u>	<u>4 (50%)</u>	<u>\$865,810</u>

<u>Period</u>	<u>Group</u>	<u>Total Rental Revenue</u>	<u>Total Territories</u>	<u>Average Total Rental Revenue Per Territory</u>	<u>Number of Territories that Met or Exceeded the Average</u>	<u>Median Total Rental Revenue Per Territory</u>
	<u>1 Representative Franchisee Operating within 3 Territories Each</u>	<u>\$2,420,630</u>	<u>3</u>	<u>\$806,877</u>	<u>2 (67%)</u>	<u>\$723,442</u>

Note to Chart in Part II.B:

1. For the 2020 Measurement Period, the highest reported Total Rental Revenue, including Sales Tax and other occupancy/vacation rental taxes, per Territory for the 2020 Measurement Period was: (i) \$7,350,344 among All Representative Franchisees; (ii) \$7,350,344 among Representative Franchisees Operating within a Single Territory; and (iii) \$3,489,950 among Representative Franchisees Operating within 2 Territories Each. The lowest Rental Revenue per Territory over the 2020 Measurement Period was: (a) \$18,468 among All Representative Franchisees; (b) \$18,468 among Representative Franchisees operating within a Single Territory; and (c) \$523,557 among Representative Franchisees Operating within 2 Territories Each.

Explanatory Notes to Part II:

1. *Total Rental Revenue (including Certain Taxes).* The term “Total Rental Revenue, including Certain Taxes” means: (i) the total gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services contract with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees; plus (ii) the respective and applicable sales, tourist and PCB taxes collected in connection with the total revenue that each Representative Franchisee must pay to the appropriate taxing authority. The sales and other applicable taxes vary amongst the Representative Franchisees based on what state they are located in and the applicable taxes where they operate their respective Franchised Business, which is one of the reasons we are not in a position to disclose the specific taxes for each Representative Franchisee in the Part II charts above. It is important to note that: (i) the term “Total Rental Revenue” when used in your Franchise Agreement and elsewhere in this Disclosure Document outside this Item 19, the term “Total Rental Revenue” does not include sales taxes; and (ii) your Royalty Fee will be based on such Total Rental Revenue.

2. Certain of the Representative Franchisees were already licensing a version of the Proprietary Software and Web Hosting Program from our affiliate at the time these parties decided to enter into a Franchise Agreement with us to operate an actual Franchised Business utilizing our Proprietary Marks, System and Manuals. These particular Representative Franchisees had an existing book of business and some level of experience in the relevant industry as of the date they commenced operating a Franchised Business. Please note that your Franchised Business may not have an existing clientele base and, as a result, it may take some time to reach the kind of Total Rental Revenue figures described in this Item.

3. The figures disclosed in Part II of this Item do not reflect the costs of sales, operating expenses, taxes, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your (franchised business). Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

Notes Regarding Item 19 Generally

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

We strongly suggest that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchised Business.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing iTrip Location, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Steve Presley at iTrip, LLC, 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 or by phone at (888) 694-8747.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2017-2019

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2017	28	46	+18
	2018	46	66	+20
	2019	66	76	+10
Company/ Affiliate- Owned*	2017	1	1	0
	2018	1	1	0
	2019	1	1	0
Total Outlets	2017	29	47	+18
	2018	47	67	+20
	2019	67	77	+10

*This is the Affiliate Location described in Item 19.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2017-2019

State	Year	Number of Transfers
Florida	2017	2
	2018	0
	2019	0
South Carolina	2017	1
	2018	2
	2019	0
Tennessee	2017	0
	2018	1
	2019	1
Total	2017	3
	2018	3
	2019	1

Table No. 3
Status of Franchised Outlets
For Years 2017-2019

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Arizona	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
California	2017	1	4	0	0	0	0	5
	2018	5	0	0	0	0	0	5
	2019	5	2	0	0	1	1	5

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Colorado	2017	6	2	0	0	0	0	8
	2018	8	2	0	0	0	0	10
	2019	10	1	0	0	0	0	11
Delaware	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Florida	2017	14	1	0	0	0	1	14
	2018	14	9	0	0	0	0	23
	2019	23	6	0	0	1	0	28
Georgia	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	1	0	0	0	0	2
Hawaii	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Idaho	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
Maryland	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Massachusetts	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Missouri	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
New Hampshire	2019	1	0	0	0	0	0	1
New Jersey	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
North Carolina	2017	0	1	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
Oregon	2017	0	0	0	0	0	0	0
	2018	0	2	0	0	0	0	2
	2019	2	1	0	0	0	0	3
South Carolina	2017	2	1	0	0	0	0	3
	2018	3	1	0	0	0	0	4
	2019	4	1	0	0	0	0	5
Tennessee	2017	1	2	0	0	0	0	3
	2018	3	1	0	0	0	0	4
	2019	4	1	0	0	0	1	4
Texas	2017	0	2	0	0	0	0	2
	2018	2	2	0	0	0	0	4
	2019	4	0	0	0	1	0	3
Utah	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Washington	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
All Other States	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
Total	2017	28	18	1	0	0	1	46

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
	2018	46	20	0	0	0	0	66
	2019	66	15	0	0	3	2	76

*One outlet transferred to a different franchisee in a different state

Table No. 4
Status of Company-Owned Outlets
For Years 2017-2019

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
All other states	2017	0	0	0	0	0	0
	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
Total	2017	1	0	0	0	0	1
	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2019

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
Arizona	1	1	0
California	1	1	0
Connecticut	0	1	0
Maryland	0	1	0
All other states	0	0	0
Total	2	4	0

A list of the names of all of our current iTrip franchisees, along with the addresses and telephones numbers of their respective franchises, is set forth in Exhibit D to this Disclosure Document.

The name, city, state and current business telephone number (if known) of every iTrip franchisee who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable franchise agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document, will be listed on Exhibit D to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three (3) fiscal years, we have had franchisees sign confidentiality provisions that would restrict their ability to speak openly about certain aspects of their agreement or their experience with our System. There are no trademark-specific organizations formed by our franchisees that are associated with the System.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit B to this Disclosure Document is our unaudited financial statements for the period ending ~~March 31~~ **June 30**, 2020, together with the audited financial statements for our fiscal years ending December 31, 2019, December 31, 2018, and December 31, 2017. Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

The following agreements are attached as Exhibits to this Franchise Disclosure Document:

Franchise Agreement (and Exhibits)	Exhibit A
Sample Termination and Release	Exhibit F
Franchisee Questionnaire/Compliance Certification	Exhibit G

ITEM 23 RECEIPTS

Exhibit J to this Franchise Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Franchise Disclosure Document by a prospective franchisee. You should sign both copies of the Receipt. You should retain one signed copy for your records and return the other signed copy to our Chief Executive Officer at the following address: Steven Presley, iTrip, LLC, 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 or via phone at (888) 694-8747.

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EXHIBIT A TO DISCLOSURE DOCUMENT

ITRIP, LLC

FRANCHISE AGREEMENT

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EXHIBITS

State Addenda to Franchise Agreement

Exhibit A: Data Sheet

Exhibit B: Form of Personal Guaranty

Exhibit C: Form of Collateral Assignment of Lease

Exhibit D: EFT Withdrawal Authorization Form

Exhibit E: Form of Confidentiality and Non-Competition Agreement (for use by Franchisee for Management Personnel of the Franchised Business and Officers/Directors of the Franchisee)

Exhibit F: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names

Exhibit G: Form of Software License Agreement

ITRIP, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the “Agreement”) is made and entered into on this ____ day of _____, 202__ (“Effective Date,”) by and between: (i) iTrip, LLC, a Tennessee limited liability company with a business address at 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 (the “Franchisor”, “we”, “us” or “our”); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “Franchisee”, “you” or “your”).

RECITATIONS

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the “System”) related to the development, opening, and ongoing operation of a business that: (i) offers and provides (a) property management and online listing services for vacation or other rental properties on behalf of the property owner (each, a “Client”), (b) assistance to such Clients in connection with finding and securing potential third-party renters to lease such Clients’ respective property(ies), (c) authorized and designed digital marketing services, and (d) other related services that Franchisor authorizes (collectively, the “Approved Services”); and (ii) is operated from the home of Franchisee or one (1) of Franchisee’s owners or, in certain circumstances, from a commercial office space that Franchisor approves (each such business will be referred to herein as an “iTrip Location”).

B. Franchisor’s System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: proprietary methodology and procedures for the establishment and operation of an iTrip Location; access to the then-current customized and proprietary software system and web hosting methodology that Franchisor designated for use in connection with the provision of the Approved Services (collectively, the “Proprietary Software and Website Hosting Program”); basic standards for the home office or third-party office space that is typically used as the premises for an iTrip Location; standards and specifications for the furniture, fixtures and equipment, including computer hardware and system, that must be used in connection with an iTrip Location; established relationships with approved or designated suppliers for certain products and services that must be utilized in connection with an iTrip Location; proprietary training programs, courses and training materials; Franchisor’s confidential and proprietary operations manual and, at Franchisor’s option, other instructional manuals that have been reduced to writing (collectively, the “Manuals”); and standards and specifications for advertising, bookkeeping, sales and other aspects of operating an iTrip Location. The parties agree and acknowledge that Franchisor may change, improve, further develop, or otherwise modify the System from time to time as it deems appropriate in its discretion. Franchisee hereby acknowledges and agrees that: (i) while the System and Franchisor’s related materials contain information that, in isolated form, could be construed as being in the public domain, they also contain significant proprietary and confidential information which makes the System unique as a whole; and (ii) the combined methods, information, procedures, and theories that make up the total System or are contained in the relevant manuals that are proprietary and confidential.

C. The System and iTrip Locations are primarily identified by the marks ITRIP and iTRIPVACATIONS, as well as certain other trade names, trademarks, service marks and trade dress, all of which Franchisor may modify, update, supplement or substitute in the future (collectively, the “Proprietary Marks”). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Proprietary Marks, expertise, and System.

D. Franchisor is in the business of granting qualified individuals and entities a franchise for the right to independently own and operate a single iTrip Location utilizing the Proprietary Marks and System at Franchisee's home office or other location that Franchisor approves in writing.

E. Franchisee recognizes the benefits derived from being identified with Franchisor, appreciates and acknowledges the distinctive and valuable significance to the public of the System and the Proprietary Marks, and understands and acknowledges the importance of Franchisor's high and uniform standards of quality, appearance, and service to the value of the System.

F. Franchisee desires to acquire a non-exclusive franchise for the right to operate a single iTrip Location, and has submitted an application to obtain such a franchise from Franchisor.

G. Franchisor is willing to grant Franchisee the right to operate an iTrip Location based on the representations contained in the franchise application and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

- A. Franchisee acknowledges and represents that neither Franchisor nor its affiliates, themselves or through any of their respective officers, directors, managers, employees, salespersons or agents), have made, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the future or past income, expenses, sales volume or potential profitability earnings or income of the franchised Business, or any other iTrip Location, other than any information Franchisor may have provided in Item 19 of its franchise disclosure document, nor has Franchisor nor any of the foregoing made any representations, statements or promises to Franchisee which conflict with, contravene or vary from the contents of this Agreement or Franchisor's franchise disclosure document.
- B. Franchisee acknowledges and represents that neither Franchisor nor its affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) have made any representation or statement relied on by Franchisee regarding Franchisor's anticipated income, earnings and growth or that of the iTrip System, or the viability of the business opportunity being offered under this Agreement.
- C. The business venture contemplated by this Agreement involves business risks.
- D. Franchisee acknowledges that Franchisee's success in connection with the franchise granted hereunder will be largely dependent upon Franchisee's ability as an independent businessperson.
- E. Franchisee has received, read, and does understand this Agreement and any attachments.
- F. Franchisee understands and agrees that the rental and other property management industries are highly competitive with constantly changing market conditions (some of

which may be seasonal in nature depending on where the Designated Territory is located), including, but not limited to, the risks associated with local, state and federal regulatory agencies and home owners' associations.

- G. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered to the satisfaction of Franchisee.
- H. Franchisee has been advised and given the opportunity and adequate time to independently investigate, analyze, and construe the franchise being offered hereunder, the terms and provisions of this Agreement and the prospects for the franchised Business, utilizing the services of legal counsel, accountants, and other advisors of Franchisee's choosing. Franchisee either consulted with these advisors or have deliberately declined to do so.
- I. Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.
- J. Franchisee agrees not to contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.
- K. Franchisee represents and warrants that Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party, and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.
- L. Franchisee acknowledges that neither Franchisor nor its affiliates (or any of our or their officers, directors, managers, employees, agents or salespersons) have made any representations or statements to Franchisee on which Franchisee relied regarding Franchisee's ability to procure any required license, permit, certificate or other governmental authorization that may be necessary or required for Franchisee to carry out the activities contemplated by this Agreement. Franchisee agrees and acknowledges that it is solely responsible for ensuring that: (i) it acquires and maintains all business licenses, permits and approvals, including those related to the provision of any Approved Services, that are necessary to operate the Franchised Business at the Premises (defined below) and within the Designated Territory (defined below); and (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located at all times during the term of this Agreement. Franchisee specifically agrees and acknowledges that it will determine whether or not any type of real estate license or similar license/certification is needed to conduct the Franchised Business and, if such a license is required, Franchisee will obtain such license/certification prior to operating the Franchised Business in any manner.

- M. Franchisee has carefully considered the nature and extent of the restrictions upon Franchisee set forth in this Agreement (including, without limitation, the covenants not to compete and the restrictions on assignment) and the rights and remedies conferred upon Franchisee and Franchisor under this Agreement. Such restrictions, rights and remedies: (a) are reasonable, including, but not limited to, their term and geographic scope; (b) are designed to preclude competition which would be unfair to Franchisor; (c) are fully required to protect Franchisor's legitimate business interests; and, (d) do not confer benefits upon Franchisor that are disproportionate to Franchisee's detriment.
- N. The covenants not to compete set forth in this Agreement are fair and reasonable, and will not impose any undue hardship on Franchisee, since Franchisee has other considerable skills, experience and education which afford Franchisee the opportunity to derive income from other endeavors.
- O. Franchisee agrees and acknowledges that: (i) Franchisor may enter into franchise agreements with other franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of an iTrip Location; and (ii) the existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.
- P. Franchisee has received from Franchisor a copy of Franchisor's franchise disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise, at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen calendar days before the payment by Franchisee to Franchisor of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.
- Q. Before executing this Agreement, Franchisee has had the opportunity to contact Franchisor's existing franchisees.
- R. If Franchisee is a business entity (including a corporation, limited liability company, general partnership or limited partnership), Franchisee is organized under the laws of the state of Franchisee's principal place of business (or another state which Franchisee has identified to Franchisor) and Franchisee's business entity is in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over Franchisee's Franchised Business.
- S. If Franchisee is business entity, Franchisee has all requisite power and authority to execute, deliver, consummate and perform this Agreement, and all necessary business entity proceedings have been duly taken to authorize the execution, delivery and performance of this Agreement.
- T. This Agreement has been duly authorized, executed and delivered by Franchisee, includes Franchisee's legal, valid and binding obligations, and will be binding and enforceable upon Franchisee and Franchisee's successors and assigns in accordance with its terms when executed by both parties.
- U. Franchisee does not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued,

unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of Franchisee's current financial statements which Franchisee furnished to Franchisor before the execution of this Agreement.

- V. As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to Franchisee's knowledge or the knowledge any of Franchisee's officers, directors, shareholders, proprietors, partners, members, managers, Guarantors, shareholders, or any other owner of a direct or indirect, partial or whole interest in Franchisee (as applicable), after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of Franchisee's knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of Franchisee's assets, properties, rights or business; Franchisee's right to operate and use Franchisee's assets, properties or rights to carry on Franchisee's business; and/or, which affects or could affect Franchisee's right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement.
- W. The parties agree and acknowledge that all provisions and information set forth in the "Recitations" portion of this Agreement above, including all definitions and representations set forth therein, are hereby incorporated by reference as if fully set forth herein.

2. **GRANT OF FRANCHISE**

- A. **Grant of Franchise.** Franchisor hereby grants Franchisee and Franchisee accepts, subject to the terms, conditions, and obligations of this Agreement, a non-exclusive right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of a single iTrip Location (the "Franchised Business"). Franchisee agrees to use the Proprietary Marks and iTrip System as Franchisor may change, improve, modify or further develop them from time to time as provided in this Agreement, and only in accordance with the terms and conditions of this Agreement and all related agreements.
- B. **Approved Premises.** Unless Franchisor approves otherwise in writing, Franchisee will be required to operate the Franchised Business from the home of Franchisee or one (1) of Franchisee's owners (the "Premises"). Once the Franchisor approves the Premises of the Franchised Business, the location will be set forth in the Data Sheet.
- C. **Relocation of Premises.**
1. Franchisee may not relocate the Franchised Business to any location other than the Premises without Franchisor's prior written consent, which Franchisor will not unreasonably withhold, provided: (i) Franchisee secures an alternate location for the Franchised Business within the Designated Territory (as defined below) that meets Franchisor's then-current site selection criteria for the premises of an iTrip Location; and (ii) Franchisee pays Franchisor a relocation fee amounting to Two Thousand Dollars (\$2,000) prior to Franchisor's approval of the relocation, which Franchisor can then use to defray its costs associated with evaluating the proposed relocation.

2. After Franchisee has been operating the Franchised Business in compliance with the terms of this Agreement for a period of one (1) year, or at an earlier time frame at Franchisor's discretion, Franchisor will permit Franchisee to relocate to a Premises that is comprised of commercial office space that Franchisor approves in writing, but only if Franchisee can demonstrate that: (i) the Franchised Business has sufficient Clients and operating capital to relocate and resume operations from a separate commercial office space; and (ii) this commercial office space is located within the Designated Territory and otherwise meets Franchisor's then-current site selection criteria for a Premises that is not a home office.

D. **Designated Territory.** Franchisee shall only have the right to operate the Franchised Business and offer/provide the Approved Services in connection with Client properties that are located within the designated territory set forth in Section 3 of the Data Sheet (the "Designated Territory"). For so long as Franchisee is in compliance with this Agreement, Franchisor will not open or operate, or license a third party the right to open or operate, any other iTrip Location that utilizes the System and Proprietary Marks within the Designated Territory.

1. *Permitted Solicitation and Contracting with Clients.* Franchisee may not solicit prospective Clients with respect to properties that are located outside of the Designated Territory, unless (a) the property at issue is located in a geographical area that has not been granted to any other franchisee/licensee or other third party in connection with their operation of an iTrip Location, and (b) Franchisee obtains Franchisor's prior written consent. Franchisee agrees and acknowledges that any Client that Franchisee contracts with that is located in a geographical area that is subsequently granted by Franchisor in connection with an iTrip Location will become an "Existing Account" within that geographical area and be subject to the terms of Section 2(D)(3) below.
2. *Permitted Advertisement and Promotion.* Franchisee may not actively advertise the Franchised Business outside of the Designated Territory, unless (a) the area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and is not granted to another franchisee or other iTrip Location, and (b) Franchisee obtains Franchisor's prior written consent.
3. *Existing Accounts and Account Takeover Procedure.* In the event Franchisee is granted a Designated Territory that contains one (1) or more Clients that have already entered into a contractual relationship with an iTrip Location for any Approved Services prior to the execution of this Agreement (each, an "Existing Account"), Franchisee will have the right to assume and service each Existing Account any time from the date the Franchised Business is opened through the six (6) month period that follows (the "Account Takeover Period") upon: (i) payment of a fee of \$2,000 for each Existing Account that Franchisee wishes to take over (the "Account Takeover Fee"); and (ii) execution of a prescribed form of agreement by Franchisee and the owner of the iTrip Location that has the contractual relationship with the Existing Account (the "Account Assignment Agreement"). In the event Franchisee does not complete the foregoing steps in connection with a given Existing Account within the Account Takeover Period, then that Existing Account may continue to be serviced by the prior iTrip Location that has the contractual relationship with that Existing Account until the date that is twelve (12) months after Franchisor signs this Agreement. Upon the expiration

of the aforementioned twelve (12) month period, the Existing Account(s) will automatically transfer to Franchisee. Following such transfer, Franchisee shall assume and service such Existing Account(s) in accordance with the terms and conditions of this Agreement and the Manual.

4. *Compliance with Applicable Laws.* The parties agree and acknowledge that, as owner of the Franchised Business, Franchisee shall be solely responsible for: (i) determining whether Franchisee can participate in the account takeover program described in this Section 2(D) under the applicable real estate and other laws where the Franchised Business is located; and (ii) notifying Franchisor in writing if any applicable law might prohibit or affect either party's ability to participate in these account takeover programs.

- E. **Rights Not Granted.** Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to open any additional iTrip Locations nor does this Agreement provide Franchisee with any right to sub-license or sub-franchise any of the rights granted hereunder. Franchisee may not use the Proprietary Marks or System for any purpose other than promoting and operating the Franchised Business at the Premises and within the Designated Territory. Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional iTrip Locations, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

- F. **Reservation of Rights.** Notwithstanding anything contained in this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) open and operate, and license third parties the right to open or operate, other iTrip Locations utilizing the Proprietary Marks and System outside the Designated Territory; (ii) offer, sell and/or license certain software, software-as-a-service (SAAS), apps/applications and web-hosting services under a mark other than ITRIP that are similar to the types of software, SAAS, apps and/or web-hosting services that Franchisee utilizes in connection with the Franchised Business at any location, within or outside the Designated Territory; (iii) acquire, or be acquired by, any company, including a company operating one or more businesses offering products or services similar to those offered by an iTrip Location, located within or outside your Designated Territory, and subsequently operate (or license a third party the right to operate) these locations; (iv) open and operate, or license third parties the right to open or operate, businesses that offer products and services similar to the Franchised Business under marks other than the Proprietary Marks at any location; (v) open and operate, or license third parties the right to open or operate, businesses that offer products and services different than the Franchised Business under the Proprietary Marks at any location; and (vi) use, and license others the right to use, the Proprietary Marks and System to engage in any other activity not expressly prohibited by this Agreement.

Franchisee waives and releases any claims, demands or damages arising from or related to any of the above activities and promise never to begin or join in any legal action or proceeding, or register a complaint with any governmental entity, directly or indirectly contending otherwise.

- G. **Limited Right to Enter Designated Territory During Ramp-Up Period to Assist in Client Generation.** In addition to the rights reserved under Section 2(F) of this Agreement, Franchisor shall have the right – but is under no obligation – to solicit, recruit and contract with prospective Clients located within the Designated Territory to enter into an Approved Services contract with Franchisee, with said rights to expire one (1) year from the date

Franchisee executes this Agreement (the “Ramp-Up Period”). Once Franchisor contracts with a prospective Client within the Designated Territory during the Ramp-Up Period, Franchisor will assign that contract to Franchisee pursuant to an Account Assignment Agreement and, at the time of such assignment, Franchisee will pay Franchisor the applicable Account Takeover Fee of \$2,500. At the end of the Ramp-Up Period, Franchisor and Franchisee will mutually decide if the Ramp-Up Period needs to be extended and set forth any such extension in writing.

- H. **Modification of System.** Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, including, but not limited to, altering the products, services, programs, methods, standards, accounting and computer systems, forms, policies and procedures of the iTrip System; adding to, deleting from or modifying the products and services which Franchisee’s Franchised Business is authorized and required to offer; modifying or substituting the equipment, signs, trade dress and other iTrip Location characteristics that Franchisee is required to adhere to (subject to the limitations set forth in this Agreement); and, changing, improving, modifying or substituting for the Proprietary Marks. Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Any change or modification that Franchisor makes to the System will not materially alter Franchisee’s fundamental rights under this Agreement. Moreover, Franchisor will provide Franchisee with a reasonable amount of time to comply with any change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Operations Manual or otherwise).

Franchisee acknowledges that because uniformity under many varying conditions may not be possible or practical, Franchisor reserves the right to materially vary its standards or franchise agreement terms for any franchised iTrip Business, based on the timing of the grant of the franchise, the peculiarities of the particular territory or circumstances, business potential, population, existing business practices, other non-arbitrary distinctions or any other condition which we consider important to the successful operation of the franchised iTrip Business. Franchisee will have no right to require Franchisor to disclose any variation or to grant the same or a similar variation to Franchisor.

3. **TERM AND RENEWAL**

- A. **Term.** Unless previously terminated pursuant to this Agreement, the term of this Agreement shall be for a period of ten (10) years (“Initial Term”) commencing as of the Effective Date.
- B. **Renewal.** Franchisee may submit a request to renew this Agreement for up to two (2) additional, consecutive terms of ten (10) years each, and must provide each request to renew no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be deemed an indication that Franchisee does not wish to renew the franchise relationship. Franchisor shall not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:
1. Franchisor is still offering franchises in the area in which Franchisee’s iTrip Location is located.

2. Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Premises, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.
3. Franchisee must execute Franchisor's then-current form of franchise agreement, which may contain materially different terms and conditions from those contained in this Agreement (the "Renewal Franchise Agreement").
4. Franchisee pays Franchisor a renewal fee amounting to five thousand dollars (\$5,000) prior to Franchisor entering into the renewal form of franchise agreement described in Section 3(B)(3) above. Franchisee will not be required to pay an additional Initial Franchisee Fee (as defined in Section 4) upon renewal.
5. At Franchisor's option, Franchisee and/or the Designated Manager (as defined in this Agreement and as applicable) attends a prescribed training refresher course at least thirty (30) days before the expiration of the then-current term of this Agreement. Franchisee will also be responsible for all expenses incurred in connection with attending this refresher training.
6. Franchisee executes a general release under seal, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule, or ordinance. This General Release will not release Franchisor from any future claims related to any renewal agreement but will release Franchisor from any and all claims Franchisee may have related to this Agreement.
7. Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.
8. Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Premises and Franchised Business within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior décor items, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened iTrip Location.

If Franchisee has satisfied these conditions, then Franchisor will provide Franchisee with a Renewal Franchise Agreement in the manner specified in Section 3(C). If Franchisor decides that Franchisee is not eligible to enter into a Renewal Franchise Agreement, subject to Franchisee compliance with this Section 3, Franchisee will be notified of same and Franchisor will provide Franchisee with the opportunity to sell its franchise to a qualified transferee (subject to Article 13 below) prior to the expiration hereof. Such transferee will be granted a then-current franchise agreement for a full term, including a renewal period.

C. **Renewal Procedures.** Franchisee must exercise Franchisee's renewal right under this Agreement in the following manner:

1. Franchisee must submit a written request to Franchisor for a business review no more than 30 days before the expiration of the Initial Term of this Agreement of Franchisee's desire to exercise its right to renew.
2. Within 30 days after Franchisor's receipt of Franchisee's notice, Franchisor will deliver to Franchisee a copy of Franchisor's then-current franchise disclosure document (if Franchisor is then legally required to do so) and a copy of Franchisee's Renewal Franchise Agreement in a form ready to be executed by Franchisee (together, the "Renewal Package"). Franchisee must acknowledge receipt of the Renewal Package in any fashion that Franchisor reasonably specifies.
3. No sooner than 15 days, but no later than 25 days, after you receive Franchisor's Renewal Package, Franchisee must execute Franchisee's Renewal Franchise Agreement and General Release and return them to Franchisor.
4. If Franchisee has exercised Franchisee's renewal right as described above and have complied with all of the procedures set forth herein, and on the date of expiration of the Initial Term Franchisee satisfies all of the conditions to renewal identified in Section 3(B) of this Agreement, then Franchisor will execute the Renewal Franchise Agreement previously executed by Franchisee and will, deliver one fully executed copy of the Renewal Franchise Agreement to Franchisee.
5. If Franchisee does not perform any of the acts or deliver any of the writing required herein in a timely fashion, this will be considered Franchisee's conclusive election not to exercise Franchisee's right to enter into a Renewal Franchise Agreement and such right will then automatically lapse and expire without further notice or action by Franchisor. If this occurs, this Agreement will terminate at the end of the Initial Term, except for the post-termination and post-expiration provisions of this Agreement which by their nature will survive.
6. Time is of the essence with regard to this Section 3(C).

4. **FEES AND PAYMENTS**

A. **Fees.** In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier:

1. *Initial Franchise Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor an initial franchise fee equal to the amount set forth on Exhibit A hereto (the "Initial Franchise Fee"). The Initial Franchise Fee will range between \$10,000 and \$30,000 depending on the classification of Franchisee's Designated Territory. Franchisor will define Franchisee's Designated Territory by researching a number of data points, including but not necessarily limited to: the number of absentee properties, the number of short-term rental listings, the short-term rental restrictions and regulations and the topography of a geographical area. Franchisor will review these data points individually and in relation to one another to define

Franchisee's Designated Territory. Depending on the results of Franchisor's analysis, the Designated Territory will be classified as a primary market or a boutique market. A Designated Territory is classified as a primary market will have more than 900 short-term rental listings on one or more listing sites (a "Primary Market"), and a Designated Territory with at least 500 short-term rental listings on one or more listing sites will be deemed a boutique territory (a "Boutique Market"). If the Designated Territory is classified as a Boutique Market, then upon execution of this Agreement, Franchisee must pay an Initial Franchise Fee equal to \$10,000 Initial Franchise Fee. If the Designated Territory is categorized as a Primary Market, then upon execution of this Agreement, Franchisee must pay an Initial Franchise Fee equal to \$30,000. The Initial Franchise Fee shall be paid in lump sum and will be deemed fully earned and non-refundable under any circumstances upon payment.

2. *Software Training and Integration Fee.* Upon execution of this Agreement, Franchisee must also pay Franchisor (or Franchisor's designated supplier) a fee associated with the pre-opening training and integration of the Franchised Business in connection with the Proprietary Software and Web Hosting Program amounting to \$25,000 (the "Software Training and Integration Fee"), which must be paid in a lump sum and will be deemed fully earned and non-refundable upon payment. Franchisee agrees and acknowledges that: (i) this fee is paid for the component of our initial training program regarding the Proprietary Software and Web Hosting Program and helps defray the costs associated with (a) providing this training, and (b) setting up the Franchised Business to utilize and/or be integrated into the as an initial matter; and (ii) this fee is not tied to any post-opening obligations or ongoing software license, both of which are tied to the Software License Fee described immediately below in Section 4(A)(8). In connection with Franchisee's use of the Proprietary Software and Web Hosting Program, Franchisee must execute Franchisor's then-current form of Software License Agreement (attached as Exhibit G to this Agreement).
3. *Initial Training Fee.* Upon execution of this Agreement, Franchisee must pay Franchisor a lump sum initial training fee amounting to \$10,000 (the "Initial Training Fee") that helps Franchisor defray certain of the costs and expenses it incurs in connection with providing the initial training program to Franchisee and if appropriate, Franchisee's Designated Manager or other management personnel.
4. *Initial Operational Support Fee.* Upon execution of this Agreement, Franchisee must also pay Franchisor a one-time lump sum operational support fee amounting to \$10,000 as consideration for the ongoing operational assistance and support we provide in connection with Franchisee's initial 12-month period of operations.
5. *Start-Up Kit.*
 - a. *Logo Materials Start-Up Kit.* Upon execution of this Agreement, Franchisee must pay Franchisor's designated supplier (which may be Franchisor or an affiliate) a fee of \$750 (the "Logo Materials Start-Up Kit Fee") for an initial inventory of logo items necessary to commence your Franchised Business. Franchisee will have the option to select any of the following logo items, including t-shirts, mugs, pens, bags, sunglasses, water bottles and such other logo items that may become available in the future (the "Logo Items Start-Up

Kit”). The Logo Items Start-Up Kit Fee must be paid in a lump sum and will be deemed fully earned and non-refundable upon payment.

- b. In addition to paying the Logo Items Start-Up Kit Fee, upon execution of this Agreement, Franchisee must also pay Franchisor’s designated supplier (which may be Franchisor or an affiliate) a fee of \$750 (the “Printed Materials Start-Up Kit Fee”) for an initial inventory of business cards, rack cards and brochures that Franchisee will need to commence operating the Franchised Business (the “Printed Materials Start-Up Kit”). The Printed Materials Start-Up Kit Fee must be paid in a lump sum and will be deemed fully earned and non-refundable upon payment

- 6. *Defined Terms Associated with Ongoing Payments.* In addition to the fees above, Franchisee will be required to pay Franchisor certain ongoing fees that may be based on certain defined terms that the parties hereby agree shall be defined as follows:

- a. For purposes of this Agreement, the term “Total Rental Revenue” means the total amount of gross revenue paid in connection with renting or leasing any property that is subject to an Approved Services contract with a given Client and all other revenue otherwise generated by the Franchised Business in connection with providing any Approved Services or Approved Products to such Clients, including all cleaning, processing, rental fees/charges and related fees. Total Rental Revenue does not include any applicable taxes or refundable deposits.
- b. For purposes of this Agreement, the term “Client Management Fee” means the fee that Franchisee charges to a given Client in connection with a contract for Approved Services, including all commissions and other consideration paid to Franchisee by that Client, whether that Client Management Fee is specifically set forth in the contract or that is otherwise collected from the Client.
- c. For purposes of this Agreement, the term “Gross Sales” all revenues and income from any source that Franchisee derives or receives from, through, by or on account of the operation of the Franchised Business, whether received in cash, in services, in kind, from barter and/or exchange (valued at the full retail value of the goods or services received), on credit (whether or not Franchisee ultimately receives payment on credit transactions), or otherwise. Gross Sales specifically includes, without limitation, (a) all Client Management Fees and/or other consideration that Franchisee receives from Clients under any Approved Services contract, (b) any other amounts paid to Franchisee on account of the provision of Approved Services under this Agreement, including excursion-related fees, cleaning fees and/or processing fees, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange, and (c) any business interruption insurance proceeds that Franchisee obtains due to the non-operation or partial operation of the Franchised Business over the applicable reporting period. “Gross Sales” does not include (a) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, or (b) the value of

any refund issued or granted to any Client that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Services offered in connection with the Franchised Business.

7. *Royalty Fee.* On or before the fifth (5th) of each calendar month (or other day Franchisor designates in writing) that the Franchised Business is open and operating (and/or required to be open and operating under this Agreement), Franchisee will pay Franchisor a royalty fee based on the Total Rental Revenue generated in connection with all Clients during the preceding calendar month that will amount to a minimum of four percent (4%) and a maximum of five percent (5%) of each Client's Total Rental Revenue. The Royalty Fee associated for each Client in a given month will be based on the Client Management Fee that Franchisee charges that Client during the preceding calendar month and will be calculated as follows: four percent (4%) of that Client's Total Rental Revenue, plus an additional two-tenths of a percent (0.02%) of that Client's Total Rental Revenue per each percentage point that Franchisee charges that Client as a Client Management Fee that is in excess of fifteen percent (15%) of that Client's Total Rental Revenue. For purposes of clarification, below please find a basic table detailing how the Royalty Fee associated with a particular Client will change based on that Client Management Fee that Franchisee charges that Client, with the parties understanding and acknowledging that the Chart below is not exhaustive, and that the Royalty Fee will always be tied to the exact Client Management Fee charged by Franchisee in connection with a particular Client:

Client Management Fee Charged	Royalty Fee paid on that Client's Total Rental Revenue
15% or less of Total Rental Revenue	4.0% of Total Rental Revenue
15.5% of Total Rental Revenue	4.1% of Total Rental Revenue
16% of Total Rental Revenue	4.2% of Total Rental Revenue
17% of Total Rental Revenue	4.4% of Total Rental Revenue
18% of Total Rental Revenue	4.6% of Total Rental Revenue
19% of Total Rental Revenue	4.8% of Total Rental Revenue
20% or more of Total Rental Revenue	5.0% of Total Rental Revenue

8. *Software License Fee.* On or before the fifth (5th) of each calendar month (or other day Franchisor designates in writing) beginning on the first month following the Effective Date of this Agreement, Franchisee will pay Franchisor its then-current software license fee (currently \$540) (the "Software License Fee") for the right to continuously access and utilize the Proprietary Software and Web Hosting Program. The Software License Fee will also cover the maintenance and support associated with Franchisor's Proprietary Software and Web Hosting Program.
9. *Fund Contribution.* In the event Franchisor establishes a creative brand fund (the "Fund"), Franchisor may require Franchisee to make a monthly contribution (a "Fund Contribution") to this Fund on or before the fifth (5th) of each calendar month amounting to up to one percent (1%) of the Gross Sales (as defined in this Section 4(A)) generated by the Franchised Business over the preceding calendar month.

10. *Other Amounts.* The other amounts detailed in this Agreement that Franchisee will be required to expend on: (a) local advertising and promotion of the Franchised Business, including required digital marketing and direct mail expenditures as set forth in Section 9(D) hereof); (b) training/tuition fees; (c) evaluation costs; and (d) marketing materials, inventory and/or other supplies that must be purchased on an ongoing basis in accordance with Franchisor's System standards and specifications. Franchisor may require Franchisee to purchase any of the foregoing items or services from Franchisor, its affiliate or another supplier that Franchisor approves and/or designates.

B. Method of Payment; Bank Accounts.

1. *Method of Payment.* With the exception of the Initial Franchise Fee and other amounts payable to Franchisor upon signing of this Agreement (which should be paid by bank check or wire transfer), Franchisee shall pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through 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 or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "EFT Account"). Upon Franchisor's written request, Franchisee must make all such payments described in this Section by bank or certified check.
2. *Use of EFT Account for Operational Funds.* Franchisee shall immediately deposit all revenues from operation of the Franchised Business into the EFT Account immediately upon receipt, including cash, checks, and credit card receipts. At least ten (10) days prior to opening the Franchised Business, Franchisee shall provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from the EFT Account. Contemporaneous with the execution of this Agreement, Franchisee shall sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from the EFT Account via electronic funds transfer. Franchisee shall immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.
3. *Escrow Account for Prepaid Rent and Damage Deposits.*
 - a. Establishment of Escrow Account. In addition to the EFT Account that Franchisee must utilize as an operational bank account, Franchisee is required to establish and maintain an escrow account with a federally insured bank that is located in the state where the Franchised Business is located and, preferably, within the Designated Territory (the "Escrow Account"). The Escrow Account must have the ability to receive merchant deposits, as well as meet and comply with any other applicable laws of the Designated Territory.
 - b. Deposit and Use of Escrow Funds. The required Escrow Account must be utilized by Franchisee to hold prepayment of rent and damage deposits that are paid in connection with the rental of any Client property (collectively, the "Escrow Funds"). The Escrow Funds shall be held separate and apart

from other funds of the Franchised Business and shall be used exclusively for the uses and purposes as set forth in this Section 4(B)(3).

- c. Disbursement of Escrow Funds. The Escrow Funds shall remain in the Escrow Account until the customer either (i) completes his/her reserved stay at the subject Client property or (ii) cancels such reservation. Upon the completion of a customer's reserved stay at the Client property, Franchisee shall have the right to transfer the Escrow Funds associated with such reservation to its EFT Account. If a customer cancels his/her reservation, the Escrow Funds shall be disbursed in accordance with the refund policies governing that customer's reservation. It being understood that in certain instances, the Escrow Funds will be required to be refunded to Franchisee's customer and/or disbursed to Franchisee's EFT Account. Franchisee acknowledges, understands and expressly agrees to disburse the Escrow Funds in strict compliance with this Section 4(B)(3).

- C. **Access to Computer System.** Franchisor may, without notice to Franchisee, have the right to independently and remotely access the Proprietary Software and Web-Hosting Program and the computer system that Franchisee is required to use in connection with the Franchised Business (the "Computer System"), via the Internet other electronic means, in order to obtain any financial and/or Client information that is related to the operation of the Franchised Business, including without limitation, Total Rental Revenue figures, Gross Sales, Client contact and property information. Franchisee must obtain and use the Computer System hardware, software and other components (including without limitation, a laptop or other computer that meets Franchisor's System specifications and is capable of running our Proprietary Software and Website Hosting Program and other software Franchisor may require; (ii) printers and other peripheral hardware/devices; and (iii) equipment necessary to maintain a physical, electronic or other security system for the Franchised Business) that Franchisor prescribed for use in connection with the Franchised Business and utilize and participate in any intranet/extranet that Franchisor establishes in connection with the System. Franchisee acknowledges, understands and agrees that Franchisor may require Franchisee to purchase any or all of the elements of the Computer System from one of Franchisor's Approved Suppliers. Franchisor further acknowledges and understands that Franchisor must approve all of the foregoing hardware before it is used in connection with Franchisee's Franchised Business, and none of the foregoing hardware may be used for any other purpose other than operating Franchisee's Franchised Business

Franchisee must provide all assistance Franchisor requires to bring Franchisee's Computer System online with Franchisor's headquarters computer at the earliest possible time and to maintain this connection as Franchisor requires. Franchisee must input and maintain in Franchisee's Computer System all data and information which Franchisor prescribes in the Manuals. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by Franchisor or disclosed to Franchisor in accordance with this Agreement.

- D. **Operational Reports; Right to Modify Payment Interval.**

1. In the event Franchisor is not able to access the Computer System in order to obtain the information described in Sections 4(B) and 4(C) above or Franchisor otherwise provides advance written notice to Franchisee, Franchisor may require Franchisee to submit a signed report after each reporting interval (currently monthly) detailing the: (i) the Total Rental Revenue, Gross Sales and Management Fees due from the preceding reporting period; (ii) a calculation of Franchisee's Royalty Fee, Fund contribution (if appropriate) and any other amounts due to Franchisor or its affiliates during that preceding reporting period; and (iii) any other information that Franchisor deems reasonably appropriate regarding the number of Clients and Client properties under contract during the preceding reporting period (collectively, the "Operational Report"). Franchisor may, as it deems necessary in its sole discretion, change the form and content of the Operational Reports from time to time.
 2. The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee, Fund Contribution and other recurring fees under this Agreement upon written notice (i.e., Franchisor may provide Franchisee with notice that it will be collecting these fees on a weekly rather than monthly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.
- E. **Late Payments; Interest.** If any payment due under this Agreement is not received by Franchisor by the scheduled date due, Franchisee shall be in default under this Agreement. If any payment is overdue, Franchisee shall pay interest to the Franchisor, in addition to the overdue amount, at a rate of one and one-half percent (1.5%) per month (or the maximum interest rate permitted by law), beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest shall be in addition to any and all other remedies Franchisor may have. Franchisee agrees to pay Fifty Dollars (\$50.00) for each check given or electronic transfer made to Franchisor that is dishonored, fails to process, or is returned.
- F. **Taxes Owed by Franchisee.** No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. All taxes, charges, or assessments shall be paid by Franchisee to the taxing authorities when due, in addition to the amounts due to Franchisor, including, but not limited to, all required lodging taxes.
- G. **Other Payments.** In addition to all other payments under this Agreement, Franchisee agrees to pay Franchisor or its affiliates immediately upon demand: (a) all sales taxes, trademark license taxes and any other taxes, imposed on, required to be collected, or paid by Franchisor or its affiliates (excluding any corporate income taxes imposed on Franchisor or its affiliates) because Franchisor or its affiliates have furnished services or products to Franchisee or collected any fee from Franchisee; (b) all amounts Franchisor advances, pays or becomes obligated to pay on Franchisee's behalf for any reason; and (c) all amounts Franchisee owe Franchisor or its affiliates for products or services that Franchisee purchases from Franchisor or its affiliates.
- H. **Inability to Operate Franchised Business.** If Franchisee is unable to operate the Franchised Business due to damage or loss to the Premises caused or created by a casualty,

act of God, condemnation, or other condition over which Franchisee has no control, then Franchisor will waive the Royalty Fee due under this Agreement for a period of time that Franchisor reasonably determines is necessary for the Franchised Business to repair the damage/loss to the Premises and resume operations (or relocate the Franchised Business to a different location within the Designated Territory), with said waiver period not to exceed ninety (90) days commencing from the date Franchisee gives Franchisor notice of the damage or loss.

5. **DUTIES OF FRANCHISOR**

- A. **Initial Training Program.** Subject to Franchisee's payment of all initial amounts owed to Franchisor upon execution of the Franchise Agreement, Franchisor shall offer and make available an initial training program (the "Initial Training Program") for Franchisee and up to one (1) additional person designated by Franchisee, provided these individuals attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and, if applicable, the other attendee must be Franchisee's proposed designated manager that Franchisee wishes to be responsible for the day to day management of the Franchised Business, subject to Franchisor's prior written approval (the "Designated Manager").
1. The Initial Training Program will be comprised of three (3) components, namely (i) two (2) general training sessions that Franchisor's training personnel will, in Franchisor's sole discretion, conduct virtually or within Franchisee's Designated Territory and at your Premises (each, an "On-Site Module"); and (ii) one (1) session of training that will take place at Franchisor's designated training facility in Tennessee (or other location that Franchisor designates, including via the Internet, webinar or other virtual medium Franchisor deems appropriate in its sole discretion) and focus on the training and assistance in connection with the Proprietary Software and Web Hosting Program (the "Software Module"). For purposes of this Agreement, the foregoing modules will be referred to individually as a "Module" and collectively as the "Modules".
 2. Prior to providing any of the On-Site Modules, Franchisee will be required to participate in a preliminary training call, which may be conducted via the telephone, Skype or other medium that Franchisor designates, for purposes of going over some preliminary steps that Franchisee must complete before Franchisor will send its training personnel to provide training to you: (i) in the Designated Territory or (ii) virtually via the Internet, webinar or other virtual medium Franchisor deems appropriate in its sole discretion.
 3. Franchisee must complete all three (3) Modules of the Initial Training Program before it can commence operations of the Franchised Business and/or otherwise commence servicing any Existing Accounts. Each Module of the Initial Training Program will be provided at the location or via the virtual medium Franchisor designates in its sole discretion, subject to the schedules and availability of Franchisor's personnel, and each particular Module may be provided to Franchisee in the chronological order that meets Franchisor's schedule. If, before the completion of all three (3) Modules of the Initial Training Program, Franchisor approved Franchisee to solicit any Client or Existing Account, then Franchisor has the right to supervise the maintenance of the such accounts until all three (3)

Modules are completed (for a period of time not to exceed 90 days and subject to the availability of Franchisor's personnel).

4. Franchisee agrees and acknowledges that it will be responsible for all costs and expenses associated with attending and completing the On-Site Module, including without limitation, the costs associated with flight or other travel, lodging, meals, local transportation and (if appropriate) wages. Franchisor will cover the costs and expenses associated with conducting the On-Site Modules virtually or within Franchisee's Designated Territory, which Franchisor may provide as it deems appropriate at (a) Franchisee's home office, (b) the vehicle that Franchisee is utilizing in connection with the Franchised Business (or the vehicle being used by Franchisor's personnel), or (c) any other locations that might be relevant to the operation of the Franchised Business within the Designated Territory.
 5. Franchisor will provide the Initial Training Program to additional owners of Franchisee or managers of the Franchised Business (subject to the availability of Franchisor's staff), provided Franchisee pays Franchisor its then-current Initial Training Fee for each individual that attends in addition to the first two (2) individuals that attend (as well as any expenses incurred).
- B. **Replacement Personnel Training.** Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current initial training fee (as well as any costs and expenses incurred).
- C. **Additional and Refresher Training.** Franchisor may, as it deems appropriate in its discretion, develop additional and refresher training courses, and require Franchisee and its management to attend such courses. Franchisor may require Franchisee and its designated attendees to pay its then-current training tuition fee in connection with attending additional/refresher training (in addition to Franchisee's obligation to pay for any expenses incurred by Franchisor and its personnel in providing such training, including the costs associated with flight or other travel, lodging, meals and local transportation). Franchisor will not require Franchisee and its management to attend more than: (i) five (5) days of additional/refresher training each year, which may take place at Franchisor's designated training facility in Tennessee (or other location that Franchisor designates); and (ii) twenty-four (24) hours of additional or refresher training via webinar, Skype or other medium that allows for remote attendance and completion.
- D. **Manuals.** Franchisor will provide access to, or otherwise loan, Franchisee one (1) copy of its proprietary and confidential operations manual prior to the opening of the Franchised Business, as well as any other instructional manuals as Franchisor deems appropriate (collectively, the "Manuals"). The Manuals will, among other things, set forth Franchisor's operating systems, procedures, policies, methods, standards, specifications and requirements for operating your franchised iTrip Business. Franchisee agrees to operate the Franchised Business in strict compliance with the Manuals.

Franchisor has the right to prescribe additions to, deletions from or revisions of the Manual all of which will be considered a part of the Manuals. All references to the Manual in this Agreement will include the supplements to the Manual. Supplements to the Manuals will become binding on Franchisee as if originally set forth in the Manual, upon being delivered to Franchisee. The Manuals and any supplements to the Manuals are material in that they

will affect the operation of the Franchised Business, but they will not conflict with or materially alter Franchisee's rights and obligations under this Agreement.

Franchisee acknowledges that Franchisor is the owner of all proprietary rights in the Manuals and all intellectual property rights connected therewith (including common law copyright) and that Franchisee is acquiring no property or other right to the Manuals other than a license to use the Manuals and comply with the Manuals during the term of this Agreement. Franchisee agrees to ensure at all times that Franchisee's copy of the Manual is current and up to date. If there is any dispute as to Franchisee's compliance with the provisions of the Manual and any supplements to the Manuals, the master copy of the Manuals and any supplements to the Manuals maintained at Franchisor's principal office will control.

Franchisor will also loan Franchisee a list of: (i) all furniture, fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the establishment and ongoing operation of the Franchised Business (collectively, the "Required Items"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "Approved Suppliers"); and (iii) a list of the Approved Services and Approved Products that Franchisee is authorized to offer, sell or provide at and from the Franchised Business, including membership programs and services. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to you. Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other iTrip Location owners (the "iTrip Web Portal"), wherein Franchisor may post content that will automatically become part of, and constitute a supplement to, the Manuals, all of which Franchisee must strictly comply with promptly after such content is posted or otherwise listed on the iTrip Web Portal. In the event Franchisee or its personnel saves or prints out a hard copy of any Manual, then such electronic/hard versions of said Manual must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section shall survive the term of this Agreement.

E. **Limited Site Selection Review and Approval (if Operating From Location Other than Home Office).**

1. After Franchisee has been open and operating the Franchised Business for a period of one (1) year from a home office location, Franchisee may request to relocate to a third-party commercial office space. In the event Franchisee submits such a request to Franchisor in writing, Franchisor will use commercially reasonable efforts to: (i) provide Franchisee with basic site selection criteria that Franchisor establishes for a third-party premises of an iTrip Location, if any; (ii) review and evaluate any site relocation proposals from Franchisee; and (iii) approve or reject such site selection proposals within 20 days of the date Franchisee provides Franchisor with all reasonably-requested information that Franchisor requests in connection with a given site proposal. The parties agree and acknowledge, however, that Franchisor's approval or any given site, including Franchisee's home office, does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location.

2. In the event Franchisor approves Franchisee's proposal to relocate to a third-party commercial space, Franchisor must then also approve of the lease for the Premises (the "Lease") or purchase agreement for the location, prior to Franchisee entering into any such agreement for that location to serve as the Premises of the Franchised Business. Franchisor may condition its approval of any Lease for the proposed Premises on the landlord's execution of Franchisor's form of Consent and Agreement of Landlord attached to this Agreement at Exhibit C. Franchisor will use reasonable efforts to review and approve of any proposed Premises location and corresponding Lease within thirty (30) days of receiving all reasonably requested information from Franchisee.

In any Lease, Franchisee may not create any obligations or grant any rights against Franchisor or its affiliates or agree to any term, condition or covenant which is inconsistent with this Agreement or any related agreement. Franchisee agrees to timely perform all terms, conditions, covenants and obligations under the Lease. Franchisee may not assign, transfer or encumber Franchisee's Lease or sublet all or any part of the Location without Franchisor's advance written approval.

- F. **Grand Opening Advertising Assistance.** Franchisor may assist Franchisee, as it deems appropriate in its discretion, in developing and conducting the grand opening advertising program (as described more fully in Section 9(C) of this Agreement), which program shall be conducted at Franchisee's expense in an amount at least equal to the Initial Marketing Spend.

- G. **Continuing Assistance.**

1. Franchisor may, as it deems appropriate and advisable in its sole discretion, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, shall not excuse Franchisee from any of its obligations under this Agreement.
2. Franchisor may provide such assistance via group webinar, telephone, fax, intranet communication, Skype or any other communication channel Franchisor deems appropriate, subject to the availability and schedules of Franchisor's personnel.
3. In the event Franchisee requests that Franchisor provide any type of assistance or training on-site at the Franchised Business, then Franchisee may be required to pay Franchisor's then-current training tuition fee in connection with such training (in addition to reimbursing Franchisor for any costs/expenses that Franchisor's personnel incurs in connection with providing such assistance, including, the costs associated with flight or other travel, lodging, meals and local transportation).

- H. **Review of Advertising Materials.** Franchisor will review and approve/reject any advertising or marketing materials proposed by Franchisee in connection with the Franchised Business as described more fully in Section 9 of this Agreement.

- I. **Website.** For so long as Franchisor has an active website containing content designed to promote the ITRIP brand, System and Proprietary Marks (collectively, the "Website"),

Franchisor will list the contact information of the Franchised Business on this Website, provided Franchisee is not in material default under this Agreement.

- J. **Email Addresses.** Franchisor will provide Franchisee with two (2) email address(es), which: (i) Franchisee is required to use in connection with the Franchised Business; and (ii) must be the only email addresses used in connection with the Franchised Business. If Franchisee requests additional email addresses, Franchisee will be required to pay a fee of \$100 per year per additional account.
- K. **Private Label Products.** Franchisor may directly, or indirectly through Franchisor's affiliates or designated vendors, develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks to be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services that are provided at the Franchised Business. Franchisee may be required to purchase these items from Franchisor or any other Approved Supplier that Franchisor designates.
- L. **Inspections of the Franchised Business and Premises.** Franchisor (and any of our authorized agents and representative, including outside accountants or auditors) will, as it deems appropriate in its sole discretion, conduct inspections and/or audits of the Franchised Business and, upon 48 hours' notice, of the Premises to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals and the System standards and specifications. Such inspections may include inspections of the Premises and inspecting any and all books and records (including, without limitations any and all records in connection with Franchisee's Escrow Account), and conducting mystery shop services. Inspections of the Premises will only occur during normal business hours and will only involve the physical area of the Premises specifically devoted to the Franchised Business or at any location where Franchisee maintain business records for the Franchised Business. Franchisee is solely responsible for ensuring that the Franchised Business is being operated in compliance with all applicable laws and regulations. Following any such inspection, Franchisee agrees to incorporate into Franchisee's iTrip Location and the Franchised Business any reasonable corrections and modifications Franchisor may require Franchisee to maintain the standards of quality and uniformity Franchisor prescribes, as quickly as is reasonably possible and using all resources at your disposal.
- M. **Administration of Fund.** If and when established, Franchisor will administer the Fund as it deems advisable to the System in its sole discretion as described more fully in Section 9 of this Agreement.
- N. **No Assumption of Liability.** Franchisor shall not, by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5, 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 designee in relation to the selection or development of the Premises 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 Premises, that the development of the Premises is free of error, nor that the Franchised Business is likely to achieve any level of volume, profit or success.

- O. **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.
- P. **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 sixty (60) days following the opening of the Franchised Business. Absent such notice to Franchisor, Franchisee acknowledges, agrees and grants that Franchisor fully complied with all of its pre-opening and opening obligations set forth in this Agreement.
- Q. **Annual Conference.** Franchisor may establish and conduct an annual conference for all iTrip Location owners and operators and will require Franchisee (or its Designated Manager) to attend this conference, but for no more than five (5) days each year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference (including any employee wages). Franchisor also reserves the right to charge Franchisee its then-current attendance/registration fees.
- R. **Call Center.** Franchisor reserves the right to establish a System-wide call center (the “Call Center”) and, if Franchisor does so, Franchisee will be required to pay related subscription fees at Franchisor’s then-current rate or the then-current rate charged by Franchisor’s Approved Supplier for call center services.
- S. Franchisor may, in the exercise of its business judgment, enter into supply contracts either for all iTrip Locations or a subset of iTrip Locations situated within one or more geographic regions (each, a “Systemwide Supply Contract”). Franchisor may enter into Systemwide Supply Contracts with one or more vendors of products, services or equipment that all company-owned and franchised iTrip Locations in a geographic area will be required to purchase, use or sell. If Franchisor does so, then immediately upon notification, Franchisee, Franchisor and all other iTrip Locations in the geographic area must purchase the specified product, service or equipment only from the designated supplier. However, if at the time of Franchisor’s notification Franchisee is already a party to a non-terminable supply contract with another vendor or supplier for the product, service or equipment, then Franchisee’s obligation to purchase from Franchisor’s designated supplier under the Systemwide Supply Contract will not begin until the scheduled expiration (or earlier termination) of Franchisee’s pre-existing supply contract.

Franchisor makes no representation that it will enter into any Systemwide Supply Contracts or other exclusive supply arrangements or, if Franchisor does so, that Franchisee would not otherwise be able to purchase the same products and/or services at a lower price from another supplier. Franchisor may add to, modify, substitute or discontinue Systemwide Supply Contracts or exclusive supply arrangements in the exercise of Franchisor’s business judgment.

6. DUTIES OF FRANCHISEE

- A. **Operation from Home Office that Complies with System.**
1. Franchisee is expected to operate from a home office that Franchisee hereby represents and warrants meets Franchisor’s System standards and specifications,

to the extent such standards/specifications have been reduced and provided to Franchisee in writing.

2. If Franchisee desires to operate from a location other than Franchisee's home office described in Section 6(A)(1) above, Franchisee must be operating the Franchised Business in compliance with this Agreement for at least one (1) year and otherwise seek and obtain Franchisor's prior written approval as set forth in Section 5(E) of this Agreement and the Manuals.

B. **Management of Client Information.** At all times that the Franchised Business is in operation, Franchisee must prepare and maintain all appropriate and required records and documentation for each Client and its respective properties that are under an Approved Services contract (collectively, the "Client Information"). Franchisee agrees and acknowledges that all such Client Information is the sole and exclusive property of Franchisor and that all copies of such Client Information, including all Approved Services contracts with such Clients, must be provided to Franchisor immediately upon termination or expiration of this Agreement for any reason.

C. **Compliance With Lease.** In the event Franchisee is operating from a Premises other than a home office with Franchisor's approval, then Franchisee must ensure that it complies with all provisions of the lease for that Premises (the "Lease"), including those provisions related to leasehold improvements and signage. Franchisor shall have the right to review any proposed Lease for the Premises and approve such Lease prior to Franchisee's execution for use in connection with operating the Franchised Business. Franchisor may condition its approval of such Lease on Franchisee and landlord's agreement that Franchisor may assume the lease immediately upon termination or expiration of this Agreement.

D. **Build-Out of Premises and Time to Open.**

1. Franchisee must: (a) secure, build-out, furnish and equip the Premises in a manner consistent with Franchisor's System standards, specifications and any agreed-upon plans, and (b) open and commence operations of the Franchised Business by actively advertising and soliciting Clients within the Designated Territory, within ninety (90) days of the date this Agreement is executed. If Franchisee fails to open the Franchised Business for operation within the prescribed period (or, if applicable, within any extended period of time Franchisor approves in writing), this Agreement will be deemed terminated upon written notice to Franchisee from Franchisor.
2. Franchisee will not be allowed to open the iTrip Location without our written approval, which Franchisor will not unreasonably withhold. In order to obtain Franchisor's approval to open, Franchisee must: (i) obtain all required state, local and other required government certifications, permits and licenses (including, if you will sell liquor, a liquor license); (ii) furnish to Franchisor copies of all such required permits and licenses; (iii) furnish to Franchisor copies of all insurance policies required under this Agreement; (iv) attend and successfully complete Franchisor's Initial Training Program to Franchisor's satisfaction (as provided in this Agreement); (v) pay Franchisor or its affiliates any amounts due through the date that Franchisee requests Franchisor's approval to open; (vi) not be in default under any agreement with Franchisor or any of its affiliates; (vii) not be in default

under, but instead be current with, all contracts or agreements with Franchisee's principal vendors, suppliers and other business creditors; and, (viii) otherwise comply in all respects with the pre-opening obligations set forth in this Agreement.

- E. **Licenses and Permits for Franchised Business.** 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 Franchised Business at the Premises and within the Designated Territory, including all required licenses and permits related to the offer and sale of vacation rental/management services and/or other Approved Services.

Franchisee agrees to obtain and keep in good standing all licenses, permits and other governmental consents and approvals required to operate the iTrip Location and Franchised Business now or in the future.

- F. **Licensing Requirements for Personnel.** Franchisee must ensure that the applicable Approved Services provided at the Franchised Business are only conducted by individuals that have the necessary real estate licenses and/or other certifications or approval, if any, necessary to provide the Approved Services at issue.

- G. **Approved Services.** Franchisee must only offer and sell the Approved Services, as well as any related merchandise and other products that Franchisor authorizes for sale in conjunction with the Approved Services (the "Approved Products"), at the Franchised Business. Franchisee may not offer or provide any other products/services and must not deviate from Franchisor's System standards and specification related to the manner in which the Approved Services and Approved Products are offered and sold, unless Franchisor provides its prior written consent. Franchisor has the right to add, delete or otherwise modify certain of the Approved Services or Approved Products from time to time in the Manuals and otherwise in writing, as it deems appropriate in its sole discretion. In the event of a dispute between Franchisee and Franchisor concerning Franchisee's right to carry any particular product or to offer any specific service, Franchisee will immediately remove the disputed products from inventory, remove the disputed service from those services offered at the Premises, or, if the same are not already in inventory or such services not yet being offered, will defer offering for sale such products and services pending resolution of the dispute.

If Franchisee desires to sell any product, service or program which is not a part of the iTrip System, then Franchisee must obtain Franchisor's advance written permission, which Franchisor may deny for any or no reason. If Franchisor grants such advance written approval, then the product, service or program in question will become a part of the iTrip System; Franchisor may, but will not be required to, authorize the product, service or program for sale at one or more other iTrip Locations; Franchisee may subsequently revoke its approval for any or no reason; Franchisor will own all rights associated with the product, service or program; and, Franchisee will not be entitled to any compensation therefor.

- H. **Other Devices Prohibited at Premises.** If Franchisee is not operating from a home office, Franchisee is specifically prohibited from installing, displaying, or maintaining any vending machines, gaming machines, automatic teller machines, internet kiosks, public telephones (or payphones), or any other electrical or mechanical device at the Premises other than those Franchisor prescribes or approves.

- I. **Fixtures, Furniture, Signs and Inventory.** Franchisee must maintain at all times during the term of this Agreement and any renewals hereof, at Franchisee's expense, the Premises and all fixtures, furnishings, signs, artwork, décor items and inventory therein as necessary to comply with Franchisor's standards and specifications as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. Franchisor will not require Franchisee to make material renovations or refurbishments to the Premises of the Franchised Business more than once every seven (7) years, unless such renovation/refurbishment is in connection with a renewal or transfer of this Agreement. The parties agree and acknowledge, however, that the limitation set forth in the preceding sentence will not apply to any request to modify the Proprietary Marks as provided for in this Agreement.
- J. **Compliance with Applicable Laws.** Franchisee must at all times adhere to the highest standards of honesty, integrity and fair dealing in all dealings with the public and must conduct and operate the Franchised Business in accordance with all federal, state, county, municipal and local laws, rules, ordinances, regulations, policies and procedures applicable thereto.

Franchisee will have sole authority and control over the day-to-day operations of the Franchised 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 Franchised 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. This Section applies to Franchisee's obligations with respect to the Lead Referral Program and account takeover programs as set forth more fully in this Agreement.

You represent and warrant to us that, as of the date of this Agreement and at all times during the Term hereof, and to your actual or constructive knowledge, neither you, any affiliate of yours, any individual or entity having a direct or indirect ownership interest in you or any such affiliate (including any shareholder, general partner, limited partner, member or any type of owner), any officer, director or management employee of any of the foregoing, nor any funding source you utilize is or will be identified on the list of the U.S. Treasury's Office of Foreign Assets Control (OFAC); is directly or indirectly owned or controlled by the government of any country that is subject to an embargo imposed by the United States government or by any individual that is subject to an embargo imposed by the United States government; is acting on behalf of any country or individual that is subject to such an embargo; or, is involved in business arrangements or other transactions with any country or individual that is subject to an embargo. You agree that you will immediately notify us in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties incorrect. Notwithstanding anything to the contrary in this Agreement, you may not allow, effect or sustain any transfer, assignment or other disposition of this Agreement to a "Specially Designated National or Blocked Person" (as defined below) or to an entity in which a "Specially Designated National or Blocked Person has an interest. For the purposes of this Agreement, "Specially Designated National or Blocked Person" means: (i) a person or entity designated by OFAC (or any successor officer agency of the U.S. government) from time to time as a "specially designated national or blocked person" or similar status; (ii) a person or entity

described in Section 1 of U.S. Executive Order 13224, issued on September 23, 2001; or, (iii) a person or entity otherwise identified by any government or legal authority as a person with whom you (or any of your owners or affiliates) or we (or any of our owners or affiliates) are prohibited from transacting business.

You further agree that you will not hire, retain, employ or otherwise engage the services of any individual or entity in contravention of the Patriot Act; any law, rule or regulation pertaining to immigration or terrorism; or, any other legally prohibited individual or entity.

- K. **Required Items.** Franchisee must: (i) purchase and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the vehicle that must be used in connection with the Franchised Business (the “Approved Vehicle”), Computer System, equipment, supplies, inventory and other items required for the operation of the Franchised Business; (ii) ensure that all Required Items meet Franchisor’s standards and specifications; and (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchisor designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may derive revenue from the offer and sale of Required Items.
- L. **Alternative Supplier Approval.** If Franchisee wishes to purchase any unapproved item, including inventory, 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, the purchase price of the item, to the extent known, and pay Franchisor’s new product and supplier testing fee (currently \$500). At Franchisor’s request, Franchisee must also provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee’s request, Franchisee must reimburse Franchisor for Franchisor’s actual testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Franchisor will use commercially reasonable efforts to notify Franchisee in writing whether or not Franchisee’s request is approved or denied within thirty (30) days of: (i) Franchisor’s receipt of all supporting information from Franchisee regarding Franchisee’s request under this Section; and (ii) if applicable, Franchisor’s completion of any inspection or testing associated with Franchisee’s request. If Franchisor does not provide written approval within this time period, then Franchisee’s request will be deemed denied. Franchisor may, but is not obligated to, provide Franchisee’s proposed supplier with its specifications for the item that Franchisee wishes the third-party to supply, provided that third-party executes Franchisor’s prescribed form of non-disclosure agreement. Each supplier that Franchisor approves must comply with Franchisor’s usual and customary requirements regarding insurance, indemnification and non-disclosure. If Franchisor approves any supplier, Franchisee may enter into supply contracts with such third party, but under no circumstances will Franchisor guarantee Franchisee’s performance of any supply contract. Franchisor may re-inspect and 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. Nothing in this Section 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.

- M. **Computer Issues**. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders in connection with the operation of the Franchised Business, including the Proprietary Software and Web Hosting Program.
- N. **Promotional Materials Display (Seasonal and Otherwise)**. Franchisee must openly and prominently display franchise promotional materials provided or designated by Franchisor and participate in any ongoing System-wide sales, specials or other promotions that Franchisor designates, including without limitation, participating in any seasonal sales/promotions and displaying all designated signage in connection therewith.
- O. **Initial Training Program and Other Training/Conference Attendance**. Franchisee and each of its management personnel must attend and successfully complete all training and annual conferences that are prescribed by Franchisor under this Agreement.
1. Franchisee and its required trainees (including Designated Manager(s) if selected) must complete all Modules of the Initial Training Program prior to opening the Franchised Business, and must pay Franchisor the appropriate initial training tuition fees for any person(s) that attend the program other than the first two (2) individuals. For the avoidance of doubt, Initial Training Program modules that must be completed include (without limitation) any Initial Training Program modules related to general operation of the Franchised Business and the component of training that focuses on the Proprietary Software and Web Hosting Program.
 2. Franchisee and its required trainees must be on-site within the Designated Territory and actively participate when Franchisor's training personnel provides the On-Site Modules.
 3. Franchisee must also complete any additional or refresher training the Franchisor is permitted to require Franchisee to attend each year, and Franchisee must attend Franchisor's annual conference if such a conference is conducted by Franchisor.
 4. Any failure to attend and complete the Initial Training Program or other training/conferences described in this Section will be a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in this Agreement (if any).
- P. **Staffing and Training of Employees**. Franchisee agrees to maintain a competent, conscientious, trained staff in sufficient numbers as necessary to promptly, efficiently and effectively service customers. Franchisee shall take such steps as are necessary to ensure that Franchisee's employees preserve good customer relations.

Franchisee or at least one (1) of Franchisee's personnel that has successfully completed the entire Initial Training Program must conduct training classes for, and properly train, all of Franchisee's employees on sales, advertising, maintenance of the Premises, the POS and computer system, as well as any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for operating the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing. Further, at least one (1) person that has completed the Initial Training Program must manage the Franchised Business at all times.

- Q. **Hours of Operation.** Franchisee shall keep the Franchised Business open and in normal operation for such minimum hours and days as Franchisor may prescribe in the Manuals or otherwise in writing and must ensure that the Franchised Business is sufficiently staffed.
- R. **Image.** Franchisee shall maintain the image of the Franchised Business at all times in accordance with Franchisor's standards and specifications, including: (i) ensuring that the Approved Vehicle is maintained in a clean and orderly manner; and (ii) ensuring that all equipment, furniture and fixtures used in connection with the Franchised Business remains in good, clean condition.
- S. **Customer Lists and Data/Agreements.** Franchisee must (i) maintain a list of all of its current and former Clients, as well as their properties and any Approved Services contracts associated therewith, at the Premises; and (ii) make such lists and contracts available for Franchisor's inspection upon request. Franchisee must promptly return this information, which is deemed "Confidential Information" and Franchisor's exclusive property hereunder, to Franchisor upon expiration or termination of this Agreement for any reason. Franchisee acknowledges that Franchisor may have automatic access to any or all of this information via the Computer System and related software that Franchisor requires for use in connection with the Franchised Business.
- T. **Promotional Prices; Pricing Guidelines.** Because enhancing iTrip's brand competitive position and consumer acceptance for iTrips's products and services is a paramount goal of Franchisor and its franchisees, and because this objective is consistent with the long term interest of the iTrip System overall, Franchisor may exercise rights with respect to the pricing of products and services to the fullest extent permitted by then applicable law. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices which Franchisee may charge customers for the products and/or services offered and sold at Franchisee's iTrip Location; recommending retail prices; advertising specific retail prices for some or all products or services sold by Franchisee's iTrip Location, which prices Franchisee will be compelled to observe; engaging in marketing, promotional and related campaigns which Franchisee must participate in and which may directly or indirectly impact Franchisee's retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices which Franchisee's iTrip Location may charge the public for the products and services it offers. Franchisor may engage in any such activity either periodically or throughout the term of this Agreement. Further, Franchisor may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor for a particular management service or other Approved Product or Approved Service. As an independent contractor, however, Franchisee may exercise flexibility in meeting competition with respect to the pricing of

the Approved Products and Services. Franchisee acknowledges and agrees that any maximum, minimum or other prices Franchisor prescribes or suggests may or may not optimize the revenues or profitability of Franchisee's Franchised Business and Franchisee irrevocably waives any and all claims arising from or related to Franchisor's prescription or suggestion of Franchisee's iTrip Location's retail prices.

- U. **Cobranding.** Franchisor may determine from time to time to incorporate in the iTrip System products or services which Franchisor either develops or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Proprietary Marks and which Franchisee's iTrip Location, along with other iTrip Locations, will be required to offer and sell. This activity, referred to as "cobranding", may involve changes to the Proprietary Marks and may require Franchisee to make modifications to Franchisee's Premises and the furniture, fixtures, equipment, signs and trade dress of Franchisee's iTrip Location. If Franchisee receives written notice that Franchisor is instituting a cobranding program, Franchisee agrees promptly to implement that program at Franchisee's iTrip Location at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase Franchisee's Royalty Fee, Fund Contribution (if any) or local advertising expenditure obligations under this Agreement.
- V. **Operation of Franchised Business and Customer Service.** Franchisee shall manage and operate the Franchised Business in an ethical and honorable manner, and must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor. Franchisee must consider and act promptly with respect to handling of customer complaints and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing.
- W. **Access for Inspections/Audit.** To determine whether Franchisee is complying with this Agreement, Manuals and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor deems necessary; (ii) interview or survey personnel and Clients of the Franchised Business; and (iii) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information, such as, the records relating to Franchisee's Escrow Account. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken). If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.
- X. **Personal Participation by Franchisee.** Franchisee must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager at any time, the Designated Manager must successfully complete the Initial Training Program prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms,

conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

Franchisee must immediately notify Franchisor of Franchisee's Designated Manager's death, disability or termination of employment, and within 10 days of such notification inform Franchisor of the designated successor or acting Designated Manager if Franchisee chooses to replace the former Designated Manager. Franchisor must approve Franchisee's replacement Designated Manager before Franchisee appoints him/her. Franchisee's replacement Designated Manager must successfully complete Franchisor's Initial Training Program.

- Y. **Credit Cards and Payment Methods.** Franchisee must accept credit cards in connection with the Franchised Business to facilitate sales, including Visa, MasterCard, American Express and Discover and any other major credit cards designated by Franchisor. Franchisee agrees to maintain the creditworthiness required of each of these credit card issuers; to honor these cards for credit purposes; and, to abide by all related regulations and procedures that Franchisor and/or the credit card issuer prescribe. Franchisee may also accept cash and/or checks in connection with the Franchised Business. Franchisee must comply with all applicable laws, regulations and rules related to credit card acceptance and processing, including Payment Card Industry (PCI) security standards.
- Z. **Compliance with Security Protocols.** Franchisee agrees to assure all communication connections (of whatever form, wireless, cable, internet, broadband or other) and access to financial information, especially credit card information, is at all times kept secure in a manner which is in compliance with all legal requirements and, particularly, with all security requirements of the issuing credit card companies. Franchisee further agrees to hold Franchisor and the other Indemnitees (as defined in Section 11(E)) harmless from any and all claims and liabilities related to same. In addition, at Franchisee's cost, Franchisee agrees to provide Franchisor with a written report of verification from a specialist approved by Franchisor confirming compliance with the obligations imposed by this Section 6(Z) and any other proof of such compliance that Franchisor may reasonably require.
- AA. **Payments to Franchisor.** Franchisee agrees to promptly pay Franchisor all payments and contributions that are due to Franchisor, its affiliates or any Approved Supplier.
- BB. **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 Franchised 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.
- CC. **Bookkeeping Software.** Franchisor may require Franchisee to use a third-party provider (other than QuickBooks) for bookkeeping services if Franchisee (i) fails to timely and accurately provide any and all required reports under this Agreement, or (ii) underreports the Total Rental Revenue or Gross Sales of the Franchised Business at any time.
- DD. **Minimum Performance Requirement.** After Franchisee has been operating the Franchised Business for three (3) full years of operation, then Franchisee will be required to generate at least \$1,000,000 in Total Rental Revenue each subsequent year of operation or Franchisor may, at its option: (i) terminate any territorial rights Franchisee has within

the Designated Territory; or (ii) terminate this Agreement. Franchisor is not required to take either action in the event Franchisee fails to generate the Total Rental Revenue described above but reserves the right to do so.

- EE. **Adequate Reserves and Working Capital.** Franchisee must at all times maintain adequate reserves and working capital sufficient for Franchisee to fulfill all of Franchisee's obligations under this Agreement and to cover the risks and contingencies of the Franchised Business for at least 3 months. These reserves may be in the form of cash deposits or lines of credit.
- FF. **Trade Accounts.** Franchisee agrees to maintain Franchisee's trade accounts in a current status and to seek to promptly resolve any disputes with trade suppliers. If Franchisee does not maintain Franchisee's trade accounts in a current fashion, Franchisor may pay any or all of the accounts on Franchisee's behalf, but Franchisor will have no obligation to do so. If Franchisor pays any accounts on Franchisee's behalf, then Franchisee agrees to immediately repay Franchisor as provided by Section 4(G). If Franchisee does not keep Franchisee's trade accounts current or make immediate repayment to Franchisor, this will be a material breach of this Agreement entitling Franchisor to terminate this Agreement following Franchisor giving Franchisee notice and an opportunity to cure Franchisee's breach.
- GG. **No Conflicting Agreements.** During the term of this Agreement, Franchisee may not be party to any contract, agreement, business entity formation or governance document, mortgage, lease or restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement.
- HH. **Business Entity Requirements and Records.** If Franchisee is a corporation, limited liability company, limited partnership or any other type of business entity, Franchisee must comply with the following requirements (which will also apply to any assignee of this Agreement which is a business entity):
1. Furnish Franchisor with all of Franchisee's formation, organizational and governing documents; a schedule of all owners (indicating as to each its percentage ownership interest); any shareholder, partnership, membership, buy/sell or equivalent agreements and documents; and, a list of all of Franchisee's officers, directors and managers (as applicable).
 2. Franchisee's business entity's formation and governing documents must provide that its activities will be confined exclusively to the operation of the Franchised Business.
 3. Franchisee must promptly notify Franchisor in writing of any change in any of the information specified, or in any document referred to, herein.

Franchisee shall not permit any mortgage, lien, pledge or other security interest in respect of any of Franchisee's business entity's shares, equity interests or other ownership interests without Franchisor's prior written consent. Any violation of the preceding restriction will give Franchisor the right to terminate this Agreement immediately upon notice to Franchisee.

- II. **Government Actions.** Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit or proceeding and/or the issuance of any citation, order, writ, injunction, award or decree of any court, agency or other governmental or quasi-governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee's Franchised Business.

7. **PROPRIETARY MARKS AND OTHER INTELLECTUAL PROPERTY RIGHTS**

- A. **Ownership of Proprietary Marks.** Franchisee acknowledges the exclusive ownership and/or right to use the Proprietary Marks by Franchisor, and Franchisee agrees that during the term of this Agreement and after its expiration or termination Franchisee will not directly or indirectly contest or aid in contesting the validity of the Proprietary Marks or the ownership or rights of the Proprietary Marks by Franchisor. Franchisee will not in the future assert a claim to any goodwill, reputation or ownership of the Proprietary Marks by virtue of Franchisee's licensed use of the Proprietary Marks, or for any other reason. Furthermore, Franchisee intends and hereby concedes that any commercial use Franchisee may make of the Proprietary Marks shall solely contribute and inure to the commercial use and benefit of Franchisor, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.
- B. **Permitted Use.** It is understood and agreed that the use by Franchisee of Franchisor's Proprietary Marks applies only in connection with the operation of the Franchised Business at the Premises, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor. In all instances Franchisee's use of the Proprietary Marks must comply with Franchisor's directions, limitations, specifications and authorized prescribed uses. Following the expiration or termination of this Agreement, no monetary amount will be attributable to any goodwill associated with Franchisee's use of the Proprietary Marks or operation of Franchisee's Franchised Business or iTrip Location, including any "local goodwill", which, Franchisee expressly agrees, exclusively vests in Franchisor.
- C. **Use of Proprietary Marks in Advertising and Signage.** To develop and maintain high, uniform standards of quality and service and thereby protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:
1. Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;
 2. Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to immediately discard and cease use of Proprietary Marks or other imagery that has become obsolete and no longer authorized by Franchisor.
 3. Upon Franchisor's request, Franchisee hereby covenants and agrees that it will affix in a conspicuous location in or upon the Premises, a sign containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, ITRIP, under a license agreement with iTrip, LLC."

4. Franchisee may not use the Proprietary Marks in any way which will incur any obligation or indebtedness on Franchisor's behalf. Franchisee agrees to comply with this Agreement's and Franchisor's Manuals' instructions in filing and maintaining all requisite trade name or fictitious name registrations, and in executing any documents considered necessary by Franchisor or Franchisor's counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

D. **Proprietary Marks are Sole Property of Franchisor.** Franchisee acknowledges that the Proprietary Marks, System, Manual, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement for the term hereof and strictly in the manner prescribed. Franchisee agrees that it will not, during the term of this Agreement or any time thereafter, contest or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor shall Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement. Franchisee agrees not to apply for or obtain any trademark or service mark registration of any of the Proprietary Marks or any confusingly similar marks in Franchisee's own name. If Franchisee is a business entity, then Franchisee agrees that under no circumstance will Franchisee incorporate any of the Proprietary Marks, any portion thereof or any name or mark derivative of or similar to the Proprietary Marks, in Franchisee's business entity's name. Franchisee may never use the Proprietary Marks in connection with any other business except for Franchisee's Franchised Business. Franchisee agrees that Franchisee will not, during or after the Term of this Agreement, impair the goodwill associated with the Proprietary Marks or in any way dispute or impugn the validity of the Proprietary Marks, Franchisor's rights (or those of its affiliates) to the Proprietary Marks, or the rights of Franchisor, its affiliates, other franchisees of Franchisor or other third parties to whom Franchisor may have licensed the Proprietary Marks.

Franchisee acknowledges that Franchisor's rights in the Proprietary Marks are not limited to the specific presentation or configuration of any of them, but rather extend to all combinations and displays of the words and/or design elements thereof and extend to all translations of them in any language. Further, Franchisee acknowledges and agrees that Franchisor's rights in and to the Proprietary Marks are not limited to such rights as may be conferred by registrations thereof or by applications for registrations but, instead, include extensive common law and other rights in the Proprietary Marks vested in Franchisor as a result of their use by Franchisor or its affiliates and other authorized parties.

E. **Legal Action Involving Proprietary Marks.** Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal action brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the

Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

- F. **Confidential Information.** Franchisee agrees that all documents, papers, notes, and other materials, as well as work products containing or derived from the proprietary information or from the knowledge of, or in connection with, the operation of the Franchised Business, will be Confidential Information (as defined in this Agreement) that is the exclusive property of Franchisor. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time as may be requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.
- G. **Improvements.** Franchisee agrees to disclose promptly to Franchisor any and all inventions, discoveries, and improvements, whether or not patentable or copyrightable, that are conceived or made by Franchisee or its employees or agents that are in any way related to the establishment or operation of the Franchised Business (collectively, the "Improvements"), all of which shall be automatically and without further action owned by Franchisor without compensation to Franchisee (including all intellectual property rights therein). Franchisor may authorize itself, its affiliates and/or other franchised iTrip Locations to use and exploit any Improvements. Whenever requested to do so by Franchisor, Franchisee will execute any and all applications, assignments, or other instruments that Franchisor may deem necessary to apply for and obtain intellectual property protection or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination or expiration of this Agreement. If a court should determine that Franchisor cannot automatically own certain of the Improvements that may be developed, then Franchisee hereby agrees to grant Franchisor a perpetual, royalty-free worldwide license to use and sublicense others to use such Improvements.
- H. **Modification or Substitution of Marks by Franchisor.** If in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Proprietary Marks, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify, discontinue, or to use one (1) or more additional or substitute trade or service Proprietary Marks then upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages
- I. **Modification or Substitution of Proprietary Marks by Franchisee.** Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.
- J. **Discontinuance or Substitution of Proprietary Marks.** If now or hereafter one or more of the Proprietary Marks can no longer be used, or if Franchisor in its sole discretion determines to adopt and use one or more additional or substitute Proprietary Marks, then Franchisee agrees to promptly comply with any of Franchisor's directions or instructions

to modify or discontinue use of any Proprietary Mark and/or adopt and use one or more additional substitute Proprietary Marks. Franchisor shall have no obligation to reimburse Franchisee for any expenditures Franchisee makes to comply with such instructions or directions. Nor will Franchisor be liable to Franchisee for any other expenses, losses or damages sustained by Franchisee or Franchisee's Franchised Business as a result of any Proprietary Mark addition, modification, substitution or discontinuation. Franchisee waives any claim or any such expenses, losses or damages and covenant not to commence or join in any litigation or other proceeding against us or any of Franchisor's affiliates for any of these expenses, losses or damages.

- K. **Cease Use of Marks on Termination/Non-Renewal.** Upon termination or expiration and non-renewal of this Agreement, Franchisee agrees to immediately cease use, in any manner whatsoever, of any of the Proprietary Marks or any other Proprietary Marks or trade names that may be confusingly similar to the Proprietary Marks.
- L. **Disconnection of Telephone Number on Termination/Renewal.** Franchisee acknowledges that there will be substantial confusion among the public if, after the termination or expiration and non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone number listed in the telephone directory under the name ITRIP or any name similar to it. Thus, effective upon the termination or expiration and non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee shall be deemed to have hereby irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or yellow pages directory company, Franchisor will be deemed for purposes hereof to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone or yellow pages directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions.
- M. **Non-Exclusive Use of Proprietary Marks.** Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor in its sole discretion has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement, and that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.
- M. **Acknowledgements.** With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:
1. Franchisee shall not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

2. Franchisee shall not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefor without Franchisor's prior written consent; and
 3. Franchisee shall execute any documents and provide such other assistance deemed necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.
- N. **Use Outside Scope.** Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this license without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the term of this Agreement and after the expiration or termination hereof, Franchisee covenants not to directly or indirectly commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof.
- O. **Notification of Infringement.** Franchisee shall notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. Franchisee may not settle or compromise any claim of a third party without Franchisor's prior written consent. Franchisor will have the right to defend, compromise and settle the claim at Franchisor's sole cost and expense, using Franchisor's own counsel. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.
- P. **Indemnification Regarding Marks.** Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor deems appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section shall be limited to no more than the Initial Franchise Fee paid under this Agreement. Franchisor will have no obligation to defend or indemnify Franchisee pursuant to this Section 7(P) if the claim arises out of or relates to Franchisee's use of any of the Proprietary Marks and/or Franchisor's copyrights in violation of the terms of this Agreement.
- Q. **Prosecution of Infringers.** If Franchisee receives notice or is informed or learns that any third party which Franchisee believes is not authorized to use the Proprietary Marks is

using the Proprietary Marks or any variant of the Proprietary Marks, Franchisee agrees to promptly notify Franchisor. Franchisee will then determine whether or not Franchisee wishes to take any action against the third party on account of the alleged infringement of our Proprietary Marks. Franchisee will have no right to make any demand or to prosecute any infringement claim. If Franchisor undertakes an action against an infringing party, Franchisee must execute any and all documents and do such acts and things as, in Franchisor's counsel's opinion, are necessary including (but not limited to) becoming a nominal party to any legal action. Unless the litigation is the result of Franchisee's improper use of the Proprietary Marks, Franchisor shall reimburse Franchisee for Franchisee's out-of-pocket costs in doing such acts and things, but Franchisee will bear the salary costs of Franchisee's employees and Franchisor will bear the costs of any judgment or settlement.

R. **Other Obligations of Franchisee.** In addition to all other obligations of Franchisee with respect to the Proprietary Marks licensed herein, Franchisee agrees:

1. To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and
2. To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

8. **OPERATIONS MANUALS AND CONFIDENTIAL/CONFIDENTIAL INFORMATION**

- A. **Compliance with Manuals.** In order to protect the reputation and goodwill of Franchisor and the System, and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct the Franchised Business in strict accordance with Franchisor's Manuals. Franchisee agrees to operate the Franchised Business in strict compliance with the Manuals.
- B. **Control of iTrip Location.** Franchisee acknowledges any Manual(s) provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of Franchisee's Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day-to-day operation thereof.
- C. **Confidential Information.** In connection with the operation of the Franchised Business, Franchisee will from time to time become acquainted with, work with, and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep confidential any of Franchisor's trade secrets or proprietary information as defined below and will not use such for its or their own purpose or supply or divulge same to any person, firm, association, or corporation except as reasonably necessary to operate the Franchised Business.
- D. **Trade Secrets and Confidential Information.** The confidentiality requirements set forth in the preceding paragraph will remain in full force and effect during the term of this

Agreement and in perpetuity after its termination or expiration and non-renewal. Franchisor's trade secrets and proprietary/confidential information include the following:

1. The Manuals;
2. Any customer data, including the names, contact information, rental preferences and any other information concerning users of the Approved Services, except for credit card numbers, bank information or other financial data related to the transaction of funds between the Franchisee and Clients (collectively, the "Customer Data");
3. Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with the Proprietary Software and Web Hosting Program;
4. All elements of the iTrip System and all products, services, equipment, technologies, policies, standards, requirements, criteria and procedures that now or in the future are a part of the iTrip System; all specifications, sources of supply, all procedures, systems, techniques and activities employed by Franchisor or by Franchisee in the offer and sale of products and/or services at or from Franchisee's franchised iTrip Location; all pricing paradigms established by Franchisor or by Franchisee; all of Franchisor's and/or Franchisee's sources (or prospective sources) of supply and all information pertaining to same (including wholesale pricing structures, the contents of sourcing agreements and the identity of suppliers); Franchisor's specifications, and Franchisee's final plans, for the construction, buildout, design, renovation, décor, equipment, signage, furniture, fixtures and trade dress elements of the Premises of Franchisee's iTrip Location (if a commercial space); the identity of, and all information relating to, the Computer System utilized by Franchisor and Franchisee; all information pertaining to Franchisor's and/or Franchisee's advertising, marketing, promotion and merchandising campaigns, activities, materials, specifications and procedures; all communications between Franchisor (including the financial and other reports Franchisee is required to submit to Franchisor under this Agreement); additions to, deletions from and modifications and variations of the components of the iTrip System and the other systems and methods of operations which Franchisor employs now or in the future;
5. Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a iTrip Location or the System that is not commonly known by, or available to, the public, including without limitation, any proprietary software; and
5. Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential (collectively, the "Confidential Information").

- E. **Confidential Information as Property of Franchisor.** Franchisee acknowledges and agrees that the Confidential Information, which includes the Customer Data, and any business goodwill of the franchise are Franchisor's sole and exclusive property and that Franchisee will preserve the confidentiality thereof. Upon the termination or expiration and non-renewal of this Agreement, all items, records, documentation, and recordings

incorporating any Confidential Information will be immediately turned over by Franchisee, at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

- F. **Information Not Proprietary.** Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8(H) below) is information that:
1. Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or
 2. Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.
- G. **Reasonable Efforts to Maintain Confidentiality.** Franchisee shall at all times treat the Confidential Information as confidential and shall use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Premises and be kept in a secure location, under lock and key, except when it is being studied by Franchisee or Franchisee's employees. Franchisee shall not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part; otherwise share it with any other third party individual or entity; store it in a computer or other electronic format; or, otherwise make it available to any third party by any other means whatsoever. Upon the expiration or termination of this Agreement, you agree to return to us such Confidential Information as we request (including customer lists and records; all training materials and other instructional content; financial and nonfinancial books and records; the Manual; and, computer databases, software and manuals) which is then in your possession or, upon our request, destroy all or certain such Confidential Information and certify such destruction to us. Franchisee must only divulge such Confidential Information to Franchisee's operational personnel as is necessary for each to perform his/her functions and then only on a "need to know" basis. Franchisee agrees to take all necessary precautions to insure that these individuals maintain the Confidential Information in confidence and comply with the confidentiality provisions of this Agreement.
- H. **Prevention of Unauthorized Use or Disclosure.** Franchisee shall adopt and implement all reasonable procedures as Franchisor may prescribe from time to time to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "Restricted Persons") execute Franchisor's prescribed form of confidentiality agreement that will be in substantially the same form attached to this Agreement as Exhibit E (the "Confidentiality and Non-Competition Agreement"). Franchisee must obtain a signed copy of the Confidentiality and Non-Competition Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other shall also be bound by the same requirement and shall sign the same Confidentiality and Non-

Competition Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality and Non-Competition Agreement within ten (10) days of Franchisor's request.

- I. **Loan of Manuals.** Franchisor will loan or provide online access to one (1) copy of the Manuals to Franchisee. The Manuals shall at all times remain the sole property of Franchisor and any and all copies (hard copies or electronic files) of the Manuals must be returned to Franchisor upon termination or expiration and non-renewal of this Agreement.
- J. **Modification of Manuals.** In order for Franchisee to benefit from new knowledge, information, methods, and technology adopted and used by Franchisor in the operation of the System, Franchisor may from time to time revise the Manuals, and Franchisee agrees to adhere to and abide by all such revisions (at its expense). Franchisee agrees at all times to keep its copy of the Manuals current and up-to-date. In the event of any dispute as to the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor at its home office shall be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it deems appropriate.

9. **ADVERTISING**

- A. **Advertising and Sales Promotion Programs.** Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all or some of the iTrip Locations operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. 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 Franchisor shall be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.
- B. **Approval for all Advertising/Promotional Materials.** All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and in a fashion calculated to avoid fraud, illegality, deception, misrepresentation, embarrassment, shame, ridicule, disparagement or liability of any type or nature accruing to Franchisee, Franchisor, Franchisee's Franchised Business, the iTrip System, Franchisee's iTrip Location or other iTrip franchisees or Businesses. Franchisee may only use advertising which Franchisee has either furnished (through sale to Franchisee or otherwise) or approved in writing in advance and shall conform to Franchisor's standards and requirements as set forth in the Manuals or otherwise. If Franchisor learns that Franchisee has breached these requirements, Franchisor will notify Franchisee in writing and if Franchisee does not cure the breach within three (3) days following delivery of Franchisor's notice, then Franchisor may terminate or remove any unauthorized advertising at Franchisee's expense, and will also be entitled to terminate this Agreement unilaterally and immediately upon notice to Franchisee (which Franchisor may also do if Franchisee's breach, by its nature, is incurable).

Under this Agreement, the term “advertising” is defined to mean any and all advertising, identification and promotional materials and programs of any type or nature whatsoever including print and broadcast advertisements; direct mail materials; brochures; advertising specialties; electronic commerce communications and “bulletin boards”; any advertising on the internet/worldwide web; public relations and brand awareness programs; direct mail; door hangers; freestanding inserts and coupons; sponsorships; point of sale materials; press releases; business cards; displays; leaflets; telephone and computer greetings; messages and voice-mail/e-mail sent to or accessible by customers or other third parties; promotional material captured in any electronic medium; and, any other material or communication which Franchisor denominates as “advertising” in Franchisor’s Manuals or otherwise.

Franchisee shall obtain Franchisor’s approval of all advertising and promotional plans and materials twenty (20) days prior to use if such plans and materials have not been prepared by Franchisor or previously approved by Franchisor during the twelve (12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be deemed rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor’s property and there will be no restriction on Franchisor’s use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously-approved materials in writing. Franchisor may revoke its approval of any previously-approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase “Franchises Available” and references to Franchisor’s telephone number and/or website.

- C. **Initial Marketing Spend.** Franchisee must spend a designated minimum amount within the Designated Territory to promote and advertise the grand opening of the Franchised Business, which must be expended within (a) the 60-day period following the execution of this Agreement or (b) other time period Franchisor requires or approves in writing (the “Initial Marketing Spend”). If the Designated Territory is classified as a Primary Market, then the Initial Marketing Spend will be a minimum of \$1,500. If the Designated Territory is categorized as a Boutique Market, then the Initial Marketing Spend will be a minimum of \$1,000. Franchisor will not collect any of these funds unless the parties agree otherwise in writing, but Franchisor will have the right to approve and/or designate the type of expenditures that are made as part of Franchisee’s grand opening advertising plan. Franchisor may require Franchisee and Franchisee agrees to submit proof of your grand opening advertising expenditures.
- D. **Local Advertising.** In addition to the Initial Marketing Spend, Franchisee agrees to expend the following amounts on the local advertisement and promotion of the Franchised Business within the Designated Territory:
1. ***Digital Marketing Requirement.*** Franchisee must pay Franchisor or the Approved Supplier that Franchisor designates, the greater of the following amounts each calendar month that will be utilized on digital marketing campaigns and placement in a manner that Franchisor prescribes or approves (collectively, the “Digital Marketing Requirement”). If the Designated Territory is classified as a Boutique

Market, the Digital Marketing Requirement will be the greater of: (i) \$960; or (ii) one and a half percent (1.5%) of the Gross Sales of the Franchised Business during that preceding calendar month. If the Designated Territory is categorized as a Primary Market, then Franchisee will pay a Digital Marketing Requirement equal to the greater of: (i) \$1,185; or (ii) one and a half percent (1.5%) of the Gross Sales of the Franchised Business during that preceding calendar month.

2. *Direct Mail Requirement.* Franchisee must also expend a total of \$1,000 each calendar month on direct mail advertising to prospective Clients that own properties within the Designated Territory in a manner that, or from a supplier that, Franchisor prescribes or approves (the “Direct Mail Requirement”) for the first 18 full calendar months following the execution of this Agreement. Thereafter, Franchisee is permitted to use an Approved Supplier to purchase additional direct mail marketing and other local advertising as Franchisee deems appropriate in its reasonable discretion.
3. Franchisee agrees and acknowledges that: (i) the Digital Marketing Requirement and Direct Mail Requirement (a) will commence in the first full calendar month following the execution of this Agreement, and (b) are just minimums that the Franchisor has imposed and may not be construed as a representation as to how much Franchisee should expend on local advertising and promotion of the Franchised Business; (ii) Franchisee may expend additional amounts on local advertising as it deems appropriate, subject to Section 9(B) above; and (iii) the Digital Marketing Requirement and/or Direct Mail Requirement described in this Section 9(D) may be increased each year of operations by Franchisor to account for inflation in accordance with the Consumer Price Index (“CPI”).
4. Upon Franchisor’s request, Franchisee must provide Franchisor with invoices or other proof of its monthly expenditures to satisfy the Direct Mail Requirement. Franchisor may require that the Direct Mail Requirement materials be purchased and/or distributed by an Approved Supplier.
5. Franchisee must ensure that: (i) the Franchised Business has a dedicated phone line for use in connection with the Franchised Business only; and (ii) the Franchised Business is listed in the appropriate Internet-based directories and Chamber(s) of Commerce that Franchisor designates.
6. Franchisee may not advertise and promote the Franchised Business outside of the Designated Territory, unless (a) the geographic area wherein Franchisee wishes to advertise is contiguous to the Designated Territory and that area has not been granted in connection with any other iTrip Location, or (b) Franchisor otherwise provides its prior written consent in writing. Nothing in this Section shall prevent or otherwise affect Franchisee’s right to continue servicing and corresponding with any Existing Account that Franchisee has assumed in accordance with the terms of this Agreement.

- E. **Creative Brand Fund.** Franchisor reserves the right to establish a creative brand fund designed to promote the System, Proprietary Marks and ITRIP brand generally. If such a Fund is established, Franchisor may require Franchisee to contribute to this Fund on a monthly basis in an amount equal to up to one percent (1%) of the Gross Sales of the Franchised Business as described in Section 4. All payments by Franchisee to the Fund are

non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. The Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

1. Franchisor will use the Fund and all contributions to it and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, and any other activities, that Franchisor believes would enhance the image of the System, Proprietary Marks and Approved Services/Approved Products. We will direct all advertising programs, with sole control over the creative concepts, materials and media used in such programs, and the placement and allocation of Fund advertising. You acknowledge that the Fund is intended to further general public recognition and acceptance of the Proprietary Marks for the benefit of the System
2. Franchisor is not obligated to expend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.
3. The Fund may be used to meet any and all costs of maintaining, administering, directing, preparing, placing and paying for national, regional or local advertising. This includes, among other things, production and media, television, radio, cable, magazine, newspaper and worldwide web/internet advertising campaigns; point-of-purchase materials; consumer research, interviews and related activities; direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, providing other marketing materials and services to the iTrip Locations operating under the System, celebrity endorsements; search engine optimization; establishing a third party facility for customizing local advertising materials; conducting customer surveys and customer interviews; accounting for Creative Brand Fund receipts and expenditures; attendance at industry related conventions, shows or seminars; related retainers; social media programs on the internet; cellular telephone and smartphone media programs; and other activities that we in our business judgment believe are appropriate to enhance, promote and/or protect the System or any component thereof. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund shall be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.
4. Franchisor shall administratively segregate all contributions to the Fund on its books and records. All such payments to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be deemed an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms hereof. Franchisor may, in its sole discretion, elect to accumulate monies in the Fund for

such periods of time, as it deems necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. If Franchisor expends less than the total sum available in the Fund during any fiscal year, Franchisor may either expend the unused sum during the following fiscal year or rebate all or a portion of the unused sum to franchisees on a pro rata basis for them to spend on local advertising and promotion. In the event Franchisor's expenditures for the Fund in any one (1) fiscal year shall exceed the total amount contributed to the Fund during such fiscal year and Franchisor advances such amount, Franchisor shall have the right to: (i) be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund (with interest payable on such advanced sums at the greater rate of 1.5% per month or the maximum commercial contract interest rate permitted by law - - interest accrues the first calendar day following the day on which Franchisor advances and expends any such sum) or (ii) use such excess as a credit against its future contributions. The parties do not intend that the Fund be deemed a trust and Franchisor is not a fiduciary with respect to the Fund.

5. The Fund will not be used for any activity whose sole purpose is the sale of franchises. However, the design and maintenance of Franchisor's website (for which Fund monies may be used) may, without violating the provisions of this Agreement, include information and solicitations for prospective franchisees and public relations and community involvement activities which may result in greater awareness of the iTrip brand and the franchise opportunity.
6. Franchisor will, on an annual basis, account for the operation of the Fund and prepare an unaudited financial statement evidencing such accounting that will be available to Franchisee, upon Franchisee's written request, one hundred and twenty (120) days after the Franchisor's fiscal year end.
7. Franchisor may dissolve, suspend, modify and/or reinstate the Fund at any time after it is established.
8. Franchisor reserves the right to modify the percentage contribution for any franchisees based on a reallocation of its overall advertising expenditure.

F. **Advertising Council.** Franchisor may establish, if and when it deems appropriate in its sole discretion, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "Advertising Council"). If Franchisor establishes an Advertising Council, it may serve in only an advisory capacity and may consist of franchisees, personnel from Franchisor's affiliate-owned iTrip Locations, or other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council shall not be binding on Franchisor.

G. **Website.** Franchisor agrees that it will establish an interior page on its corporate website to display the Premises and contact information associated with the Franchised Business for so long as (i) the Franchised Business is open and actively operating, and (ii) this Agreement is not subject to termination. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System or Proprietary Marks without Franchisor's prior written consent. If approved to establish a

separate website, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee shall be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, Twitter or YouTube, without Franchisor's prior written consent. Franchisor shall have the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate.

We alone will be, and at times will remain, the sole owner of the copyrights to all material which appears on your website and/or social media platform. All content and information which appears on your website and/or social media platform or which you gather from visitors to your website or social media platform will be considered our Confidential Information.

- H. **Advertising Cooperatives.** Franchisor may establish regional advertising cooperatives that are comprised of multiple iTrip Location owners located within a geographical region that Franchisor designates (each, a "Cooperative"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisee may be required to contribute to the Cooperative in an amount not to exceed Franchisee's Direct Mail Requirement each month. All amounts paid to a Cooperative will be credited towards Franchisee's Direct Mail Requirement. Franchisor shall have the right to specify the governing rules, terms and operating procedures of any Cooperative.

10. ACCOUNTING AND RECORDS

- A. **Maintenance of Records.** Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete register tapes, computer files, back-up files, other records, accounts, books, data, licenses, contracts, and product vendor invoices which shall accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the duration of this Agreement and for a period of at least three (3) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee shall compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 shall belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).
- B. **Examination and Audit of Records.** Franchisor and its designated agents shall have the right to examine and audit Franchisee's records, accounts (including, Escrow Account), books, computer files and data, including the Proprietary Software and Web Hosting Program, at all reasonable times to ensure that Franchisee is complying with the terms of

this Agreement. If such audit discloses that Franchisee has underreported the Total Rental Revenue or Gross Sales of the Franchised Business (or any amount due to Franchisor) by two percent (2%) or more in any given reporting period (weekly, monthly or otherwise), then Franchisee must: (i) reimburse Franchisor for any costs/expenses incurred in connection with conducting the inspection and audit (including without limitation, travel, lodging, meals, wages, expenses and reasonable legal and accounting fees incurred); and (ii) pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts. If an audit reveals an understatement by Franchisee by more than 2% for 3 times within any 36-month period, or by 5% or more for any week or month within the period of examination or the entire period of examination, then in addition to paying the additional amounts due, interest calculated as provided in Section 4(E) and the full cost of the audit for the entire period of examination, Franchisee's understatement will be a material and incurable breach of this Agreement which, unless Franchisor waives the breach, will entitle Franchisor to terminate this Agreement immediately upon notice to Franchisee, with no opportunity to cure.

- C. **Computer System for Records.** Franchisee shall record all transactions of the Franchised Business on a Computer System and the Proprietary Software and Web Hosting Program that is designated or approved by Franchisor, which must contain software that allows Franchisee to record accumulated sales without turning back, resetting or erasing such sales. Franchisor will, at all times and without notice to Franchisee, have the right to independently and remotely access and view Franchisee's Computer System as described in Section 4(C) of this Agreement.
- D. **Computer System Files and Passwords.** Franchisee will not install or load any computer software on the hard disks of the Computer System used in connection with the Franchised Business without Franchisor's prior written consent. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System located at the Premises or used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement. Consistent with the other provisions of this Agreement, Franchisee agrees and acknowledges that Franchisor may have automatic access to Franchisee's specific passwords/keys/logins through the Computer System components and related software that Franchisor requires Franchisee to use in connection with the Franchised Business.
- E. **Current Contracts, Listings and Projects.** At any time and upon request of Franchisor, Franchisee shall provide Franchisor with a copy or summary listing, at Franchisor's discretion, of all current contracts, listings, agreements, and projects related to Clients and/or properties that Franchisee is involved in or working with.
- F. **Tax Returns.** Upon Franchisor's request, Franchisee shall furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee shall certify as true and correct.
- G. **Required Reports.** Franchisee must provide Franchisor with the following reports and information, all of which must be certified as true and correct by Franchisee and in the form and manner prescribed by Franchisor: (i) a signed Operational Report, if and as

requested by Franchisor under Section 4 of this Agreement; (ii) on or before the fifteenth (15th) of each month, a report evidencing (a) all lodging tax and other applicable payments made to local taxing authorities by Franchisee over the preceding calendar month, (b) all deposits/withdrawals, as well as the ending balance of, any Escrow Account established for use in connection with the Franchised Business for the preceding month, and (c) all payments made or otherwise distributed to Clients during the preceding calendar month; (iii) on or on or before the twentieth (20th) of each month, an unaudited profit and loss statement for the Franchised Business for the preceding calendar month; (iv) within ninety (90) days after the close of each fiscal year of Franchisee, financial statements which shall include a statement of income and retained earnings, a statement of changes in financial position, and a balance sheet of the Franchised Business, all as of the end of such fiscal year; and (v) any other financial information or performance metrics of the Franchised Business that Franchisor may reasonably request.

- H. **Right to Require Audit if Franchisee Underreports.** In the event a prior audit or inspection conducted by Franchisor (or its designee) has revealed that Franchisee has underreporting the Gross Sales of the Franchised Business by two percent (2%) or more for any reporting period as described in Section 10(B), then Franchisor may require Franchisee to provide, at the Franchisee's expense, audited financial statements that comply with GAAP and GAAS for Franchisee's fiscal year within 120 days of Franchisee's fiscal year end.
- I. **Change to Ownership of Franchisee.** In addition to the foregoing statements, Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) the listing of all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and (ii) Franchisee's partners, officers, directors, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

11. **INSURANCE AND INDEMNIFICATION**

- A. **Required Insurance.** Franchisee shall, at its own expense and no later than the earlier of (a) the date on which Franchisee uses any of the Proprietary Marks, or (b) the date Franchisee begins building out the Premises, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing (whether the Franchised Business is open or not). This insurance shall be in such amounts Franchisor or the lessor of the Premises designates from time to time. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee shall procure:
1. "All risk" property insurance coverage on all assets including inventory, furniture, fixtures, equipment, supplies and other property used in the operation of the Franchised Business. Franchisee's property insurance policy shall include coverage for fire, vandalism and malicious mischief and must have coverage limits of at least full replacement cost;
 2. Workers' compensation insurance that complies with the statutory requirements of the state in which the Franchised Business is located and employer liability

coverage with a minimum limit of \$100,000 or, if higher, the statutory minimum limit as required by state law;

3. Comprehensive General Liability Insurance, Professional Liability Insurance, and Employment Practices Liability Insurance (EPLI) against claims for bodily and personal injury, discrimination, wrongful termination, professional misconduct, death and property damage caused by, or occurring in conjunction with, the operation of the Franchised Business, or Franchisee's conduct of business pursuant to this Agreement, with a minimum liability coverage of \$1,000,000 per occurrence or \$2,000,000 in the aggregate for Professional Liability and General Liability and a minimum liability coverage of \$500,000 per occurrence and in the aggregate for EPLI or, if higher, the statutory minimum limit required by state law;
4. Automobile liability insurance for the Approved Vehicle and any other vehicles that are utilized in connection with the Franchised Business, with a combined single limit of at least \$1,000,000 or, if higher, the statutory minimum limit required by state law; and
5. The business interruption insurance, as well as any other type of insurance, in the amount that Franchisor designates in the Manuals or otherwise in writing;
6. Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.

Franchisee must buy insurance only from carriers rated A-VIII or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must: (i) name Franchisor and any affiliate or other Indemnitee Franchisor designate as additional insureds; (ii) provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation; (iii) contain no provision which in any way limits or reduces coverage for Franchisee if there is a claim by one or more of the Indemnitees; (iv) extend to and provide indemnity for all obligations assumed by Franchisee under this Agreement and all other items for which Franchisee is required to indemnify Franchisor under this Agreement; (v) contain such endorsements as Franchisor may specify from time to time in the Manuals; (vi) be primary to and without right of contribution from any other insurance purchased by the Indemnitees; (vii) contain a waiver of subrogation rights against Franchisor, the other Indemnitees identified in Section 11(E) and any of Franchisor's successors and/or assigns; and (viii) if a public liability policy, contain a provision that although Franchisor is named as an additional insured, Franchisor is nevertheless entitled to recover under such policies on any loss occasioned to us or the other Indemnitees by reason of Franchisee's negligence or that of Franchisee's servants, agents or employees. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee shall make timely delivery of certificates of all required insurance to Franchisor, each of which shall contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior

written notice to Franchisor. The procurement and maintenance of such insurance shall not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

Franchisee agrees not to reduce the policy limits, restrict coverage, cancel or otherwise amend any required insurance policy without Franchisor's specific advance written consent, which may be denied for any or no reason.

If there is a claim by any one or more of the Indemnitees against Franchisee, Franchisee must, upon Franchisor's request, assign to Franchisor all rights which Franchisee then has or thereafter may have with respect to the claim against the insurer(s) providing the coverages described in this Section.

Franchisee agrees that Franchisor may periodically add to, modify or delete the types and amounts of insurance coverage which Franchisee is required to maintain under this Agreement, and all features and elements thereof, by written notice to Franchisee (through a supplement to Franchisor's Manuals, or otherwise). Upon delivery or attempted delivery of this written notice, Franchisee agrees to immediately purchase insurance conforming to any such newly established standards and limits.

- B. **Certificates of Insurance.** Franchisee agrees to promptly provide Franchisor with certificates of insurance evidencing the coverages required by this Agreement at least ten (10) days prior to Franchisee commencing any of the activities or operations contemplated by this Agreement and, thereafter, at least thirty (30) days prior to the expiration of any such policy. All certificates must evidence proper coverage as required by this Agreement and the Manual. Attached to each certificate shall be a copy of the endorsement amending any clause in the subject policy which relates to other insurance and confirming that all coverage is primary insurance and that Franchisor's insurance (and the insurance of the other Indemnitees identified in Section 11(E) below) is applicable only after all limits of Franchisee's policy(ies) are exhausted.
- C. **Failure to Procure and Maintain Insurance.** If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf. If Franchisee fails to purchase or maintain any insurance required by this Agreement or Franchisee fails to reimburse Franchisor for Franchisor's purchase of any required insurance on Franchisee's behalf, Franchisee's failure will be a material and incurable breach of this Agreement which, unless Franchisor waives the breach, will entitle Franchisor to terminate this Agreement immediately upon notice given to Franchisee, with no opportunity to cure.
- D. **No Undertaking or Representation.** Nothing in this Agreement may be considered Franchisor's undertaking or representation that the insurance that Franchisee is required to obtain or that Franchisor may obtain for Franchisee will insure Franchisee against any or all insurable risks of loss which may arise out of or in connection with the operation of Franchisee's Franchised Business. Franchisor advises Franchisee to consult with Franchisee's insurance agent and other risk advisors regarding any types, amounts or

elements of insurance coverage beyond those specified herein which may be prudent to obtain.

- E. **Indemnification.** Franchisee agrees that Franchisee will, at Franchisee's sole cost, at all times defend Franchisor, any of its affiliates, the affiliates, subsidiaries, successors, assigns and designees of each; and, the officers, directors, managers, employees, agents, attorneys, shareholders, owners, members, designees and representatives of all of the foregoing (Franchisor and all others referenced above being the "Indemnitees"), and indemnify and hold harmless Franchisor and the Indemnitees to the fullest extent permitted by law, from all claims, losses, liabilities and costs incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether any of the foregoing is reduced to judgment) or any settlement of the foregoing, which actually or allegedly, directly or indirectly, arises out of, is based upon, is a result of or is related in any way to any element of your establishment, construction, opening and operation of Franchisee's iTrip Location and Franchised Business, including (without limitation) any personal injury, death or property damage suffered by any customer, visitor, operator, employee or guest of the iTrip Location or Franchised Business; crimes committed on or near any of the premises, facilities of your franchised Business or vehicles used by Franchisee's Franchised Business; all acts, errors, neglects or omissions engaged in by Franchisee, Franchisee's contractors or subcontractors, as well as any third party, arising out of or related to the design, construction, conversion, build-out, outfitting, remodeling, renovation or upgrading of Franchisee's iTrip Location, whether or not any of the foregoing was approved by Franchisor; defects in any iTrip Location Franchisee constructs and/or operate, whether or not discoverable by Franchisee or by Franchisor; all acts, errors, neglects or omissions of Franchisee or the Franchised Business and/or the owners, officers, directors, management, employees, agent, servants, contractors, partners, proprietors, affiliates or representatives of Franchisee or the Franchised Business (or any third party acting on Franchisor's behalf or at Franchisor's direction), whether in connection with the Franchised Business or otherwise, including (without limitation) any property damage, injury or death suffered or caused by any delivery person or vehicle serving Franchisee's Franchised Business; all liabilities arising from or related to Franchisee's offer, sale and/or delivery of products and/or services as contemplated by this Agreement; and, any action by any customer of Franchisee or visitor to Franchisee's iTrip Location or any other facility of Franchisee's Franchised Business.

As used above, the phrase "claims, losses, liabilities and costs" includes all claims; causes of action; fines; penalties; liabilities; losses; compensatory, exemplary, statutory or punitive damages or liabilities; costs of investigation; lost profits; court costs and expenses; reasonable attorneys' and experts' fees and disbursements; settlement amounts; judgments; compensation for damage to Franchisor's reputation and goodwill; costs of or resulting from delays; travel, food, lodging and other living expenses necessitated by the need or desire to appear before (or witness the proceedings of) courts or tribunals (including arbitration tribunals), or government or quasi-governmental entities (including those incurred by Indemnitees' attorneys and/or experts); all expenses of recall, refunds, compensation and public notices; and, other such amounts incurred in connection with the matters described. All such losses and expenses incurred under this indemnification provision will be chargeable to and paid by Franchisee pursuant hereto, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent success or failure of the actions, activity or defense.

Specifically excluded from the indemnity Franchisee hereby gives is any liability associated with Franchisor or the other Indemnitees' gross negligence, willful misconduct or criminal acts (except to the extent that joint liability is involved, in which event the indemnification provided herein shall extend to any finding of comparative or contributory negligence attributable to Franchisee).

Franchisee agrees to give Franchisor written notice of any such action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any Indemnitee within three days of Franchisee's actual or constructive knowledge of it. At Franchisee's expense and risk, Franchisor may elect to assume (but under no circumstance will Franchisor be obligated to undertake) the defense and/or settlement of the action, suit, proceeding, claim, demand, inquiry or investigation. However, Franchisor will seek Franchisee's advice and counsel and keep Franchisee informed with regard to the defense or contemplated settlements. Franchisor's undertaking of defense and/or settlement will in no way diminish Franchisee's obligation to indemnify Franchisor and the other Indemnitees and to hold Franchisor and them harmless.

Franchisor will have the right, at any time Franchisor considers appropriate, to offer, order, consent or agree to settlements or take any other remedial or corrective actions Franchisor considers expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to do so. Under no circumstance will Franchisor or the other Indemnitees be required to seek recovery from third parties or otherwise mitigate Franchisor's or their losses to maintain a claim against Franchisee. Franchisee agrees that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Franchisor or the other Indemnitees from Franchisee. The indemnification obligations of this 11(E) will survive the expiration or sooner termination of this Agreement. This indemnification obligations of Franchisee under this Section will not apply to any liability that Franchisor has agreed to incur in connection with its then-current limited damages waiver program (the "LDW Program"). Unless prohibited by the laws of the state in which the Franchised Business or the Client Property being rented is located, Franchisee must offer prospective renters of its Client Properties the right to participate in a limited damage waiver program before completing a rental transaction using Franchisor's Proprietary Software and Web Hosting Program. As part of Franchisor's LDW Program, the renter will pay an additional amount to cover a portion of the LDW fees payable to Franchisor in connection with each LDW Program participation, and Franchisee will be invoiced the balance of the LDW fees directly.

12. **INDEPENDENT CONTRACTOR**

- A. **No Fiduciary Relationship.** In all dealings with third parties, including without limitation, employees, suppliers, and customers, Franchisee shall disclose in an appropriate manner acceptable to Franchisor that it is an independent entity licensed by Franchisor. Nothing in this Agreement is intended by the parties hereto either to create a fiduciary relationship between them or to constitute the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of Franchisor for any purpose whatsoever.
- B. **Independent Contractor Relationship.** It is understood and agreed that Franchisee is an independent contractor and is in no way authorized to make any contract, agreement, warranty, or representation or to create any obligation on behalf of Franchisor. Upon Franchisor's request, Franchisee must display a sign in its Franchised Business displaying

the following phrase (or something similar): “This iTrip Location is independently owned and operated pursuant to a license agreement.” 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. None of Franchisee’s employees will be considered to be Franchisor’s employees. Neither Franchisee nor any of Franchisee employees whose compensation Franchisee pays may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly, with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisor will not have the power to hire or fire Franchisee’s employees. Franchisee expressly agrees, and will never contend otherwise, that Franchisor’s authority under this Agreement to certify certain of Franchisee’s employees for qualification to perform certain functions for Franchisee’s Franchised Business does not directly or indirectly vest in Franchisor the power to hire, fire or control any such employee.

Franchisee’s acknowledge and agree, and will never contend otherwise, that Franchisee alone will exercise day-to-day control over all operations, activities and elements of Franchisee’s Franchised Business and that under no circumstance shall Franchisor do so or be deemed to do so. Franchisee further acknowledges and agrees, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which Franchisee is required to comply with under this Agreement, whether set forth in Franchisor’s Manuals or otherwise, do not directly or indirectly constitute, suggest, infer or imply that Franchisor’s control any aspect or element of the day-to-day operations of Franchisee’s Franchised Business, which Franchisee alone controls, but only constitute standards Franchisee must adhere to when exercising Franchisee’s control of the day-to-day operations of Franchisee’s Franchised Business.

Franchisee may not, without our prior written approval, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, Franchisor may not control or have access to Franchisee’s funds or the expenditure of Franchisee’s funds or in any other way exercise dominion or control over Franchisee’s Franchised Business. Except as otherwise expressly authorized by this Agreement, neither party will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Franchisee is other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement. Franchisee will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to Franchisee’s operation of the Franchised Business.

13. TRANSFER AND ASSIGNMENT

- A. **Assignment By Us.** Franchisee has the right to assign all of Franchisor’s rights and privileges under this Agreement to any person or business entity. If Franchisee assigns this Agreement, Franchisee expressly agrees that immediately upon and following such assignment, Franchisee will no longer have any obligation - - directly, indirectly or contingently - - to perform or fulfill the duties or obligations imposed upon “Franchisor”

hereunder. Instead, all such duties and obligations will be performed solely by Franchisor's assignee, and Franchisee will never assert, contend or complain otherwise.

Franchisee agrees and affirms that Franchisor may undertake a refinancing, recapitalization, securitization, leveraged buyout or other economic or financial restructuring. Franchisee expressly waives any and all claims, demands or damages arising from or related to such activities.

Franchisee also agrees that Franchisor may purchase, merge, acquire, be acquired by or affiliate with an existing competitive or non-competitive franchise or non-franchise network, chain or any other business regardless of the location of that other business' facilities, and that following such activity Franchisor may operate, franchise or license those other businesses and/or facilities under any names or marks, including the Proprietary Marks, regardless of the location of these businesses and/or facilities, which may be immediately proximate to the iTrip Location.

- B. **No Transfer by Franchisee Without Franchisor's Approval.** Franchisee understands and acknowledges that Franchisor has entered into this Agreement in reliance on and in consideration of Franchisee's singular personal skills and qualifications (or, if Franchisee is a business entity, the personal skill and qualifications of Franchisee's owners and managers), and the trust and confidence that Franchisor repose in Franchisee (or Franchisee's owners and managers, if Franchisee is a business entity). As such, Franchisee's rights under this Agreement are personal to Franchisee and Franchisee's personal obligation. Accordingly, except as provided below, Franchisee shall not sell, transfer, assign, pledge, share, sublicense, divide or encumber, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, all or any part of Franchisee's interest in this Agreement, the Franchised Business (or undertake any of the actions identified in Section 13(D) of this Agreement), the franchise conveyed hereby; Franchisee's rights and privileges or obligations under this Agreement; Franchisee's iTrip Location; Franchisee's Lease (if, Franchisee is operating from a commercial space); or, Franchisee's rights to use the System, Proprietary Marks, Confidential Information and/or Manuals without Franchisor's prior written consent in accordance with Section 13 and without complying with Franchisor's right of first refusal pursuant to Section 13(E). 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. For the purposes of this Agreement, whenever any of the foregoing actions or action in 13(D), there is an "Assignment".

Any actual or attempted assignment in violation of the terms of this Section 13, will be null, void and of no effect, and will be a material and incurable breach of this Agreement which, unless we waive to the breach, will entitle us to terminate this Agreement immediately upon notice to you, with no opportunity to cure.

C. **Death or Disability.**

1. If Franchisee is a business entity, then upon the death or disability of one or more of Franchisee's owners (but not the last surviving owner of Franchisee's business entity, which is addressed in the following paragraph), then the estate, heirs, legatees, guardians or representatives of such owner may freely assign the deceased's or disabled's interest in this Agreement and/or its interest in Franchisee or the Franchised Business to any of the following: (i) the spouse of such owner;

(ii) any individual or business entity which, at the time of the subject death or disability, is already a (as applicable) shareholder, member, partner or other category of owner of Franchisee; or, (iii) Franchisee. Any other assignment of the deceased's or disabled's interest in Franchisee or the Franchised Business shall be subject to all of the provisions of Section 13 of this Agreement. Franchisee agrees to immediately report to Franchisor any such assignment.

Upon Franchisee's death or disability (if Franchisee is an individual), or the death or disability of Franchisee's last surviving owner (if you are a business entity), that individual's rights will pass to his or her estate, heirs, legatees, guardians or representatives, as appropriate (collectively, the "Estate").

The Estate shall have a reasonable period of time (not to exceed six months) following the death or disability to assign Franchisee (if Franchisee is a business entity) or the Franchised Business (as applicable) in accordance with the provisions of Section 13(F) and subject to Franchisor's right of first refusal under Section 13(E). Until such assignment is consummated, the Estate may continue the operation of the Franchised Business, but only if, at all times, there is a Designated Manager that Franchisor approves (and who has successfully completed Franchisor's Initial Training Program) supervising the operation of the Franchised Business and, further, only if all other terms, covenants and conditions of this Agreement are complied with. Failure to comply with one of the above alternatives will be a material breach of this Agreement which, unless cured by the Estate, will result in this Agreement being terminated immediately upon notice.

2. If at any time following Franchisee's death or disability (if Franchisee is an individual), or the death or disability of Franchisee's last surviving owner (if Franchisee is a business entity), the Estate fails to have a Designated Manager supervising the operation of the Franchised Business on a full time basis, then until the Estate retains a Designated Manager who Franchisor approves (and who has successfully completed Franchisor's Initial Training Program), Franchisor may assume full control of and operate the Franchised Business, but Franchisor has no obligation to do so. If Franchisor elects to assume full control of the Franchised Business, then during this period, Franchisor will deduct its expenses for travel, lodging, meals and all other expenses and fees from the Franchised Business's Gross Sales and also pay itself the Management Fee set forth in Section 15(I) of this Agreement. The Management Fee will be in addition to the Royalty Fees due Franchisor under this Agreement. Franchisor will then remit any remaining funds to the Estate. The Estate and any Guarantor of this Agreement must pay Franchisor any deficiency in sums due to Franchisor under this Agreement within ten (10) days of Franchisor notifying the Estate and such Guarantor of the deficiency. Franchisor will not be obligated to operate the Franchised Business. If Franchisor does so, Franchisor will not be responsible for any operational losses of the Business, nor will Franchisor be obligated to continue operating the Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

"Disability" means any physical, emotional or mental injury, illness or incapacity which prevents or will prevent a person from performing the obligations set forth

in this Agreement for at least ninety (90) consecutive days. Disability will be determined either after this ninety (90) day period or, if Franchisor elects, at an earlier time following an examination of the person by a licensed practicing physician selected and paid for by Franchisor. If the person refuses to submit to an examination, then the person will automatically be considered permanently disabled as of the date of the refusal.

3. Franchisor will not collect any transfer fee if there is a transfer under this Section 13(C) to an immediate family member of the Franchisee that Franchisor approves pursuant to Section 13(E).

D. **Ownership.** In addition to those acts described in Section 13(A), an Assignment requiring Franchisor's prior written consent shall be deemed to occur: (i) if Franchisee is 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) if Franchisee is a partnership, upon the assignment, sale, pledge or transfer of any fractional partnership ownership interest; or (iii) if Franchisee is a limited liability company, upon the assignment, sale, pledge or transfer or any interest in the limited liability company. Any new partner, shareholder, or member or manager having an ownership interest in the surviving entity after the proposed transfer will be required to personally guarantee Franchisee's obligations under this Agreement. An Assignment pursuant to (i) and (iii) above shall not be subject to Franchisor's right of first refusal as set forth in Section 13(E). Franchisee agrees to immediately report to Franchisor all such Assignments of ownership in Franchisee's business entity in accordance with the procedure set forth in Franchisor's Manuals.

E. **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 Franchised 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 13(C) hereof or in the event of Franchisee's death/disability as set forth in Section 13(B)), 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"), together with any additional information concerning the proposed transaction and transferee that Franchisor may reasonably request. Franchisee's submission of the Letter of Intent must be accompanied by the Franchisee's representation and warranty that the Letter of Intent submitted to Franchisor is true, accurate, complete and correct in all respects and, if Franchisee is a business entity, Franchisee must also furnish Franchisor with an appropriate resolution of the business entity's governing body authorizing the proposed sale.

Within 60 days after receipt of the Letter of Intent, Franchisor may either consent or withhold Franchisor's consent to the Assignment, in accordance with this Section 13, or at Franchisor's option accept the Assignment itself or to Franchisor's designee, on the terms and conditions specified in the Letter of Intent. If Franchisor or its designee accepts the terms of the Letter of Intent, Franchisor will be entitled to all of the customary representations and warranties given by the seller of assets of a business, including (without limitation) representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and Franchisee's contingent and other liabilities affecting the assets. Any dispute regarding the

value of all or any part of the assets or rights proposed to be assigned and/or the consideration proposed to be paid or payable to Franchisee or any third party in connection with the proposed Assignment shall be determined by a reputable independent appraiser Franchisor selects, and Franchisee and Franchisor equally share the expense of, whose determination will be final and binding on Franchisor. Franchisee expressly understands and agrees that nothing in the offer which is the subject of the Letter of Intent to Franchisor may contain any provision or condition the effect of which would be to increase the cost to Franchisor, or otherwise change the economic or other material terms imposed on Franchisor, as a result of Franchisor's substitution for the transferee, or as a consequence of compliance with the procedures set forth herein regarding Franchisor's right of first refusal.

Franchisor's credit will be considered at least equal to the credit of any transferee. Franchisor may substitute cash for the fair market value of any other form of payment proposed in the Letter of Intent.

If Franchisor gives notice of Franchisor's exercise of its right of first refusal, closing on Franchisor's purchase must occur within the later of: (i) 60 days following Franchisee's receipt of Franchisor's notice to Franchisee; (ii) the closing period (if any) specified in the subject offer; or, (iii) such longer period as may be necessary to conduct the due diligence provided for above.

If Franchisor gives notice to Franchisee of the exercise of its right of first refusal, Franchisee agrees to take all action necessary to assign any lease with the lessor of Franchisee's iTrip Location to Franchisor.

If Franchisor elects not to accept the offer within a thirty (30) day period and Franchisor consents to the proposed Assignment, then Franchisee will be free to make the Assignment. Franchisee shall have a period not to exceed sixty (60) days (or such longer period of time as may be stipulated by applicable law, rule or regulation) to complete the transfer described in the Letter of Intent subject to the conditions for approval set forth in Section 13(F) of this Agreement. Any material change in the terms of the offer will be deemed a new proposal subject to Franchisor's right of first refusal. Further, if Franchisee fails to close the Assignment transaction within sixty days (or such longer period of time as may be stipulated by applicable law, rule or regulation), then Franchisor's right of first refusal hereunder shall be restored and Franchisor may elect to exercise same within 30 days thereafter. Franchisor's election not to exercise its right of first refusal with respect to any Letter of Intent will not affect Franchisor's right of first refusal with respect to any later or modified letter of intent. If Franchisor does not exercise its right of first refusal, this will not constitute approval of the proposed transferee or of the transaction itself. Franchisee and the proposed transferee must comply with all the criteria and procedures for Assignment specified in this Section 13.

Franchisee shall effect no other sale or transfer as contemplated under the Letter of Intent without first complying with this Section. So long as Franchisee has obtained Franchisor's prior written consent, which shall not be unreasonably withheld, a transfer to an existing partner or shareholder, or a transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

F. **Conditions for Approval.** If Franchisor does not elect to exercise its right of first refusal (as provided in Section 13(E) above), then Franchisor will not unreasonably withhold its consent. Franchisee acknowledges, understands and agrees that Franchisor may condition Franchisor's approval of any proposed sale or transfer of the Franchised Business or of Franchisee's interest in this Agreement or any other acts of Assignment described in Section 13(D) upon satisfaction of the following occurrences:

1. As of the date of the Assignment, all of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;
2. As of the date of the Assignment, Franchisee must have cures all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;
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, demands and causes of action against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities through the date of execution of the transferee's new franchise agreement;
4. Franchisee or transferee shall provide Franchisor a copy of the executed purchase agreement (and any other agreements) 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;
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. Franchisee must pay the costs of any investigation required to be conducted by Franchisor;
6. The transferee has the organizational, managerial and financial structure, capital and resources required to conduct Franchisee's Franchised Business properly, taking into account such factors (among others) as the number of iTrip Locations and market areas involved and their geographic proximity;
7. Transferee (and, if transferred is a business entity, each and every owner or guarantor of the transferee) complies with Franchisor's restrictions relative to involvement in a Competing Business. Specifically, neither transferee nor any of its owners or affiliates directly or indirectly owns, operates or has any interest in, or has a material business relationship with a Competing Business; ;

8. The transferee shall execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the transferee executes the then-current franchise agreement. The execution of the new franchise agreement will terminate this Agreement, except for Franchisee's Personal Guaranties; any of Franchisee's obligations to Franchisor or its affiliates which remain outstanding and/or unsatisfied; and, the post-termination and post-expiration provisions of this Agreement which, by their nature, will survive;
9. Franchisee shall pay Franchisor a transfer fee equal to \$10,000, as well as any third-party broker fees that are due in connection with the proposed transfer;
10. The transferee shall satisfactorily complete Franchisor's Initial Training Program within the time frame Franchisor sets forth without paying an additional tuition fee, but the transferee will be responsible for all costs and expenses associated with attending the Initial Training Program. Each individual undergoing such training must first execute the Confidentiality/Non- Competition Agreement (substantially in the form of Exhibit E)
11. Franchisee (and Franchisee's principals/guarantors if Franchisee is a partnership, corporation or limited liability company) must comply with the post-termination provisions of this Agreement;
12. The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits, licenses and other authorizations required by any federal, state, local, rule or regulation for the continued operation of the Franchised Business. If applicable law enables Franchisee to assign any of the aforementioned permits, licenses and/or authorizations which Franchisee possesses to the transferee, then Franchisee agrees to do so immediately following Franchisor's execution of the transferee's new franchise agreement;
13. Franchisee understands and agrees that Franchisee will remain fully liable and responsible for all of Franchisee's obligations to Franchisor and its affiliates under this Agreement which arose in connection with the operation of Franchisee's Franchised Business prior to the effective date of the transferee's new franchise agreement (specifically including Franchisee's obligation to indemnify Franchisor and the other Indemnitees identified in Section 11(E) and Franchisee agrees to execute any and all documents Franchisor reasonably request to further evidence such liability;
14. 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;
15. 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;
16. The purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Franchised Business and performance under its franchise agreement;

17. That if the transferee is a business entity, all of the requirements of its new franchise agreement concerning business entities must be complied with before Franchisor will execute the new franchise agreement and, as applicable, will continue to be complied with thereafter;
18. That upon Franchisor's request, either Franchisee and/or the transferee, at Franchisee's /transferee's own expense, modify Franchisee's iTrip Location to conform it to Franchisor's then-current standards and specifications for iTrip Locations in the United States and complete such modifications, at Franchisor's election, either prior to the contemplated assignment or a later time reasonably specified by Franchisor;
19. Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of disclosure document and Franchisor shall not be liable for any representations not included in the disclosure document; and
20. Franchisor shall have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchised Business as Franchisee has supplied Franchisor hereunder.

Franchisee expressly agrees that Franchisee's obligation to indemnify and hold harmless Franchisor and the other Indemnitees under Section 11(E) of this Agreement extends to and embraces liabilities arising from or relating to, directly or indirectly, any statements, representations or warranties that Franchisee may give to or receive from any transferee and/or any claim that Franchisee (and, if Franchisee is a business entity, Franchisee's owners, Designated Manager, management or employees) or Franchisee's assignee engaged in fraud, deceit, violation of franchise laws or other illegality, or for any statements that Franchisee makes that are not included in Franchisor's then-current Disclosure Document) in connection with the negotiation or consummation of the assignment. As with all other indemnification obligations set forth in this Agreement, this specific indemnification obligation will survive the termination or expiration of this Agreement.

Franchisor will not unreasonably withhold its consent to a proposed transfer or assignment requested by Franchisee, provided the foregoing conditions are met. Franchisor's approval of a transfer shall not operate as a release of any liability of the transferring party nor shall such approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any transfer fee in the event: (i) Franchisee wishes to transfer its rights under the Franchise Agreement to a newly-established legal business entity that is wholly owned by Franchisee and established solely for purposes of operating the Franchised Business under the Franchise Agreement; or (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) in order to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the transfer.

The provisions of Section (B),(D),(E) and (F) inclusively pertain to any lease, management agreement or other agreement which would have the effect of transferring any material asset or control of all or any part of the operations of Franchisee's Franchised Business to any third party. Any such agreement must first be approved by Franchisor in writing. Franchisor will not unreasonably withhold its approval, but Franchisor's approval may be denied if such agreement is on terms materially different from those which would

result from arms-length negotiations or if Franchisor determines that the fees payable under such agreement are excessive. Any such agreement and any party thereto who, as a result of the agreement, may directly or indirectly be involved in the ownership of the assets or operations of the Business must meet such standards and conditions as Franchisor has put in place at the time Franchisee requests Franchisor's consent.

G. **Transfer from an Individual Franchisee to Business Entity.** 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 or training tuition fees set forth in Section 13(F)(7)-(8), and such assignment will not be subject to Franchisor's right of first refusal in Section 13(E):

1. The corporation or limited liability company is newly organized and its activities are confined exclusively to operating the Franchised Business;
2. Franchisee is, and at all times remains, the owner of 51% or more of the outstanding shares of the corporation or a controlling interest in the limited liability company;
3. If two or more individuals serve as "Franchisee" hereunder, each individual must have the same proportionate ownership interest in the business entity as he or she had in the Franchised Business before the transfer;
4. The corporation or limited liability company agrees in writing to assume all of Franchisee's obligations hereunder;
5. All then-current and future stockholders 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 execute the Personal Guaranty attached to this Agreement as Exhibit B;
6. Franchisee and each present and future owner of any interest in the business entity must execute Franchisor's Confidentiality and Non-Competition Agreement substantially in the form of Exhibit E to this Agreement;
7. The name of the business entity may not include the Proprietary Marks "ITRIP and iTRIP VACATIONS", any variants thereof or any word(s) confusingly similar thereto;
8. The business entity must comply in all respects with the requirements and prohibitions set forth in Section 6(HH) of this Agreement ("Business Entity Requirements and Records"); and
9. Franchisor may conduct due diligence on the new business entity in order to determine whether it meets Franchisor's then-current requirements, including financial capability.

- H. **Security Interest.** Without Franchisor's prior written consent (which will not be unreasonably withheld, delayed or denied), Franchisee may not pledge, encumber, mortgage, hypothecate or otherwise grant any third party a security interest in this Agreement, Franchisee's Franchised Business, Franchisee's iTrip Location, any ownership interests in Franchisee (if Franchisee is a business entity), any ownership interests in any business entity which directly or indirectly controls Franchisee, Franchisee's Lease or sublease (as applicable) or any of the tangible assets material to the operation of Franchisee's Franchised Business (including, without limitation, the premises of Franchisee's Franchised Business and Franchisee's iTrip Location). Franchisor may require Franchisee's compliance with any policy statement which Franchisor adopts and announces regarding security interests in Franchised Businesses. Franchisor reserves the right to review and approve the terms of any security agreement or other document granting a security interest in any of the assets or interests described in this Section 13(H), which approval shall be in writing.
- I. **Your Offer and Sale of Securities.** If Franchisee is a business entity and intend to offer and sell securities of any type or nature or other ownership interests in Franchisee, the Franchised Business, any owner and/or any Guarantor, then Franchisee must give Franchisor written notice at least 60 days prior to the date of commencement of any such offering. Any such offering shall be subject to Franchisor's right of first refusal, as set forth above in Section 13(E), and shall comply with any written policies adopted and announced by Franchisor from time to time.

Franchisee must submit to Franchisor for our review and consent, at least 30 days prior to Franchisee's filing them with any government agency, any and all materials required by federal and/or state law for any direct or indirect offer or sale of securities or other ownership interests. If Franchisee's offering of securities or other ownership interests will be exempt from federal and/or state filing requirements, then any materials Franchisee will use in any such exempt offering shall be submitted to Franchisor for its review and consent at least 30 days prior to their use. Franchisor's review of Franchisee's offering materials and information included therein will be conducted solely for Franchisor's benefit and not for the benefit or protection of any other person. All of Franchisee's offering materials and documents must include legends and statements as Franchisor may specify, including legends and statements which disclaim Franchisor's liability for, or involvement in, Franchisee's offer and sale of securities or other ownership interests, and must advise all offerees that Franchisor's review of Franchisee's offering materials must not be deemed in any fashion Franchisor's approval, endorsement, acceptance or adoption of any representation, warranty, covenant or projection contained in those materials.

Franchisee's offer and sale of securities and other ownership interests is specifically embraced by Franchisee's indemnification of Franchisor and the other Indemnitees identified in Section 11(E) of this Agreement. Any other participant in Franchisee's offer of securities or other ownership interests must agree to fully indemnify Franchisor in a parallel fashion in that form which Franchisor prescribes.

Franchisee must pay Franchisor a non-refundable fee of \$10,000 or such greater amount as may be necessary to reimburse Franchisor for Franchisor's reasonable costs and expenses in reviewing Franchisee's proposed offering, including, without limitation, legal and accounting fees. In addition, Franchisee will be responsible for annually reimbursing

Franchisor with all costs associated with providing reporting information requested in connection with the security.

- J. **Bankruptcy.** If Franchisee, Franchisee's Franchised Business or any owner of Franchisee and/or Franchisee's Franchised Business is the subject of any voluntary or involuntary proceeding under the U.S. Bankruptcy Code, as amended, and if this Agreement does not terminate as provided in Section 15(A) below, but, instead, is to be assumed by, or assigned to, a third party individual or entity which has made a bona fide offer to accept an Assignment of this Agreement as contemplated by the U.S. Bankruptcy Code, then Franchisee must notify Franchisor of any such proposed assignment or assumption within 5 days after Franchisee's receipt of such proposed transferee's offer to accept assignment or to assume Franchisee's rights and obligations under this Agreement. Such notice must be given to Franchisor, in any event, no later than 10 days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption.

The notice required above must contain the following: (i) the name and address of the proposed transferee; (ii) all of the terms and conditions of the proposed assignment and assumption; and, (iii) adequate assurance to be provided to Franchisor to assure the proposed transferee's future performance under this Agreement, including (without limitation) the assurance referred to in Section 365 of the U.S. Bankruptcy Code and the satisfaction of the preconditions to assignment set forth in Section 13(F) of this Agreement.

Franchisor will then have the prior right and option, to be exercised by notice given at any time prior to the effective date of the proposed assignment and assumption, to accept an Assignment of this Agreement to Franchisor, upon the same terms and conditions, and for the same consideration (if any), as in the bona fide offer made by the proposed transferee, less any brokerage commissions or other expenses which may be saved by you as a result of Franchisor's exercise of the rights and options granted to Franchisor herein. Under no circumstance shall Franchisor be liable for the payment of any brokerage commissions or other expenses as a result of Franchisor's exercise of its rights and options hereunder unless Franchisor otherwise agrees in writing.

"Adequate assurance of future performance", as used above, shall mean that Franchisor shall have been furnished with specific evidence that any proposed transferee of this Agreement can and will comply with all operational and other performance requirements, and with all conditions, obligations, duties, covenants and requirements of a franchisee under: (i) this Agreement; (ii) the standard form franchise agreement then being offered to Franchisor's franchisees; (iii) such other ancillary agreements as we may require; and (iv) any of Franchisor's policies describing its franchisees' duties, obligations, conditions, covenants or performance requirements. Franchisee understands and agrees that adequate assurance of future performance shall mean that any proposed assignee must satisfy the conditions forth in Section 13(F) above.

- K. **No Waiver of Franchisor's Rights.** Franchisor's consent to any assignment shall not constitute a waiver of any claims Franchisor may have against Franchisee, Franchisee's Franchised Business, any of Franchisee's owners and/or any Guarantor. Nor shall such consent be deemed a waiver of Franchisor's right to require exact compliance with any of the terms of this Agreement by any transferee.

14. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, Franchisee agrees to the covenants in this Section to protect Franchisor, the System, Proprietary Marks and Franchisor's other franchisees.

A. **During the Term of this Agreement.** During the term of this Agreement, neither Franchisee, its principals, owners, guarantors or Designated Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with, any other business that (a) provides rental property management services similar to those provided by an iTrip Location (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does not include: (i) any business operated by Franchisee under a Franchise Agreement with Franchisor; or (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) legal or beneficial interest;
2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or
3. Divert, or attempt to divert, any prospective customer to any person or business entity (including, a Competing Business) in any manner.

B. **After the Term of this Agreement.**

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, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, or business entity, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.
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, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for

themselves or through, on behalf of, or in conjunction with any other person, or business entity:

- a. Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:
 - i. at the Premises;
 - ii. within the Designated Territory;
 - iii. within a fifty (50) mile radius of the Designated Territory;
 - iv. within a fifty (50) mile radius of any iTrip Location that is open or under development as of the date this Agreement expires and/or is terminated; or
 - v. within a fifty (50) mile radius of any other designated territory that has been granted by Franchisor or its affiliates in connection with an iTrip Location as of the date this Agreement expires and/or is terminated; or
- b. Solicit (i) business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, or (ii) subject to and as permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor's other management employees, or the management employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

C. **Intent and Enforcement.** It is the parties' intent that the provisions of this Section 14 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 14 by Franchisee, any of Franchisee's principals, or any member of the immediate family of Franchisee or Franchisee's principals, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that the covenants contained herein are necessary to protect the goodwill of the Franchised Business, other System franchisees, and the System. Franchisee further acknowledges that covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the term of this Agreement. Franchisee agrees that in the event of the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee expressly agrees that any violation of the covenants not to compete will conclusively be deemed to have been accomplished by and through Franchisee's unlawful use of Franchisor's Confidential Information, know-how, methods and procedures. Franchisee agrees to pay all costs and expenses, including reasonable attorneys' and experts' fees that Franchisor incurs in connection with the enforcement of the covenants not to compete set forth in this Agreement.

Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 in no way prevent any such person from earning a living. Franchisee further acknowledges and

agrees that the time limitation on the restrictive covenants set forth in Section 14(B) shall be tolled during any default under this Section 14.

- D. **Confidentiality and Non-Competition Agreement.** Franchisee must ensure that (i) all management personnel of the Franchised Business, (ii) all officers, managers and directors of Franchisee (iii) if Franchisee is a business entity, all of Franchisee's owners, equity holders, control persons, shareholders, members, partners and general partner(s), and, (iv) all persons possessing equivalent positions in any business entity which directly or indirectly owns and/or controls Franchisee execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement (which will be in substantially the same form as the document attached to this Agreement as Exhibit E).

Franchisee shall procure all such Confidentiality and Non-Competition Agreements no later than 10 days following the Effective Date (or, if any individual or business entity attains any status identified above after the Effective Date, within 10 days following such individual or business entity's attaining such status) and shall furnish to us copies of all executed Confidentiality and Non-Competition Agreements within 10 days following their execution.

- E. **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 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) that Franchisor incurs in connection with the enforcement of this Section 14.
- F. **Franchisee's and Franchisor's Enforcement of Confidentiality and Non-Competition Agreements.** Franchisee agrees to vigorously and vigilantly prosecute to the fullest extent permitted by law breaches of any Confidentiality and Non-Competition Agreement executed by any of the individuals referenced in Section 14(D), and Franchisee acknowledges Franchisor's right, to be exercised as Franchisor alone determines, to itself and enforce the terms of any such executed Confidentiality and Non-Competition Agreement. If the substantive provisions of Franchisor's Confidentiality and Non-Competition Agreement have been breached by an individual employed, engaged or otherwise serving Franchisee's Franchised Business who has not executed a Confidentiality and Non-Competition Agreement, Franchisee must nevertheless vigorously and vigilantly prosecute such conduct to the fullest extent permitted by law.

15. **DEFAULT AND TERMINATION**

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), shall constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

- A. **Automatic Termination.** This Agreement will automatically terminate without notice or an opportunity to cure upon the occurrence of any of the following:
1. The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

2. A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;
3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;
4. A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;
5. A final judgment in excess of Ten Thousand Dollars (\$10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment; or
6. Franchisee attempts to sell, transfer, encumber or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13 hereof.
7. Franchisee, any affiliate or Franchise and any Guarantor are dissolved.
8. Execution is levied against Franchisee, the Franchised Business, any affiliate or Guarantor thereof and/or the property of any of the foregoing; the property of the Franchised Business or your iTrip Location is sold after levy thereon by any governmental body or agency, sheriff, marshal or other person authorized under federal, state and/or local law.
9. If Franchisee is a business entity, Franchisee's governing body adopts any resolution or otherwise authorizes action to approve any of the foregoing activities.

B. **Termination upon Notice.** Franchisor has the right to terminate this Agreement upon written notice to Franchisee without providing Franchisee any opportunity to cure with respect to any of the following breaches or defaults:

1. If Franchisee or Franchisee's owners/principals commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any omission or misrepresentation of material fact made in Franchisee's franchise application;
2. If Franchisee and any other required attendees fail to attend and successfully complete the Initial Training Program within the time period prescribed in this Agreement;
3. If Franchisee receives from Franchisor three (3) or more notices to cure the same or similar defaults or violations set forth in Section 15(C) of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured;

4. If Franchisee or Franchisee's owners/principals violate any of the in-term covenant not to compete or any of the other restrictive covenants set forth in Section 14 of this Agreement;
5. If Franchisee misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);
6. If Franchisee misuses the Proprietary Software and Website Hosting Program or any other proprietary software that Franchisor designates for use in connection with the Franchised Business;
7. If Franchisee defaults under the lease for the Premises and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control the Premises to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates);
8. If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6 of this Agreement;
9. If Franchisee fails to cure any of the following violations under this Agreement within ten (10) days of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; (ii) any purchase of any non-approved item or service for use in connection with the Franchised Business; (iii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;
10. If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;
11. If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to Franchisee's Proprietary Software and Web Hosting Program and/or Computer System as required under this Agreement, and fails to remedy this default within forty-eight (48) hours of being notified by Franchisor;
12. If Franchisee fails to pay Franchisor, its affiliates, any of its Approved Suppliers or any Client any amount that is due and owing that party within ten (10) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

13. If Franchisee fails, for a period of fifteen (15) days after notification of non-compliance by Franchisor or any appropriate governmental or quasi-governmental authority, to comply with any law or regulation applicable to the operation of the Franchised Business; there is any government action that is likely (in Franchisor's sole opinion) to adversely impact Franchisor's business, the System or the iTrip brand or which results in an obligation upon Franchisor which (in Franchisor's sole judgment) is uneconomical, not in the best interest of Franchisor's company or would cause an unintended relationship or obligation; or, the continuation of the relationship between Franchisee and Franchisor would cause Franchisor to be in violation of any federal, state or local laws, rules or regulations;
14. If Franchisee fails, for a period of ten (10) days after notification of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Premises;
15. If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony, fraud, crime involving moral turpitude or any other crime or offense (even if not a crime) that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;
16. If Franchisee takes, withholds, misdirects or appropriate for Franchisee's own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits; wrongfully take or appropriate for Franchisee's own use Franchisor's property or funds; systemically fails to deal fairly and honestly with Franchisee's employees, customers or suppliers; or knowingly permits or, having discovered the facts, fails to take any action against, or to discharge, any agent, servant or employee who has embezzled Franchisor's funds or property or that of any customers or others;
17. Franchisor and Franchisee agree in writing to terminate this Agreement;
18. Franchisee purports or, if Franchisee is a business entity, any owner or principal of Franchisee purports to transfer any rights or obligations under this Agreement, any interest in Franchisee, the Franchised Business or Franchisee's iTrip Location to any third party in violation of the terms of this Agreement;
19. Franchisee knowingly conceals revenues; maintains false books or records; falsifies information or otherwise defrauds or makes false representations to Franchisor; or, submits any substantially false report to Franchisor;
20. You do not maintain the financial records required by Section 10 of this Agreement;
21. Franchisor or its designee conducts an audit of Franchisee's Business which discloses that any monthly report or statement which Franchisee submitted to Franchisor understated Franchisee's Total Rental Revenue or Gross Sales by more

than 2% 3 times within any 36 month period or 5% or more for any month during the reporting period or during the entire reporting period;

22. Franchisee makes a willful misrepresentation or do not make a material disclosure required by any governmental or quasi-governmental authority regarding any matter involving or affecting the operations of Franchisee's Franchised Business and Franchisee's iTrip Location;
23. Franchisee interferes or attempt to interferes in any manner with Franchisor's contractual relations and/or Franchisor's relationships with Franchisor's other franchisees; any supplier of Franchisee, Franchisor or other franchisees; any governmental or quasi-governmental authority; Franchisee's or Franchisor's customers, employees or advertising agencies; or, any third parties;
24. Franchisee commits any act or default which materially impairs the goodwill associated with Franchisor's Proprietary Marks and which, by its nature, is incurable; or, if the default is curable, Franchisee fails to cure the default following delivery of written notice to cure at least 72 hours in advance;
25. Franchisee does not purchase or maintain any category of insurance required by this Agreement;
26. Franchisee, Franchisee's Franchised Business, Designated Manager and/or Franchisee's iTrip Location violates any law, rule or regulation, and/or engages in any act or practice, which subjects Franchisee and/or Franchisor to widespread publicity, ridicule or derision;
27. Franchisee breaches the provisions of this Agreement relating to advertising standards and does not cure this breach within 3 days following written notice from Franchisor;
28. Franchisee purchases any proprietary programs, products or services from Franchisor or its affiliates, or purchases from Franchisor, its affiliates or any third party non-proprietary goods, programs, products or services pursuant to a systemwide supply contract Franchisor negotiates, and Franchisee uses, diverts, sells or otherwise exploits such programs, products or services for the benefit of any other individual, entity or business;
29. Franchisee engages in any act or conduct, or fails to engage in any act or conduct, which under this Agreement specifically authorizes Franchisor to terminate this Agreement immediately upon notice to Franchisee;
30. If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement three (3) or more times within any twelve (12) month period;
31. If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers;

32. A judgment is entered against Franchisee involving aggregate liability (in excess of the insurance coverage) of \$100,000 or more, if such judgment remains unpaid or unsatisfied for a period of 10 days or more following entry thereof;
33. If an audit reveals that Franchisee has not properly obtained and maintained the Escrow Account(s) (including making all deposits and withdrawals when required by applicable law), as required by Section 4(B)(3) of this Agreement and does not cure such default within ten (10) days of notice from Franchisor; or
34. If Franchisee fails, after three (3) full years of operation, to generate the minimum Total Rental Revenue requirement as set forth in Section 6(BB) of this Agreement.
- C. **Termination upon Notice and 30 Days' Cure.** Except for those defaults set forth in Sections 15(A)-(B) of this Agreement, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor or, if the breach cannot reasonably be cured within this time, to initiate action to cure the default within such time and complete cure within the shortest reasonable time thereafter) and to provide Franchisor with evidence that Franchisee has done so.
- D. **Description of Default.** The description of any breach or default in any notice that Franchisor transmits to Franchisee will in no way preclude Franchisor from specifying additional or supplemental defaults under this Agreement or any related agreements in any action, proceeding, hearing or lawsuit relating to this Agreement or the termination of this Agreement.
- E. **Franchisee's Failure to Pay Constitutes Franchisee's Termination of This Agreement.** Franchisee's failure to timely cure any breach of Franchisee's obligation to make payments of Royalty Fees, Fund Contributions (if any), or any other monies due and owing to Franchisor or its affiliates under this Agreement, or to timely cure any other material breach of this Agreement committed by Franchisee, in either instance following Franchisor's notice to Franchisee that Franchisee has committed a breach of this Agreement and granting Franchisee an opportunity to cure said breach, will be irrevocably deemed to constitute Franchisee's unilateral rejection and termination of this Agreement and all related agreements between Franchisee and Franchisor or Franchisor's affiliates, notwithstanding that a formal notice of such termination(s) ultimately issues from Franchisor, and Franchisee shall never contend or complain otherwise.
- F. **Cross Default.** Any default or breach by Franchisee, Franchisee's affiliates and/or any guarantor of Franchisee of the Lease or Sublease for the iTrip Location or any other agreement between Franchisor or its affiliates and Franchisee and/or such other parties will be deemed a default under this Agreement, and any default or breach of this Agreement by Franchisee and/or such other parties will be deemed a default or breach under any and all such other agreements between Franchisor or its affiliates and Franchisee, Franchisee's affiliates and/or any guarantor of yours. If the nature of the default under any other agreement would have permitted Franchisor (or its affiliate) to terminate this Agreement if the default had occurred under this Agreement, then Franchisor will have the right to

terminate all such other agreements in the same manner provided for in this Agreement for termination hereof.

- G. **Continuance of Business Relations.** Any continuance of business relations between Franchisee and Franchisor after the termination or expiration of this Agreement will not constitute, and may not be construed as, a reinstatement, renewal, extension or continuation of this Agreement unless Franchisee and Franchisor agrees in writing to any such renewal, extension or continuation.
- H. **Notice Required By Law.** If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits Franchisor's rights to terminate this Agreement or requires longer notice or cure periods than those set forth above, then this Agreement will be considered modified to conform to the minimum notice, cure periods or restrictions upon termination required by such laws and regulations. Franchisor will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding, hearing or dispute relating to this Agreement or the termination of this Agreement.
- I. **Step-In Rights.** In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Premises and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines, in its reasonable discretion, that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. In the event Franchisor exercises these "step-in rights," Franchisee must (a) pay Franchisor a management fee amounting to eight percent (8%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "Management Fee"), and (b) reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.
- J. **Franchisor's Right to Cure Defaults.** In addition to all other remedies granted pursuant to this Agreement, if Franchisee defaults in the performance of any of Franchisee's obligations, or breach any term or condition of this Agreement or any related agreement, then Franchisor may, at its election, immediately or at any time thereafter, without waiving any claim for breach under this Agreement and without notice to Franchisee, cure the default on Franchisee's behalf. Franchisor's cost of curing the default and all related expenses will be due and payable by Franchisee immediately upon demand by Franchisor.

16. **POST-TERM OBLIGATIONS**

If this Agreement expires or terminates for any reason or is assigned by Franchisee, Franchisee will cease to be an authorized iTrip franchisee and Franchisee will lose all rights to the use of Franchisor's Proprietary Marks, the iTrip System, all Confidential Information and know-how

owned by us and any goodwill (including “local” goodwill) engendered by the use of Franchisor’s Proprietary Marks and/or attributed to Franchisee’s conduct of the Franchised Business.

Upon the expiration or termination of this Agreement, Franchisee shall immediately:

- A. **Cease Ownership and Operation of iTrip Location; Cease Affiliate with Franchisor and Brand Generally.** Cease to be a franchise owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor, then Franchisee shall not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former franchise owner of an iTrip Location, (unless Franchisor agrees otherwise in writing).
- B. **Return Manuals and Confidential Information.** Return to Franchisor the Manuals and all trade secrets, Confidential Information (including all Client lists and Approved Services agreements) and other confidential materials, advertising and promotional material, signs and related items which bear Franchisor’s Proprietary Marks, slogans, insignias or designs, equipment, software, data storage disks or tapes, printouts, and other information pertaining to computer operations, codes, procedures and programming and property owned by Franchisor and all copies thereof. Franchisee shall retain no copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable provision of law. Franchisee agrees that the foregoing items, materials, lists, files, software and other similar items will be considered to be Franchisor’s property for all purposes.
- C. **Assignment of Approved Services Contracts, Telephone/Facsimile Numbers and Domain Names.** Take such action as Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date (a) Client and property lists, and (b) any Approved Services contracts and other agreements between Clients and the former Franchised Business; and (ii) transfer, disconnect, forward, or assign all telephone/facsimile numbers and domain names used in connection with the former Franchised Business, as well as any white and yellow page telephone references, advertisements, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone/Facsimile Numbers and Domain Names attached to this Agreement as Exhibit F.
- D. **Cease Using Proprietary Marks.** Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System.
 - 1. If Franchisee is operating from a Premises other than a home office, remove all trade dress, then Franchisee must remove physical characteristics, color combinations, and other indications of operation under the System from the Premises (and provide documentation thereof to Franchisor as set forth in Section 16(J) below).

2. Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor upon expiration or termination of this Agreement for any reason, without cost to Franchisor; and
- E. **Compliance with Post-Term Covenants.** Comply with the post-term covenants not to compete and other restrictive covenants set forth in Section 14 of this Agreement;
- F. **Compliance with Confidentiality Restrictions.** Continue to abide by those restrictions pertaining to the use of Franchisor's Confidential Information, trade secrets and know-how set forth in Section 8 of this Agreement.
- G. **Payment of Amounts Due.** Immediately pay Franchisor, as well as each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within 10 days of the termination or expiration date.
- H. **Cease Customer, Supplier, Vendor and Employee Contact.** Immediately refrain from engaging in any contacts with customers, suppliers, employees and vendors of the iTrip Business.
- I. **Assignment of Lease/Sublease.** At Franchisor's option, if Franchisee leases a commercial space for the Premises of Franchisee's iTrip Location, assign to Franchisor any interest which Franchisee has in the Lease, sublease, right or entry or easement for the iTrip Location, and vacate the iTrip Location promptly and completely, rendering all necessary assistance to Franchisor to enable Franchisor to take prompt possession.
- J. **De-Identify iTrip Location.** If Franchisee leases a commercial space for the Premises of Franchisee's iTrip Location and Franchisor elects not to assume possession of the iTrip Location, then promptly upon termination or expiration of this Agreement, Franchisee agrees to "deidentify" the iTrip Location in all respects by performing all redecoration and remodeling, and effecting physical changes to the Premises of the iTrip Location and Franchised Business' vehicles, décor, trade dress, color combination, signs and other physical characteristics, as Franchisor considers necessary in its reasonable business judgment to distinguish the iTrip Location and vehicles from a duly authorized iTrip Location. If Franchisee refuses, neglects or fails to do so, Franchisor has the right to enter upon the Location and effect such required changes at Franchisee's sole risk and expense, without liability for trespass.
- K. **Written Evidence of Compliance.** Provide Franchisor with written evidence that they have complied with the post-term obligations, within thirty (30) days' notice of termination or scheduled expiration of the franchise; and
- L. **No Prejudice.** The expiration or termination of this Agreement will be without prejudice to Franchisor's rights against Franchisee and will not relieve Franchisee of any of Franchisee's obligations to Franchisor at the time of expiration or termination, or terminate Franchisee's obligations which by their nature survive the expiration or termination of this Agreement.
- M. **Purchase of Assets.** Franchisor shall have the option, but not the obligation, within thirty (30) days after the date of termination, expiration, and non-renewal of this Agreement to purchase any and all of Franchisee's operating assets from the Franchised Business at a

purchase price equal to net depreciated book value. If you and we cannot agree on “depreciated book value”, then an appraiser shall determine same in accordance with the procedures set forth in Section 16(M)(2) below.

1. **Franchisor’s Exercise of Election to Purchase Franchisee’s Assets.** If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect Franchisee’s operating assets at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee’s good title to Franchisee’s operating assets (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances). Franchisor (or its affiliate, nominee or designee, as applicable) will have the right at Franchisor’s option to assume any liabilities encumbering the assets sold under the provisions of this Section or any of the liabilities for which Franchisor would otherwise be indemnified by Franchisee pursuant to Section 11(E) of this Agreement, and reduce the consideration payable to Franchisee accordingly. Franchisee will pay all transfer taxes and recording fees, if any.
 - i. All rents, interest, assessments, taxes and other charges or royalties related to the assets to be conveyed, the payment period of which began before the date Franchisor’s purchase of the assets closes, will be prorated to the date of closing on the basis of the most recent rates available, and the prorated amount added to or subtracted from, as the case may be, the consideration payable to Franchisee.
 - ii. Franchisee agrees to use Franchisee’s best efforts to assist Franchisor (or its affiliate, nominee or designee, as applicable) in obtaining any government or other approvals or consents necessary to carry out the terms and intent of this Section 16(M).
2. **Appraisals.** If Franchisee and Franchisor cannot agree within a reasonable time on the net depreciated book value of any assets Franchisor, its affiliate, nominee or designee acquire from Franchisee pursuant to this Section 16(M), or the commercially reasonable terms of any lease Franchisor requires Franchisee to enter into for land and facilities owned by Franchisee (or any affiliate) and utilized by Franchisee’s Franchised Business, then such dispute will be resolved by means of an appraisal conducted in the following fashion. If, within 60 days following Franchisee’s receipt of Franchisor’s notice that Franchisor intends to exercise its option to purchase Franchisee’s operating assets, Franchisee and Franchisor cannot agree on the depreciated book value of the item in question, then Franchisee and Franchisor within the next 7 days shall each select one appraiser and notify the other party of its designee. The two appraisers Franchisee and Franchisor select will be instructed to meet within 30 days following their selection for the purpose of selecting a third appraiser to serve with them. If the two appraisers Franchisee and Franchisor select cannot agree on the selection on the third appraiser within 15 days after the selection of the last of them, then Franchisee shall select the third appraiser from a list of three appraisers Franchisor proposes in writing. In the event Franchisor’s disagreement pertains to the commercially reasonable terms of any lease Franchisee is required to enter into with Franchisor for the iTrip Location (if

Franchisee owns it), then each appraiser selected must have received the MAI designation and must be actively engaged in appraisal work in the county in which the iTrip Location is located. The appraisers' determination of the net depreciated book value of any item(s) Franchisor intends to purchase from Franchisee, or the commercially reasonable terms of the Lease for Franchisee's owned iTrip Location, will be binding on both Franchisee and Franchisor. If following the appraisal Franchisor exercises any of the options set forth above, then Franchisee and Franchisor will each pay one half (1/2) of the cost of any and all such appraisals. If Franchisor does not elect to exercise its right to purchase Franchisee's operating assets following the appraisal, then Franchisor alone shall bear all cost of the appraisal. If Franchisor exercises its right to purchase Franchisee's operating assets, Franchisor will have the right to set off from all amounts due to Franchisee any and all amounts which are due and owing by Franchisee to Franchisor and its affiliates.

3. If Franchisor exercises its option to purchase (or, with respect to Franchisee's iTrip Location, lease) any of the assets of Franchisee's Franchised Business as provided in this Section 16(M), then the closing date shall be no later than 60 days after either Franchisee and Franchisor agree on the net depreciated book value of the assets in question (or, with respect to the iTrip Location, the commercially reasonable terms for Franchisor's lease for such iTrip Location) or, if Franchisee and Franchisor cannot agree on same, no later than 60 days after the determination of such net depreciated book value/commercially reasonable terms furnished by the appraisers provided for in Section 16(M)(2) of this Agreement.

17. **TAXES AND INDEBTEDNESS**

- A. **Taxes.** Franchisee must promptly pay when due any and all federal, state, and local taxes, including without limitation, unemployment, workers' compensation, lodging, and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. In the event Franchisee has any bona fide dispute as to Franchisee's liability for taxes assessed, Franchisee may contest the validity of the amount of the tax in accordance with the procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, to occur against the Premises of Franchisee's Franchised Business, Franchisee's iTrip Location or any improvements thereon.
- B. **Debts and Obligations.** Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in connection with the operation of the Franchised Business.

18. **UNAVOIDABLE DELAY OR FAILURE TO PERFORM (FORCE MAJEURE)**

- A. **Unavoidable Delay or Failure to Perform (Force Majeure).** Any delay in Franchisee's or Franchisor's performance of any duties under this Agreement, or any non-performance of such duties, that is not Franchisee's or Franchisor's fault (as applicable) or that is not within Franchisee's or Franchisor's reasonable control – due to events such as, but not limited to, fire; floods natural disasters; Acts of God; war; civil commotion; pandemics; global economic crises; terrorist acts; any governmental act or regulation; any delays or

defaults in deliveries by common carriers and/or postal services and/or overnight couriers; computer network outages; late deliveries or non-deliveries of goods or non-furnishing of services by third party vendors; strikes; lockouts; and any other similar event beyond such party's control) will not constitute a breach or cause a default under this Agreement, provided, however, that Franchisee or Franchisor (as applicable) will take all steps reasonably possible to mitigate damages caused by such delay or non-performance.

Notwithstanding the foregoing, if any such failure or delay continues for more than 180 days, Franchisor will have the right at any time thereafter during the continuance of such failure or delay to terminate this Agreement upon 30 days' advance written notice to Franchisee.

19. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

- A. **Franchisor's Approval.** Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee shall make a timely written request. Unless a different period is specified in this Agreement, Franchisor shall respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond shall be deemed as a disapproval of any such request.
- B. **No Waiver.** No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder shall be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.
- C. **Franchisor's Withholding of Consent – Franchisee's Exclusive Remedy.** In no event may Franchisee make any claim for money damages based on any claim or assertion that Franchisor has unreasonably withheld or delayed any consent or approval under this Agreement. Franchisee waives any such claim for damages. Franchisee may not claim any such damages by way of setoff, counterclaim or defense. Franchisee's sole remedy for the claim will be an action or proceeding to enforce this Agreement's provisions, for specific performance or for declaratory judgment.
- D. **Terms of Other Franchise Agreements.** No warranty or representation is made by the Franchisor that all franchise agreements heretofore or hereafter issued by Franchisor in connection with an iTrip Location do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements heretofore or hereafter granted to other System franchise owners in a non-uniform manner.
- E. **Modification of System and Manuals.** Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement shall be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

- F. **No Disclaimers of Franchise Disclosure Document.** Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

20. **ENFORCEMENT**

- A. **Injunctive Relief.** Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor shall be entitled to obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the Franchisor's rights with respect to confidentiality under this Agreement; and (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor. Franchisee consents to the entry of these temporary and permanent injunctions without the requirement that Franchisor post a bond of any type or nature, or any other form of security. Franchisee acknowledges and agrees that Franchisee will be responsible for payment of all costs and expenses, including reasonable attorneys' and expert fees, which Franchisor and/or its affiliates may incur in connection with Franchisee's non-compliance as set forth above. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.
- B. **No Withholding of Payments.** Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.
- C. **Costs and Attorneys' Fees.** If Franchisee is in breach or default of any monetary or non-monetary 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 reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. 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.
- D. **Attorneys' Fees – Third Party Actions.** If Franchisor becomes a party to any action or proceeding commenced or instituted against Franchisor by a third party arising out of or relating to any claimed or actual act, error or omission of Franchisee's and/or any of Franchisee's officers, directors, shareholders, management, employees, contractors and/or

representatives (the “Franchisee Party(ies)”) Franchisee’s iTrip Location and/or Franchisee’s Business by virtue of statutory, “vicarious”, “principal/agent” or other liabilities asserted against or imposed on Franchisor as a result of Franchisor’s status as Franchisor; or if Franchisor becomes a party to any litigation or any insolvency proceeding involving Franchisee pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then Franchisee will be liable to, and must promptly reimburse Franchisor for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses Franchisor incurs in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, Franchisor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to Franchisor’s proof of claim in any insolvency or bankruptcy proceeding Franchisee files.

21. **NOTICES**

Any notice required to be given hereunder shall be in writing and shall be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the respective addresses set forth below:

To Franchisor: iTrip, LLC
Attn: Steve Presley, Chief Executive Officer
205 Powell Place, Suite 309
Brentwood, Tennessee 37027

With a copy to: Kaufmann Gildin & Robbins LLP
Attn: David J. Kaufmann, Esq.
767 Third Avenue, 30th Floor
New York, NY 10017

To Franchisee: _____

Any notice complying with the provisions hereof will be deemed delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party shall have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice shall be sent to such other address.

22. **GOVERNING LAW AND DISPUTE RESOLUTION**

- A. **Governing Law.** This Agreement, all relations between Franchisee and Franchisor; and, any and all disputes between Franchisee and/or any other Franchisee Party, on the one hand, and Franchisor and/or any other Indemnitee, on the other hand, whether such dispute sounds in law, equity or otherwise, shall be governed by and construed in accordance with the laws of the State of Tennessee, without reference to this state’s conflict of laws principles. If Franchisor moves its principal headquarters to another state, Franchisor reserves the right to designate that state’s law as governing, again without recourse to that successor state’s (or any other) choice of law or conflicts of law principles, upon written

notice to Franchisee. If, however, any provision of this Agreement is enforceable under the laws of Tennessee (or a successor state we designate as provided above), and if Franchisee's Franchised Business is located outside of Tennessee (or such hereafter designated state) and the provision would be enforceable under the laws of the state in which the Franchised Business is located, then that provision (and only that provision) will be interpreted and construed under the laws of that state. This Section 22(A) is not intended to invoke, and shall not be deemed to invoke, the application of any franchise, business opportunity, antitrust, unfair competition, fiduciary or any other doctrine of law of the State of Tennessee, or any successor states Franchisor designates as provided above, which would not otherwise apply by its terms jurisdictionally or otherwise but for the designation of the governing law.

- B. **Internal Dispute Resolution.** Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's management, after providing notice as set forth in Section 21 of this Agreement and make every effort to resolve the dispute internally. 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.
- C. **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 22(B) above, will be submitted first to mediation to take place at Franchisor's then-current corporate headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with 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 will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 22(C) 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 or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

- D. **Venue.** Subject to Sections 20(A) and 22(C) of this Agreement, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction closest to Franchisor's then-current corporate headquarters or, if appropriate, the United States District Court for the Middle District of Tennessee. Franchisee acknowledges that this Agreement has been entered into in the State of Tennessee, and that Franchisee is to receive valuable and continuing services emanating from Franchisor's headquarters in Tennessee, including but not limited to training, assistance, support and the development of the System. In recognition of such services and their origin, Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Tennessee as set forth in this Section. Notwithstanding the foregoing, however, with respect to any action for monies owed, injunctive or other extraordinary or equitable relief, or involving possession or disposition of, or other relief relating to, Franchisee's iTrip Location, Franchisor may bring such an action in any state or federal district court which has jurisdiction. Franchisee hereby waives and covenants never to assert or claim that the venue designated for litigation by this Agreement is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including any claim under the judicial doctrine of "forum non conveniens").
- E. **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 dispute resolution provisions set forth in this Section 22, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.
- F. **Notice Requirement.** 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.
- G. **No Withholding of Payments.** 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.
- H. **Limitation of Actions.** 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 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. 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.
- I. **Waiver of Punitive Damages.** Franchisee, Franchisee's Guarantors and the other Franchisee Parties hereby explicitly and irrevocably waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special,

consequential damages or similar 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, that 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. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

- J. **Collection Costs.** Franchisee agrees that in the event Franchisee fails to pay to Franchisor any amounts due, or Franchisor commences legal action against Franchisee due to or in connection with Franchisee's breach of this Agreement, Franchisee will be required to reimburse Franchisor for all costs and expenses that Franchisor incurs in connection with same, including, but not limited to, costs and commissions paid to a collection agency, reasonable attorneys' fees, costs incurred in creating or replicating reports demonstrating Total Rental Revenue and Gross Sales of the franchised location, court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.
- K. **WAIVER OF JURY TRIAL.** THE PARTIES HEREBY EXPLICITLY AND IRREVOCABLY AGREE TO WAIVE THEIR RIGHT TO A 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, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.
- L. **WAIVER OF CLASS ACTIONS.** THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED 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.

23. **LIABILITY OF "FRANCHISEE"; PERSONAL GUARANTY**

- A. **Liability of "Franchisee".** The terms "Franchisee," "you" and "your" as used in this Agreement will refer to each person executing this Agreement as Franchisee, whether that person is one of the spouses, partners, proprietors, shareholders, trustees, trustors or beneficiaries or persons named as included in you, and will apply to each of these persons as if he/she were the only named Franchisee in this Agreement. If Franchisee is a partnership or proprietorship, or if more than one person executes this Agreement as Franchisee, each partner, proprietor or person executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement. If Franchisee is a trust, each

trustee, grantor and beneficiary signing this Agreement will be liable for all the obligations and duties of Franchisee under this Agreement. If Franchisee is a business entity, all owners of such entity executing this Agreement will be liable for all obligations and duties of Franchisee under this Agreement as if each such owner or the sole franchisee under this Agreement.

- B. **Personal Guaranty.** If Franchisee is a business entity, then Franchisor may require certain individuals or other entities (the “Guarantors”) to guarantee all of Franchisee’s duties, requirements and obligations under this Agreement, both financial and nonfinancial, by executing a guarantee substantially in the form of Exhibit B (the “Personal Guaranty”). In the event of the death or bankruptcy of any Guarantor, Franchisor may require replacement guarantees sufficient in Franchisor’s sole business judgment to provide Franchisor with the same protection as Franchisor had originally bargained for.

If Franchisee is in breach or default under this Agreement, Franchisor may proceed directly against each such individual and/or business entity Guarantor without first proceeding against Franchisee and without proceeding against or naming in the suit any other such Guarantor. Franchisee’s obligations and those of each such Guarantor will be joint and several. Notice to or demand upon one such Guarantor will be considered notice to or demand upon Franchisee and all such Guarantors. No notice or demand need be made to or upon all such Guarantors. The cessation of or release from liability of Franchisee or any such Guarantor will not relieve Franchisee or any other Guarantor, as applicable, from liability under this Agreement, except to the extent that the breach or default has been remedied or money owed has been paid.

24. **SURVIVAL.**

- A. **Survival.** This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns. Any provision of this Agreement which imposes in any fashion, directly or indirectly, an obligation following the termination or expiration of this Agreement will survive the termination or expiration and will continue to be binding upon the parties to this Agreement.

25. **FRANCHISOR’S BUSINESS JUDGMENT**

- A. **Franchisor’s Business Judgment.** Whenever this Agreement or any related agreement grants, confers or reserves to Franchisor the right to take action, refrain from taking action, grant or withhold our consent or grant or withhold our approval, unless the provision specifically states otherwise, Franchisor will have the right to engage in such activity at Franchisor’s option using Franchisor’s business judgment, taking into consideration Franchisor’s assessment of the long term interests of the System overall. Franchisor and Franchisee recognize, and any court or judge is affirmatively advised, that if those activities and/or decisions are supported by Franchisor’s business judgment, neither said court, said judge nor any other person reviewing those activities or decisions will substitute his, her or its judgment for Franchisor’s judgment. When the terms of this Agreement specifically require that Franchisor not unreasonably withhold our approval or consent, if Franchisee is in default or breach under this Agreement, any withholding of our approval or consent will be considered reasonable.

26. **SEVERABILITY AND CONSTRUCTION**

- A. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision shall be deemed restricted in application to the extent required to render it valid, and the remainder of this Agreement shall in no way be affected and shall remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph shall operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof. Franchisee understands and acknowledges that Franchisor shall have the right in its sole discretion on a temporary or permanent basis, to reduce the scope of any covenant or provision of this Agreement binding upon Franchisee without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee agrees that it will comply forthwith with any covenant as so modified, which shall be fully enforceable.
- B. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute the same instrument.
- C. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein shall be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement shall be construed independently of any other Section or provision of this Agreement.

27. ACKNOWLEDGMENTS

- A. Franchisee acknowledges that it received a complete copy of this Agreement for a period not less than fourteen (14) calendar days, during which time conducted an independent investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received, any warranty or guarantee, express or implied, that Franchisee will be successful in this venture or that the business will attain any level of sales volume, profits, or success. Franchisee acknowledges that this Agreement, the franchise disclosure document ("FDD"), and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.
- B. Franchisee agrees and acknowledges 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. This is an important part of this Agreement. 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.

28. SUBMISSION OF AGREEMENT

Franchisor's tendering this Agreement to Franchisee does not constitute an offer. This Agreement will become effective only upon the execution of this Agreement by both Franchisor and Franchisee.

THIS AGREEMENT WILL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF FRANCHISOR.

FRANCHISEE ACKNOWLEDGES THAT NO REPRESENTATIONS OR PROMISES WERE MADE TO FRANCHISEE OTHER THAN THOSE SET FORTH IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, OR THAT IF ANY OTHER REPRESENTATIONS OR PROMISES WERE MADE TO FRANCHISEE, FRANCHISEE IS NOT RELYING ON THEM.

FRANCHISEE HAS READ ALL OF THE FOREGOING AGREEMENT AND ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS OF THE THIS AGREEMENT.

***THE REST OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK
SIGNATURES ON THE FOLLOWING PAGE***

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Spouse Signature: _____

Spouse Name: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

iTrip, LLC

STATE SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

1. The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
2. 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).
3. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.
4. THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF TENNESSEE AND A FORUM WHERE FRANCHISOR'S HEADQUARTERS IS LOCATED. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.
5. The Franchise Agreement requires non-binding mediation. The mediation will occur at Franchisor's headquarters, with the prevailing party's costs and expenses to be borne by the other party. 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 Mediation Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

1. Illinois law shall apply to and govern the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Franchisess' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

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

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached iTRIP, LLC Franchise Agreement agree as follows:

1. Section 4 of the Franchise Agreement is hereby supplemented and amended to include the following language:

“Notwithstanding the foregoing, payment of the Initial Franchise Fee (and all other fees paid to the franchisor by the franchisee, including payments for goods and services received from the franchisor before your iTrip Location opens for business) shall be deferred until we have satisfied our pre-opening obligations to you under the Franchise Agreement.”

- ~~1.2.~~ Sections 15(A)(2) of the Franchise Agreement is hereby supplemented and amended as follows:

The termination of this Agreement for this reason may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

- ~~2.3.~~ Sections 3(B)(5) and 13(F)(3) of the Franchise Agreement is hereby supplemented and amended as follows:

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

- ~~3.4.~~ Section 22(D) of the Franchise Agreement is hereby supplemented and amended as follows:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

- ~~4.5.~~ Section 22(H) of the Franchise Agreement is hereby supplemented and amended as follows:

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

- ~~5.6.~~ The Franchise Agreement is hereby supplemented and amended as follows:

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.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

The Sections of the Franchise Agreement regarding your obligation to execute a general release upon assignment or renewal are deleted in their entirety in accordance with Minnesota Rule Part 2860.4400(D).

1. Section 7(P) of the Franchise Agreement is hereby deleted in its entirety and replaced with the following language:

P. Franchisor agrees to indemnify Franchisee from and against any losses, liabilities and damages for which Franchisee is held liable by a court of competent jurisdiction in any proceeding arising solely out of Franchisee's use of the mark "ITRIP" and all other trademarks, service marks and associated marks and symbols utilized by Franchisee pursuant to this Agreement, provided such use is in accordance with and pursuant to the provisions of this Agreement. The foregoing indemnification is conditioned upon the following: Franchisee must (i) provide written notice to Franchisor of any claims subject to indemnification hereunder within twenty (20) days of Franchisee's receipt of any written information pertaining to such claims, (ii) tender the defense of the claims to Franchisor if Franchisor so desires, and (iii) permit Franchisor to have sole control of the defense and settlement of any such claim.

2. Section 15 of the Franchise Agreement is hereby modified to add the following subsection after the last subsection therein:

Minnesota Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Minnesota law which provides Franchisee with certain termination and non-renewal rights. Minnesota Statute Section 80C.14, subdivisions 3, 4 and 5 require, except in certain specified cases, that the Franchisee be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of the Franchise Agreement.

3. Section 20(A) of the Franchise Agreement is hereby modified by adding the word "seek to" in the first sentence thereof after the word "to" and before the word "obtain."
4. Section 22(D) of the Franchise Agreement is hereby modified by adding the following text as the last sentence thereof:

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

5. Section 22(H) of the Franchise Agreement is hereby modified by replacing all references of "one year" time limit to "three years" time limit to institute claims.
6. Nothing in the Franchise Agreement is intended to abrogate or reduce any rights of the Franchisee as provided in for Minnesota Statutes, Chapter 80C.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

1. Notwithstanding any provision of the Franchise Agreement, all rights enjoyed by Franchisee and any causes of action arising in its 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 the General Business Law of the State of New York Sections 687.4 and 687.5 be satisfied.
2. Section 11(E) of the Franchise Agreement is hereby modified by adding the following sentence after the last sentence/subsection thereof: "However, the Franchisee shall not be required to indemnify for any claims to the extent such claims arise out of a breach of this Agreement or other civil wrong of the Franchisor."
3. No new or different requirements imposed on Franchisee as a result of any changes made by Franchisor to its Manual pursuant to the terms of the Franchise Agreement, and these changes will not otherwise place an unreasonable economic burden on Franchisee.
4. Notwithstanding any provision of the Franchise Agreement to the contrary, no assignment will be made by the franchisor except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.
5. Section 20(A) of the Franchise Agreement is hereby modified by adding the word "apply to" in the first sentence thereof after the word "to" and before the word "obtain."
6. Notwithstanding Sections 22(A) or 22(D) of the Franchise Agreement, respectively, the choice of law and venue provisions should not be construed as a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the General Business Law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Notwithstanding Section 22(D) of the Franchise Agreement, Section 19-28.1-14 of the Rhode Island Franchise Investment Act (the "Act") provides that a provision in these agreements restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

Notwithstanding anything contained in the Franchise Agreement, the following provisions modify and/or supplement the Franchise Agreement:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including Sections 15 and 3(B) of the Franchise Agreement outlining the termination and renewal of the Franchised Business. There may also be court decisions which may supersede the Franchise Agreement in Franchisee's relationship with Franchisor including Sections 15 and 3(B) of outlining the termination and renewal of the Franchised Business.
2. 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 any litigation as provided in Section 22(E) of the Franchise Agreement involving a Franchised Business purchased in Washington, the litigation site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the litigation, or as determined by the judge.
3. Notwithstanding Section 22(A) of the Franchise Agreement, in the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
4. A release or waiver of rights executed by Franchisee, as required by Sections 3(B)(5) and 13(F)(3) of the Franchise Agreement, shall 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 Franchise 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
5. Notwithstanding Section 13(F)(9) of the Franchise Agreement, transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.
6. 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.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

ADDENDUM REQUIRED BY THE STATE OF WISCONSIN

1. Section 15 of the Franchise Agreement is hereby modified to add the following subsection after the last subsection therein:

Wisconsin Law. The conditions under which this Agreement can be terminated or not renewed may be affected by Wisconsin law, Chapter 135, Wisc. Stats., the Wisconsin Fair Dealership Law.

2. Section 22(A) of the Franchise Agreement is hereby modified by adding the following language after the last sentence thereof:

“The Wisconsin Fair Dealership Law supersedes any provision of this Agreement which is inconsistent with that law.”

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum on the day and year first above written.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

1. INITIAL FRANCHISE FEE

Pursuant to Section 4(A)(1) of the Franchise Agreement, the Designated Territory is classified as a _____ [Boutique/Primary] Market. As such, Franchisee shall pay an Initial Franchise Fee equal to: _____.

2. PREMISES

Pursuant to Section 2(C) of the Franchise Agreement, the Franchised Business shall be located at the following approved Premises:

3. DESIGNATED TERRITORY

Pursuant to Section 2(D) of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

4. Franchisee Contact Person. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Daytime Telephone No.: _____

Evening Telephone No.: _____

Cellular Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

5. Statement of Ownership. If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

<u>Name</u>	<u>Position/Title</u>	<u>Interest (%)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

[Signature page follows.]

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on this ____ day of _____, 20____.

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Spouse Signature: _____

Spouse Name: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

[NAME OF FRANCHISEE ENTITY]

By: _____

Print Name: _____

Title: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

ARTICLE I PERSONAL GUARANTY

The undersigned persons (individually and collectively "you" or "Guarantor") hereby represent to ITRIP, LLC (the "Franchisor") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named _____ (the "Franchisee"), as well as their respective spouses, as of the date this Personal Guaranty (the "Personal Guaranty" or "Guaranty") is executed.

In consideration of the grant by Franchisor to the Franchisee as herein provided, each of 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 ITRIP, LLC 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: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of 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 as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

Each of you hereby agree, furthermore, that without the consent of or notice to any of you and without affecting any of the obligations of you hereunder: (a) any term, covenant or condition of the Franchise Agreement may be amended, compromised, released or otherwise altered by Franchisor and Franchisee, and the undersigned do guarantee and promise to perform all the obligations of Franchisee under the Agreement as so amended, compromised, released or altered; (b) any guarantor of or party to the Franchise Agreement may be released, substituted or added; (c) any right or remedy under the Agreement, this Guaranty or any other instrument or agreement between Franchisor and Franchisee may be exercised, not exercised, impaired, modified, limited, destroyed or suspended; and, (d) Franchisor or any other person may deal in any manner with Franchisee, any of the undersigned, any party to the Franchise Agreement or any other person.

Should Franchisee be in breach or default under the Franchise Agreement or any other agreement(s) by and between Franchisee and Franchisor, Franchisor may proceed directly against any or each of you without first proceeding against Franchisee and without proceeding against or naming in such suit any other Franchisee, signatory to the Franchise Agreement or any others of the undersigned.

Notice to or demand upon Franchisee or any you shall be deemed notice to or demand upon Franchisee and all of you, and no notice or demand need be made to or upon any or all of you. The cessation of or release from liability of Franchisee or any of you shall not relieve any other Guarantors from liability hereunder, under the Franchise Agreement, or under any other agreement(s) between Franchisor and Franchisee, except to the extent that the breach or default has been remedied or moneys owed have been paid.

ARTICLE II CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "System") for the establishment and operation of a iTRIP business (each, an "iTrip Location") and/or franchise (each, a "Franchised Business"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other iTrip Locations; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "Proprietary Marks"); (ix) information generated by, or used or developed in, an iTrip Location's operation, including client names, properties and related rental management agreements or contracts of any kind, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system or proprietary software system; (x) Franchisor's proprietary Operations Manual and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xi) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "Confidential Information"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective client information, including customer names and addresses, contracts/agreements (collectively "Client Information"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

ARTICLE III NON-COMPETITION

You acknowledge that as a participant in the Franchisor's 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 Personal Guaranty, each of the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

1.1. Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that (a) provides rental property management services that are similar to the Approved Services that are offered by an iTrip Location (each, a "Competing Business"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of an ITRIP franchise pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company.

1.2. Employ or seek to employ any management employee who is at that time employed by Franchisor, Franchisor's affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such management employee to leave his or her employment thereat; or

1.3. Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, 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 the Franchise Agreement and this Guaranty.

2.1 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

2.2 For a period of two (2) years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

2.2.1 Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

- (i) at the Premises;
- (ii) within the Designated Territory;
- (iii) within a fifty (50) mile radius of the Designated Territory;

- (iv) within a fifty (50) mile radius of any iTrip Location that is open or under development as of the date the Franchise Agreement expires and/or is terminated; or
- (v) within a fifty (50) mile radius of any other designated territory that has been granted by Franchisor or its affiliates in connection with an iTrip Location as of the date the Franchise Agreement expires and/or is terminated; or

2.2.2 Solicit (a) business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose, or (b) subject to and as permitted by applicable laws where the Franchised Business is located, solicit any of Franchisor's other management employees, or the management employees of Franchisor's affiliates or any other System franchisee to discontinue employment.

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 each of you has 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 this Guaranty.

ARTICLE IV DISPUTE RESOLUTION

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 Tennessee.

3. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal 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 Agreement.

4. **Mediation.** At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, at Franchisor's then-current headquarters under the auspices of the American Arbitration Association ("AAA"), in accordance with 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 that 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 elect to exercise our option

to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other 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 may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Guaranty.

4.1. *Excepted Claims.* The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "Excepted Claims").

5. **Jurisdiction and Venue.** Subject to the other dispute resolution provisions in this Guaranty, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located closest to Franchisor's then-current headquarters or, if appropriate, the United States District Court for the Middle District of Tennessee. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

6. **Third Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

7. **Right to Injunctive Relief.** Nothing contained in this Guaranty shall prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

8. **JURY TRIAL AND CLASS ACTION 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 AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED 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.**

9. **Limitation of Action.** You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

10. **Punitive Damages.** You hereby 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 agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this 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.

11. **Costs and Attorneys' Fees.** If Franchisee is in breach or default of any monetary or non-monetary 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), you must reimburse Franchisor for all costs/expenses incurred in connection with enforcing its rights under this Agreement including all reasonable attorneys' fees, court costs and litigation expenses. 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 from you 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.

12. **Attorneys' Fees – Third Party Actions.** If Franchisor becomes a party to any action or proceeding commenced or instituted against Franchisor by a third party arising out of or relating to any claimed or actual act, error or omission of Franchisee's and/or any of Franchisee's officers, directors, shareholders, management, employees, contractors and/or representatives (the "Franchisee Party(ies)") Franchisee's iTrip Location and/or Franchisee's Business by virtue of statutory, "vicarious", "principal/agent" or other liabilities asserted against or imposed on Franchisor as a result of Franchisor's status as Franchisor; or if Franchisor becomes a party to any litigation or any insolvency proceeding involving Franchisee pursuant to any bankruptcy or insolvency code (including any adversary proceedings in conjunction with bankruptcy or insolvency proceedings), then you will be liable to, and must promptly reimburse Franchisor for, the reasonable attorneys' fees, experts' fees, court costs, travel and lodging costs and all other expenses Franchisor incurs in such action or proceeding regardless of whether such action or proceeding proceeds to judgment. In addition, Franchisor will be entitled to recover from you all costs of collection, interest, attorneys' fees and experts' fees to Franchisor's proof of claim in any insolvency or bankruptcy proceeding Franchisee files.

13. **Nonwaiver.** Franchisor's failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us 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. Your election to exercise any remedy available by law or contract shall not be deemed a waiver or preclude exercise of any other remedy.

14. **No Personal Liability.** You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, 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 our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told

by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

15. **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 language of all provisions of this Guaranty shall be construed according to fair meaning and not strictly construed against either party. 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.

16. **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.

17. **Successors.** References to “Franchisor” or “the undersigned,” or “you” include the respective parties' heirs, successors, assigns or transferees.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

Signature of Guarantor

Signature of Spouse

Print Name

Print Name

Address

Address

City, State Zip Code

City, State Zip Code

Signature of Guarantor

Signature of Spouse

Address

Address

City, State Zip Code

City, State Zip Code

Signature of Guarantor

Signature of Spouse

Address

Address

City, State Zip Code

City, State Zip Code

Signature of Guarantor

Signature of Spouse

Address

Address

City, State Zip Code

City, State Zip Code

EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (ONLY APPLICABLE IF OPERATING FROM A PREMISES OTHER THAN A HOME OFFICE)

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this “Assignment”) is made, entered into and effective on this ____ day of _____, 20____ Effective Date,) by and between: (i) ITRIP, LLC, a Tennessee limited liability company with its principal place of business at 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 (the “Franchisor”); (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “Franchisee”); and (iii) _____, a (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the “Landlord”).

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the “Franchise Agreement”) dated as of _____, 20____ with the Franchisee, pursuant to which the Franchisee plans to own and operate an ITRIP franchised business (the “Franchised Business”) located at _____ (the “Site”). In addition, pursuant to that certain Lease Agreement (the “Lease”), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the “Lessor”). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information:** The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.
2. **Incorporation of Terms:** Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.
3. **Indemnification of Franchisor:** Franchisee agrees to indemnify and hold Franchisor and its affiliates, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys’ fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee’s breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.
4. **Conditional Assignment:** Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee’s rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise

Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, shall at Franchisor's option be deemed to be an immediate default under the Franchise Agreement, and the Franchisor shall be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment shall constitute a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments deemed necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination:** Franchisee shall not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Franchisor's Rights Upon Termination of Franchise Agreement.** After (a) the expiration of the Franchise Agreement (so long as Franchisor provides the Landlord with no less than 60 days advance written notice thereof), or (b) the sooner termination of the Franchise Agreement for any reason (so long as Franchisor either provides the Landlord with (x) a copy of Franchisor's notice of termination to Franchisee or (y) an agreement regarding the date of termination), Franchisor will have the right (but not the obligation) to cure any defaults within a reasonable period of time and at Franchisor's election, either to assume the obligations of and replace Franchisee as the lessee under the Lease, or to have another franchisee, licensee, joint venture partner or other designee of Franchisor's assume the obligations of and replace Franchisee as the lessee under the Lease. If Franchisor assumes the obligations of and replaces Franchisee as the lessee under the Lease and then subsequently reassigns the Lease to another franchisee, licensee, joint venture partner or other designee of Franchisor, upon any such reassignment, Franchisor shall be released from all prospective obligations of the lessee.

7. **Franchisee's Default Under Lease; Franchisor's Exercise of Remedies:** Simultaneous with giving notice to Franchisee of any default, the Landlord agrees to furnish to Franchisor written notice specifying such default and the method of curing the default; allow Franchisor 30 days after receipt of the notice to cure the defaults (except that (i) if the default is the non-payment of rent, Franchisor will have only fifteen days from receipt of notice to cure the default, and (ii) if the default is of such a nature that it cannot, with the exercise of reasonable diligence, be cured within 30 days, the time for cure shall be extended to be the same as that set forth in the Lease); and, allow Franchisor to exercise Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Tenant's interest in the Lease under the same conditions as set forth in Section '6', above. In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor shall be entitled to exercise any one or more of the following remedies in its sole discretion:

a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

c) to exclude the Franchisee, its agents or employees from the Site;

d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be deemed proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

8. **Landlord's Acceptance of Franchisor.** The Landlord agrees to accept Franchisor or another franchisee designated by Franchisor as a substitute tenant under the Lease upon notice from Franchisor that Franchisor is exercising Franchisor's option for Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor to succeed to Franchisor's interest in the Lease and/or to reassign the Lease to another franchisee following Franchisor's assumption of obligations under the Lease, under the same conditions as set forth in Section '6', above.

9. **Power of Attorney:** Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

10. **Election of Remedies:** It is understood and agreed that the provisions set forth in this Assignment are deemed a special remedy given to the Franchisor and are not deemed to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies shall be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6 hereof but shall have the irrevocable right to do so.

11. **Landlord's Acknowledgment.** The Landlord acknowledges that Franchisee alone is responsible for all debts, payments and performances under the Lease before Franchisor or another franchisee, licensee, joint venture partner or other designee of Franchisor takes actual possession of the premises/

12. **Amendment of Lease.** The Lease may not be modified or amended without Franchisor's advance written consent, which Franchisor may not unreasonably withhold. The Landlord will provide Franchisor with copies of all proposed modifications or amendments at least 30 days prior to their execution and true and correct copies of the executed modifications and amendments.

13. **Copies of Notices from Landlord.** The Landlord agrees to furnish Franchisor with copies of all letters and notices sent to Franchisee pertaining to the Lease and the premises, at the same time and in the same manner that these letters and notices are sent to Franchisee.

14. **Binding Agreements:** This Assignment and all provisions hereof shall be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein shall include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

15. **Assignment to Control.** This Assignment governs and controls over any conflicting provisions in the Lease.

16. **Attorneys' Fees, Etc.** In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

17. **Severability.** If any of the provisions of this Assignment or any section or subsection of this Assignment shall be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISOR

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

Spouse Signature: _____

Spouse Name: _____

**IF A PARTNERSHIP, CORPORATION,
LIMITED LIABILITY COMPANY OR
OTHER ENTITY:**

[NAME OF FRANCHISEE ENTITY]

By: _____

Print Name: _____

Title: _____

LESSOR

By: _____

Name: _____

Title: _____

EXHIBIT D TO THE FRANCHISE AGREEMENT
EFT AUTHORIZATION FORM

Bank Name: _____
ABA# : _____
Acct. No.: _____
Acct. Name: _____

Effective as of the date of the signature below, **[Franchisee Name]** (the "Franchisee") hereby authorizes ITRIP, LLC (the "Company") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____ (the "Franchise Agreement") for the franchised business located at: _____ (the "Franchised Business"): (i) all Royalty Fees; (ii) Fund Contributions (if a Fund is established); (iii) any amounts due and owing the Company or its affiliates in connection with marketing materials, software licenses and/or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a weekly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISOR:

ITRIP, LLC

By: _____
Steven W. Presley, Chief Executive Officer

Date: _____

FRANCHISEE:

IF AN INDIVIDUAL:

By: _____

Print Name: _____

Date: _____

**IF A PARTNERSHIP, CORPORATION, OR
OTHER ENTITY:**

[NAME OF FRANCHISEE ENTITY]

By: _____

Print Name: _____

Title: _____

Date: _____

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.

EXHIBIT E TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

(for trained employees, officers, directors, general partners, members, Designated Managers and any other management personnel of Franchisee)

In consideration of my being a [INSERT TITLE/ROLE WITH FRANCHISEE] of _____ (the "Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I (the undersigned) hereby acknowledge and agree that Franchisee has acquired the right from ITRIP, LLC (the "Company") to: (i) establish and operate a franchised iTrip Location (the "Franchised Business"); and (ii) use in the operation of the Franchised Business the Company's trade names, trademarks and service marks (collectively, the "Proprietary Marks") and the Company's unique and distinctive format and system relating to the establishment and operation of iTrip Location businesses (the "System"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and approved location: _____ (the "Premises").

1. The Company possesses certain proprietary and confidential information relating to the operation of the Franchised Business and System generally, including without limitation: Company's proprietary and confidential Operations Manual and other manuals providing guidelines, standards and specifications related to the establishment and operation of the Franchised Business (collectively, the "Manual"); Franchisor's proprietary training materials and programs, as well as proprietary marketing methods and other instructional materials, trade secrets; information related to any other proprietary methodology or aspects of the System or the establishment and continued operation of the Franchised Business; financial information; any and all customer lists, contracts and other customer information obtained through the operation of the Franchised Business and other iTrip Locations; any information related to any type of proprietary software that may be developed and/or used in the operation of with the Franchised Business; and any techniques, methods and know-how related to the operation of iTrip Location business or otherwise used in connection with the System, which includes certain trade secrets, copyrighted materials, methods and other techniques and know-how (collectively, the "Confidential Information").

2. Any other information, knowledge, know-how, and techniques which the Company specifically designates as confidential will also be deemed to be Confidential Information for purposes of this Agreement.

3. As [INSERT TITLE WITH RESPECT TO FRANCHISEE] of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me the training program and subsequent ongoing training, the 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 Franchised Business during the term hereof, and the use or duplication of the Confidential Information, in whole or in part, 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 as [INSERT TITLE] of 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. I will surrender any material containing some or all of the Confidential Information to the Company, upon request, or upon conclusion of the use for which the information or material may have been furnished.

7. 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 that: (i) offers or provides property management services that are the same or similar to the Approved Services offer by an iTrip Location (a "Competing Business"); or (iii) grants or has granted franchises or licenses, or establishes or has established joint ventures, for one or more Competing Businesses. I also agree that I will not undertake any action to divert business from the Franchised Business to any Competing Business, or solicit any of the former customers or management employees of Franchisee for any competitive business purpose.

7.1 *Post-Term Restrictive Covenant for Designated Manager of Franchised Business or Manager/Officers/Directors of Franchisee.* In the event I am a manager of the Franchised Business, or an officer/director/manager/partner of Franchisee that has not already executed a Personal Guaranty agreeing to be bound by the terms of the Franchise Agreement, then I further agree that I will not be involved in a Competing Business of any kind for a period of two years after the expiration or termination of my employment with Franchisee for any reason: (i) at or within a 50 mile radius of the Premises; or (ii) within a 50-mile radius of any other iTrip Location business that exists at the time my employment with Franchisee ceases through the date of my involvement with the Competing Business. I also agree that I will not be involved in the franchising or licensing of any Competing Business at any location, or undertake any action to divert business from the Franchised Business to any Competing Business or solicit any of the former customers or management employees of Franchisee for any competitive business purpose, during this two (2) year period following the termination or expiration of my employment with the Franchisee.

8. 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.

9. 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.

10. 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 a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security. 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.

11. I shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Confidential Information and the System.

12. Franchisee shall make all commercially reasonable efforts to ensure that I act as required by this Agreement.

13. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by me shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by me.

14. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF **[INSERT STATE WHERE FRANCHISEE IS LOCATED]** AND MYSELF HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURT CLOSEST TO THE PREMISES OF THE FRANCHISED BUSINESS OR, IF APPROPRIATE, THE FEDERAL COURT CLOSED TO SUCH PREMISES. I HEREBY WAIVE ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. I HEREBY AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON ME IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY **[INSERT STATE]** OR FEDERAL LAW. I FURTHER AGREE THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE ONE OF THE COURTS DESCRIBED ABOVE IN THIS SECTION; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

15. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. The parties 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 any unappealed final decision to which Franchisor is a part, I expressly agree to be bound by any lesser covenant subsumed within the terms of the 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.

16. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

17. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile or electronic mail, (provided that the sender confirms the facsimile or electronic mail, by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission), to the respective party at the following address unless and until a different address has been designated by written notice.

For notices to Franchisor, the notice shall be addressed to

ITRIP, LLC
Attn: Steve Presley, President
205 Powell Place, Suite 309
Brentwood, Tennessee 37027

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

18. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective parent, successor and assigns.

IN WITNESS WHEREOF, this Agreement is made and entered into by the undersigned parties as of the Effective Date.

UNDERSIGNED

Signature: _____

Name: _____

Address: _____

Title: _____

ACKNOWLEDGED BY FRANCHISEE

[FRANCHISEE NAME]

By: _____

Name: _____

Title: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____, doing business as iTrip Location (the "Assignor"), in exchange for valuable consideration provided by ITRIP, LLC (the "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 ITRIP franchised business located at _____ (collectively, 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, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar 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 and/or domain name registrar, 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 the telephone company or domain name registrar to effectuate this agreement, and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

[NAME OF FRANCHISEE]

BY: _____

Date: _____

NAME: _____

TITLE: _____

ASSIGNEE

ITRIP, LLC

BY: _____

Steven W. Presley, President

EXHIBIT G TO THE FRANCHISE AGREEMENT
SOFTWARE LICENSE AGREEMENT

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SOFTWARE LICENSE AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, ____, between ITRIP, LLC, a limited liability company with its principal office 205 Powell Place, Suite 309, Brentwood, Tennessee 37027 ("Licensor") and _____ ("Licensee").
whose principal address is _____

1. GRANT OF LICENSE

1.01 Grant of License

Licensor grants to Licensee a nontransferable, nonexclusive single-site license for the use of those computer programs, system documentation manuals and other materials, including without limitation, Licensor's Proprietary Software and Website Hosting Program (as defined in that certain Franchise Agreement between Licensor and Licensee dated _____) (hereinafter collectively referred to as "iTrip Software" or the "Software") supplied by Licensor to Licensee during the term of this Agreement.

1.02 Revisions, Additions and Deletions

Licensor may, from time to time, revise the iTrip Software or any part of the Software. In doing so, Licensor incurs no obligation to furnish these revisions to Licensee. Licensor reserves the right to add and/or delete, at its sole option, computer programs and/or features to the iTrip Software. If Licensor furnishes Licensee with revisions or additions to the iTrip Software, Licensor specifically reserves the right to charge Licensee for them at the prices and on the terms that Licensor determines at its sole option, including, without limitation, any costs associated with installation of computer hardware, equipment, connections, data systems, software, etc. Any updates, replacements, revisions, enhancements, additions or conversions to the iTrip Software furnished by Licensor to Licensee will become part of the "Software" under this Agreement and subject to this Agreement.

1.03 Rights of Licensor

Licensee recognizes that Licensor is supplying the iTrip Software and all additional materials and information, including but not limited to all processes, ideas, data and printed material, to Licensee subject to Licensor's proprietary rights. Licensee agrees with Licensor that the iTrip Software and all information and/or data supplied by Licensor in any form, including but not limited to machine-readable and/or printed form, are trade secrets of Licensor embodying substantial creative efforts and confidential information, ideas, and expressions, are protected by civil and criminal law, and by the law of copyright, are very valuable to Licensor, and that their use and disclosure must be carefully and continuously controlled. Accordingly, Licensee agrees to treat (and take precautions to ensure that its employees treat) the Software as confidential in accordance with the confidentiality requirements and conditions set forth in this Agreement. Licensor is not obligated to provide and Licensee acquires no right of any kind under this Agreement with respect to any source code for the Software.

1.04 Title

Licensor retains title to the iTrip Software, the system documentation manuals, any additional materials and information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form). Licensee agrees to keep every item to which Licensor retains title free and clear of all claims, liens and encumbrances except those of Licensor. Any act of Licensee, voluntary or involuntary, purporting to create a claim, lien or encumbrance on such an item will be void.

1.05 No Other Rights Granted

Apart from the license rights specifically enumerated in this Agreement, this Agreement does not include a grant to Licensee of any ownership right, title or interest, nor any security interest or other interest, in any Intellectual Property Rights (as defined in the following sentence) relating to the Software or any part of the Software. "Intellectual Property Rights" means any and all rights to exclude under patent law, copyright law, oral

rights law, trade-secret law, semiconductor chip protection law, trademark law, unfair competition law or other similar rights.

2. TERM

2.01 Term

This License Agreement is effective from the date of execution by Licensor and will remain in full force so long as Licensee remains a Franchisee in good standing under to the iTrip, LLC Franchise Agreement entered into between iTrip, LLC and Licensee, dated _____ (the "Franchise Agreement"). The Franchise Agreement is incorporated in this Agreement as though set forth in full.

3. RESTRICTIONS ON LICENSEE

3.01 Single-Site Use

The iTrip Software and other materials provided under this Agreement may be used only on a single central processing unit (referred to as the "CPU") and its associated networked peripheral units at the same site. "Use" of a program will consist either of copying any portion of the program from storage of units or media into the CPU, or the processing of data with the program, or both. Licensee agrees to keep all programs, documentation and materials in any form (including but not limited to object, machine-readable and/or printed form) supplied under this license in a secure place, under access and use restrictions satisfactory to Licensor, and not less strict than those applied to Licensee's most valuable and sensitive programs. In the event that the CPU becomes inoperable, Licensee shall have the right to temporarily move the Software to a back-up system at the same site, for a reasonable period of time, while the CPU is inoperable. Licensee shall provide Licensor with written notice within five (5) days of any such movement.

Licensee shall be exclusively responsible for the supervision, management and control of its use of the Software and the operating environment, including, but not limited to: (i) assuring proper audit controls and operating methods; (ii) establishing adequate back-up plans in the event of a Software or hardware malfunction, including restart and recovery procedures; (iii) implementing sufficient procedures and checkpoints to satisfy its requirements for security and accuracy of input and output; and (iv) maintaining the proper operating environment for the Software.

3.02 Copies

Licensee agrees that while this license is in effect, or while Licensee has custody or possession of any property of Licensor, and except as provided in the following paragraph, Licensee will not (a) copy or duplicate, or permit anyone else to copy or duplicate, any physical or magnetic version of the iTrip Software or other information furnished by Licensor in any form (including but not limited to object, machine-readable and/or printed form), or (b) create or attempt to create, or permit others to create or attempt to create, by reverse engineering or otherwise, the source programs or any part of them from the object program or from any other information made available under this license or otherwise (whether oral, written, tangible or intangible).

Notwithstanding the foregoing, any iTrip Software or additional material which is provided by Licensor in any form (including but not limited to object, machine-readable and/or printed form) may be copied, in whole or in part, solely for the use of Licensee at Licensee's address stated above, for archive or emergency restart purposes, to replace a worn copy, or to understand the contents of such machine-readable material, provided, however, that no more than three printed copies and three object or machine-readable copies will be in existence under this license at any one time without prior written consent from Licensor. The original, and any copies, in whole or in part, of iTrip Software and/or additional materials supplied to Licensee by Licensor, which are made under this Agreement, will be the property of Licensor for all purposes.

Licensee agrees to maintain appropriate records of the number and location of all copies of the Software and make such records available upon Licensor's request. Licensee further agrees to reproduce all copyright and other proprietary notices on all copies of the Software in the same form and manner that such copyright and other proprietary notices are originally included on the Software

Licensee agrees to keep any copies and the original at Licensee's address stated above, except that the Licensee may transport or transmit a copy or the original of any licensed program to another location for back-up use when required by CPU malfunction, provided that, when the malfunction is corrected, the copy or the original is destroyed or returned to Licensee's above address.

Licensee agrees to respect and not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on any of the Software or output generated by the Software, and to reproduce and include same on each copy of the Software.

3.03 No Reverse Engineering or Modification

Licensee agrees that while this license is in effect, or while Licensor has custody or possession of any property of Licensor, Licensee will not modify, translate, enhance, merge, reverse engineer, reverse assemble, disassemble, or decompile the Software or any portion of the Software, derive the source code or the underlying ideas, algorithms, structure or organization form of the Software or any portion thereof or otherwise reduce the Software or any portion of the Software to human-readable form. Licensee may not, and may not attempt to, defeat, avoid, by-pass, remove, deactivate or otherwise circumvent any software protection mechanisms in the Software including, without limitation, any such mechanism used to restrict or control the functionality of the Software.

3.04 Transfer of Software

If Licensee transfers possession of any copy, modification, translation or merged portion of the iTrip Software to another party, the attempt at transfer is void and this license is automatically terminated.

4. PROTECTION AND SECURITY

4.01 Non-Disclosure

Licensee agrees not to disclose, publish, display, translate, release, transfer or otherwise make available the iTrip Software, any part of the Software or any other materials furnished by Licensor in any form (or any copy of any of the foregoing) to any person, without the written consent of Licensor, which may be withheld with or without cause. Licensee agrees that it will take all necessary action including, but not necessarily limited to, instructing and entering into agreements with all of Licensee's employees, agents, representatives, affiliates, subsidiaries, and/or other third persons/entities associated with Licensee to protect the copyright and trade secrets of Licensor in and to those materials licensed under this Agreement and to assure Licensee's compliance with its obligations under this Agreement. Licensee shall use its best efforts to assist Licensor in identifying and preventing any unauthorized use, copying or disclosure of the Software or any portions thereof. Without limitation of the foregoing, Licensee shall advise Licensor immediately in the event Licensee learns or has reason to believe that any person who Licensee has given access to the Software, or any portion thereof, has violated or intends to violate the terms of this Agreement. The provisions of this Section 4.01 will survive the termination of this Agreement. Licensee shall not rent, lease, loan, distribute, sell, sublicense or encumber the Software.

Licensee shall not create any derivative works from the Software. Licensee agrees that any derivative works created by Licensee from the Software, including, but not limited to, software or other electronic works, are considered derivative works under U.S. law and that use of the derivative work is subject to the terms and conditions of this License Agreement. Derivative works may not be sublicensed, sold, leased, rented, lent, or given away without written permission from Licensor. Licensor will not be responsible for unauthorized, modified and/or regenerated software or derivative works.

Licensee understands and agrees that Licensor may from time to time adopt whatever mechanical or other electronic methods that Licensor deems necessary (in its sole and exclusive judgment) to prevent the unauthorized use and/or distribution of the iTrip Software.

4.02 Off-Site Communications Lines

Licensee may not permit the computer programs licensed under this Agreement to be transmitted over any off-site communications lines for any purpose.

5. UNAUTHORIZED ACTS

5.01 Unauthorized Acts

Licensee agrees to notify Licensor immediately of the unauthorized possession, use or knowledge of any item supplied through this license and of other information made available, to Licensee under this Agreement, by any person or organization not authorized by this Agreement to have such possession, use or knowledge. Licensee agrees to promptly furnish full details of the possession, use or knowledge to Licensor, to assist in preventing the recurrence of the possession, use or knowledge, and to cooperate with Licensor in any litigation against third parties deemed necessary by Licensor to protect its proprietary rights. Licensee's compliance with this paragraph will not be construed in any way as a waiver of Licensor's rights to recover damages or obtain other relief against Licensee for its negligent or intentional harm to Licensor's proprietary rights, or for breach of Licensor's contractual rights.

5.02 Export Law Assurances.

Licensee may not use or otherwise export or reexport the Software except as authorized by United States law and the laws of the jurisdiction in which the Software was obtained. In particular, but without limitation, the Software may not be exported or reexported: (i) into, or to a national or resident of, any U.S. embargoed country, or (ii) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals, the U.S. Department of Commerce's Table of Denial Orders or to whom export or reexport is prohibited by the United States Department of Treasury Office of Foreign Assets Control ("OFAC") or any other United States or foreign agency or authority. Licensee represents and warrants that Licensee is not located in, under control of, or a national or resident of any such country or on any such list.

6. INSPECTION

6.01 Inspection

To assist Licensor in the protection of its proprietary rights, Licensee agrees to permit representatives of Licensor to inspect, at all reasonable times, any location at which items supplied under this Agreement are being used or kept.

7. ASSIGNMENT OF LICENSE RIGHTS

7.01 Assignment by Licensor

Licensor will have the right to assign this Agreement, and all of its rights and privileges under this Agreement, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Licensor under this Agreement: (i) the assignee must, at the time of the assignment, be financially responsible and economically capable of performing the obligations of Licensor under this Agreement, and (ii) the assignee must expressly assume and agree to perform these obligations.

7.02 Assignment by Licensee

With respect to Licensee's obligations under this Agreement, this License Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Licensee, and the trust and confidentiality reposed in Licensee by Licensor. Therefore, neither Licensee's interest in this Agreement nor any of Licensee's rights or privileges under this Agreement, may be assigned, sold, transferred, shared, redeemed, sublicensed or divided, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, without the prior written consent of Licensor. Any actual or attempted assignment, transfer or sale of this Agreement, or any interest in this Agreement, or of the franchised business, made or accomplished in violation of the terms of this Article will be null and void and will constitute an incurable breach of this Agreement by Licensee, and, if this occurs, this Agreement will automatically terminate without further notice.

8. INJUNCTION

8.01 Injunction

Licensee acknowledges that the unauthorized use, modification, transfer or disclosure of the Software or copies thereof will (i) substantially diminish the value to Licensor of the trade secrets and other proprietary interests that are the subject of this Agreement; (ii) render Licensor's remedy at law for such unauthorized use, disclosure or transfer inadequate; and (iii) cause irreparable injury in a short period of time. If Licensee breaches any of its obligations with respect to the use or confidentiality of the Software or if Licensee attempts to use, copy, modify, license, or convey the items supplied by Licensor under this Agreement, in a manner contrary to the terms of this Agreement, in competition with Licensor or in derogation of Licensor's proprietary rights (whether these rights are explicitly stated in this Agreement, determined by law or otherwise), then Licensor shall be entitled to equitable relief to protect its interests therein, including, but not limited to, preliminary and permanent injunctive relief, without having to post bond or other security.

9. DEFAULT AND TERMINATION

9.01 Termination

If the Franchise Agreement is terminated by either party for any reason or expires, then upon the effective date of the termination or expiration of the Franchise Agreement, this Agreement will automatically terminate without notice to Licensee.

Licensor reserves the right to immediately terminate this License Agreement, at Licensor's sole and exclusive option, if Licensee breached any term of this Agreement or of the Franchise Agreement. This termination will be without prejudice to any right or claims Licensor may have and all rights granted under this Agreement will immediately revert to Licensor. If Licensor terminates this Agreement, Licensee agrees to return to Licensor all property of and/or materials supplied by Licensor immediately after the termination.

The termination or expiration of this Agreement or of the Franchise Agreement for any reason whatsoever will not relieve Licensee of its obligations of confidentiality, protection and security under this Agreement, or of the restriction on copying and use as provided in this Agreement, with respect to the iTrip Software.

Upon termination or expiration of this Agreement or of the Franchise Agreement for any reason, Licensee agrees to immediately return to Licensor the iTrip Software, including, without limitation, all computer software, disks, tapes and other magnetic storage media (and any future technological substitutions for any of them) in good condition, allowing for normal wear and tear.

9.02 Cross-Default

Any default or breach by Licensee (or any of its affiliates) of any other agreement between Licensor, or its parent or the subsidiary, affiliate or designee of either entity (collectively, Licensor's "Affiliates") and Licensee (or any of its affiliates) will be deemed a default under this Agreement, and any default or breach of this Agreement by Licensee (or any of its affiliates) will be deemed a default or breach under any and all other agreements between Licensor (or any of its Affiliates) and Licensee (or any of its affiliates). If the nature of such default under any other agreement would have permitted Licensor to terminate this Agreement if default had occurred under this Agreement, then Licensor (or its Affiliates) will have the right to terminate all the other agreements between Licensor (or its Affiliates) and Licensee (or any of its affiliates) in the same manner provided for in this Agreement for termination of this Agreement.

10. BINDING EFFECT

10.01 Binding Effect

Licensee agrees that this Agreement binds the named Licensee and each of its employees, agents, representatives and persons associated with it. This Agreement further binds each affiliated and subsidiary firm, corporation, or other organization and any person, firm, corporation or other organization with which the Licensee may enter a joint venture or other cooperative enterprise.

11. SECURITY INTEREST

11.01 Security Interest

Licensee hereby gives to Licensor a security interest in and to the iTrip Software and other materials furnished under this Agreement as security for Licensee's performance of all its obligations under this Agreement, together with the right, without liability, to repossess the iTrip Software and other materials licensed under this Agreement, with or without notice, in the event of default in any of Licensee's obligations under this Agreement.

12. WAIVER OR DELAY; INTEGRATION; AMENDMENT

12.01 Waiver or Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Licensee under this Agreement shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

12.02 Integration

This Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, understandings, representations and agreements; provided, however, that, and that this Agreement is not to limit any rights that Licensor may have under trade secret, copyright, patent, or other laws that may be available to it. Licensee acknowledges that that the Agreement does not include any other prior or contemporaneous promises, representations, or descriptions regarding the Software, or that if any such promises, representations, or descriptions were made, Licensee is not relying on them. Notwithstanding the foregoing however, nothing in this Section is intended to disclaim the representations Licensor made in the Franchise Disclosure Document that it provided to Licensee.

12.03 Amendment

This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties hereto.

13. DISCLAIMER

13.01 DISCLAIMER

LICENSOR WARRANTS AND REPRESENTS THAT IT HAS THE AUTHORITY TO EXTEND THE RIGHTS GRANTED TO LICENSEE IN THIS AGREEMENT. THIS EXPRESS WARRANTY IS EXCLUSIVE AND IN LIEU OF, AND LICENSOR HEREBY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS OR ADEQUACY FOR ANY PARTICULAR PURPOSE OR USE (WHETHER OR NOT LICENSOR KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE); WARRANTIES OF QUALITY OR PRODUCTIVENESS, CAPACITY, ACCURACY OR SYSTEM INTEGRATION; IMPLIED WARRANTIES AGAINST INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; AND, WARRANTIES AGAINST INTERFERENCE WITH LICENSEE'S ENJOYMENT OF THE LICENSED INFORMATION OR LICENSED INFORMATIONAL RIGHTS. IT IS SPECIFICALLY UNDERSTOOD AND AGREED THAT THE LICENSED SOFTWARE AND OTHER INFORMATION MADE AVAILABLE HEREUNDER BY LICENSOR ARE MADE AVAILABLE ON AN "AS-IS" BASIS AND THAT THE ENTIRE RISK AS TO SATISFACTORY QUALITY, PERFORMANCE, ACCURACY AND EFFORT IS WITH LICENSEE. LICENSOR WILL NOT BE LIABLE (WHETHER IN CONTRACT, WARRANTY, TORT, OR OTHERWISE) TO LICENSEE, THIRD PARTIES, OR ANY OTHER PERSON CLAIMING THROUGH OR UNDER LICENSEE, FOR ANY DAMAGES OR EXPENSES, INCLUDING BUT NOT LIMITED TO, ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR PUNITIVE

DAMAGES, LOST DATA, DOWNTIME COSTS, LOST PROFITS AND/OR LOST BUSINESS, ARISING OUT OF OR IN CONNECTION WITH ANY USE, OR INABILITY TO USE, ANY OF THE LICENSED SOFTWARE, MATERIALS OR INFORMATION FURNISHED, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, COMPUTER FAILURE OR MALFUNCTION, BUSINESS INTERRUPTION OR ANY AND ALL OTHER COMMERCIAL DAMAGES OR LOSSES, WHETHER CAUSED BY DEFECT, NEGLIGENCE, BREACH OF WARRANTY, DELAY IN DELIVERY OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY (WHETHER TORT, CONTRACT, STRICT LIABILITY, OR OTHERWISE), EVEN IF LICENSOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR EXPENSES. FURTHER, NO OBLIGATION OR LIABILITY WILL ARISE OR FLOW OUT OF LICENSOR'S RENDERING OF TECHNICAL OR OTHER ADVICE IN CONNECTION WITH THE SOFTWARE OR ANY EQUIPMENT USED WITH THE SOFTWARE. LICENSOR DOES NOT REPRESENT OR WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE OR MEET ANY SPECIFIC REQUIREMENTS, THAT THE SOFTWARE WILL BE FREE OF VIRUSES, WORMS, OTHER HARMFUL COMPONENTS OR OTHER PROGRAM LIMITATIONS OR THAT ANY DEFECTS OR ERRORS IN THE SOFTWARE WILL BE CORRECTED. THIS DISCLAIMER OF WARRANTY CONSTITUTES AN ESSENTIAL PART OF THIS AGREEMENT. NO AGENT OF LICENSOR IS AUTHORIZED TO ALTER OR EXCEED THE WARRANTY OBLIGATIONS OF LICENSOR AS SET FORTH HEREIN. NO USE OF THE PRODUCT IS AUTHORIZED HEREUNDER EXCEPT UNDER THIS DISCLAIMER; PROVIDED, HOWEVER, THAT SOME STATES OR JURISDICTIONS DO NOT ALLOW EXCLUSIONS OF AN IMPLIED WARRANTY AND SOME STATES OR JURISDICTIONS DO NOT ALLOW THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THAT THIS DISCLAIMER MAY NOT APPLY TO LICENSEE. TO THE EXTENT THAT LICENSOR MAY NOT, AS A MATTER OF APPLICABLE LAW, DISCLAIM ANY WARRANTY, THE SCOPE AND DURATION OF SUCH WARRANTY SHALL BE THE MINIMUM PERMITTED UNDER APPLICABLE LAW.

14. LIMITATION OF LIABILITY

14.01 LIMITATION OF LIABILITY

LICENSOR'S LIABILITY FOR DAMAGES UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE LEGAL THEORY, WILL NOT EXCEED THE COST OF REPLACEMENT OF THE SOFTWARE LICENSED UNDER THIS AGREEMENT. THIS WILL BE LICENSEE'S SOLE AND EXCLUSIVE REMEDY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF ANY PARTY'S OBLIGATIONS UNDER THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED, EXCEPT THAT AN ACTION FOR NONPAYMENT MAY BE BROUGHT WITHIN ONE YEAR OF THE DATE OF LAST PAYMENT.

15. SEVERABILITY

15.01 Severability

Nothing contained in this Agreement may be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation required to be made applicable to this Agreement, the latter will prevail, but the affected provision of this Agreement will be curtailed and limited only to the extent necessary to bring it within the requirement of the law. If any article, section, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the entire Agreement will not fail for this reason, and the balance of the Agreement will continue in full force and effect. If any court of competent jurisdiction deems any provision of this Agreement (other than for the payment of money) so unreasonable as to be unenforceable as a matter of law, the court may declare a reasonable modification of this Agreement and this Agreement will be valid and enforceable, and the parties agree to be bound by and perform this Agreement as so modified.

16. GOVERNING LAW; VENUE

16.01 Governing Law

This Agreement; all relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of Tennessee without recourse to Tennessee (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of Tennessee, and if the franchised business is located outside of Tennessee and the provision would be enforceable under the laws of the state in which the franchised business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, unfair or deceptive trade practice, fiduciary or any other doctrine of law of the State of Tennessee or any other state, which would not otherwise apply.

16.02 Venue

Any litigation arising out of or related to this Agreement; any breach of this Agreement; the relations between the parties; and, any and all disputes between the parties, whether sounding in contract, tort, or otherwise, will be instituted exclusively in a state court of general jurisdiction closest to Licensor's then-current corporate headquarters or, if appropriate, the United States District Court for the Middle District of Tennessee. Licensee hereby waives and covenants never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of *forum non conveniens*).

17. COSTS OF ENFORCEMENT; ATTORNEYS' FEES

17.01 Costs of Enforcement

Licensor will be entitled to recover from Licensee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, if Licensor prevails in any action instituted against Licensee in order to secure or protect those rights inuring to Licensor under this Agreement, or to enforce the terms of this Agreement.

17.02 Attorneys' Fees

If Licensor becomes a party to any litigation or other proceeding concerning this Agreement by reason of any act or omission of Licensee or Licensee's authorized representatives and not by any act or omission of Licensor or any act or omission of Licensor's authorized representatives, or if Licensor becomes a party to any litigation or any insolvency proceedings pursuant to the bankruptcy code or any adversary proceeding in conjunction with an insolvency proceeding, Licensee will be liable to Licensor for reasonable attorneys' fees, experts' fees and court costs incurred by Licensor in the litigation or other proceeding regardless of whether the litigation or other proceeding or action proceeds to judgment. In addition, Licensor will be entitled to add all costs of collection, interest, attorneys' fees and experts' fees to its proof of claim in any insolvency proceedings filed by Licensee.

18. SUBMISSION OF AGREEMENT

18.01 Submission of Agreement

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon execution of this Agreement by both Licensor and Licensee. Licensor's date of execution will be considered the date of execution of this Agreement.

[Signature page follows.]

THIS AGREEMENT WILL NOT BE BINDING ON LICENSOR UNLESS AND UNTIL IT HAS BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF LICENSOR. LICENSEE HAS READ ALL OF THE FOREGOING AGREEMENT AND HEREBY ACCEPTS AND AGREES TO EACH AND ALL OF THE PROVISIONS, COVENANTS AND CONDITIONS THEREOF.

Dated: _____

LICENSEE:

If a corporation or other entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If an individual:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

LICENSOR:

ITrip, LLC

By: _____

Name: Steve Presley

Title: Chief Executive Officer

ILLINOIS ADDENDUM TO SOFTWARE LICENSE AGREEMENT

The provisions of the Software License Agreement concerning governing law, jurisdiction and choice of law will not constitute a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act. Consequently, Sections 16.01 ("Governing Law") and 16.02 ("Venue") of the Software License Agreement will be deleted for all Illinois franchisees.

Dated: _____

LICENSEE:

If a corporation or other entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If an individual:

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

LICENSOR:

ITrip, LLC

By: _____

Name: Steve Presley

Title: Chief Executive Officer

INDIANA ADDENDUM TO SOFTWARE LICENSE AGREEMENT

Notwithstanding anything to the contrary set forth in the Software License Agreement, the following provisions will supersede and apply:

1. Article 8 of the Software License Agreement ("Injunction") will not apply to franchises offered and sold in the State of Indiana.
2. Section 16.01 of the Software License Agreement will not relieve the Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana, and the laws of the State of Indiana supersede such provision or Tennessee law if such provision is in conflict with Indiana law.
3. The third sentence of Article 14 of the Software License Agreement ("Limitation of Liability") will not apply to franchises offered and sold in the State of Indiana.

Dated: _____

LICENSEE:

If a corporation or other entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If an individual:

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

LICENSOR:

ITrip, LLC

By: _____

Name: Steve Presley

Title: Chief Executive Officer

MARYLAND ADDENDUM TO SOFTWARE LICENSE AGREEMENT

The following provisions will supersede anything to the contrary in the Software License Agreement and will apply to all franchises offered and sold under the laws of the State of Maryland:

Section 16.02 of the Software License Agreement (“Venue”) requires venue to be limited to Tennessee. This section is amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Dated: _____

LICENSEE:

If a corporation or other entity:

(Name of Corporation or Other Entity)

By: _____

Name: _____

Title: _____

If an individual:

By: _____

Name: _____

By: _____

Name: _____

Dated: _____

LICENSOR:

ITrip, LLC

By: _____

Name: Steve Presley

Title: Chief Executive Officer

EXHIBIT B TO DISCLOSURE DOCUMENT

iTRIP, LLC
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 EXPRESSED HIS OR HER OPINION WITH REGARD TO THEIR CONTENT OR FORM.

Itrip, LLC
Balance Sheet (Unaudited)
June 30, 2020

Assets

Current assets

Cash	549,349
Receivables, net	829,153
Prepaid expenses	<u>895,192</u>

Total current assets 2,273,694

Equipment, net 6,074

Goodwill, net of accumulated amortization 57,757,859

Other intangible assets, net of accumulated amortization 3,983,166

Contract costs 812,380

Total assets 64,833,173

Liabilities and Members' Equity

Current liabilities

Accounts payable	110,712
Accrued expenses	54,765
Deferred revenue	<u>254,872</u>

Total current liabilities 420,349

Deferred revenue 1,693,432

Deferred taxes 437,731

Total liabilities 2,551,512

Members' equity 62,281,661

Total liabilities and members' equity 64,833,173

Itrip, LLC
Statement of Operations and Members' Equity (Unaudited)
Six Months Ending June 30, 2020

Operating Revenue	2,867,512	
Other Revenue	303,369	
Total revenue	3,170,881	
Operating expenses		
Advertising and promotion	288,050	
Payroll	1,118,955	
Commissions and fees	120,175	
Travel	24,444	
Legal and professional	137,498	
Depreciation and amortization	4,146,269	
Taxes	41,636	
Other	99,850	
Total operating expenses	5,976,877	
Net earnings	(2,805,996)	
Member draws	(930,081)	
Members' equity at beginning of year	66,017,738	
Members' equity at end of period	62,281,661	-

ITRIP, LLC
(a wholly owned subsidiary of iTrip HoldCo, LLC)

Financial Statements

**Period from June 17, 2019 to December 31, 2019 (Successor) and
Period from January 1, 2019 to June 16, 2019 (Predecessor)**

(With Independent Auditors' Report Thereon)

ITRIP, LLC

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INDEPENDENT AUDITORS' REPORT

The Members

iTrip, LLC:

We have audited the accompanying financial statements of iTrip, LLC, (the "Company") which comprise the balance sheet as of December 31, 2019 (successor), the related statements of operations and members' equity and cash flows for the period from June 17, 2019 through December 31, 2019 (successor) and the period from January 1, 2019 to June 16, 2019 (predecessor), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iTrip, LLC as of December 31, 2019 (successor) and the results of its operations and its cash flows for the period from June 17, 2019 through December 31, 2019 (successor), and for the period from January 1, 2019 to June 16, 2019 (predecessor) in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, on June 17, 2019, an unrelated investor group acquired a controlling interest of the Company from the Company's existing members. As a result of the change in control of the Company, push down accounting has been applied to reflect the new cost basis of the Company's net assets. Accordingly, the financial information for the period subsequent to the change in control is presented on a different cost basis than that of the periods before the change and, therefore, is not comparable. Our opinion is not modified with respect to this matter.

LBM, PC

Brentwood, Tennessee
June 10, 2020

ITRIP, LLC

Balance Sheet

Assets

Successor
December 31,
2019

Current assets:

Cash	\$ 134,876
Receivables, net, less allowance for doubtful accounts of \$22,000	463,636
Prepaid expenses	51,085
Contract costs	<u>107,554</u>
Total current assets	757,151

Equipment, net	8,188
Goodwill, net of accumulated amortization	61,696,586
Other intangible assets, net of accumulated amortization	4,188,594
Contract costs	<u>812,380</u>
Total assets	\$ <u>67,462,899</u>

Liabilities and Members' Equity

Current liabilities:

Accounts payable	\$ 96,003
Accrued expenses	18,864
Deferred revenue	<u>246,938</u>
Total current liabilities	<u>361,805</u>

Deferred revenue	<u>1,083,356</u>
Total liabilities	1,445,161

Members' equity	<u>66,017,738</u>
Total liabilities and members' equity	\$ <u>67,462,899</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statement of Operations and Members' Equity

	<u>Successor</u> Period from June 17, 2019 to <u>December 31, 2019</u>	<u>Predecessor</u> Period from January 1, 2019 to <u>June 16, 2019</u>
Net revenues	\$ 3,655,057	\$ 3,121,621
Operating expenses:		
Advertising and promotion	407,359	385,783
Payroll and benefits	1,171,952	725,261
Commissions and fees	32,212	82,920
Travel	98,314	116,160
Legal and professional	58,196	57,532
Depreciation of equipment	3,346	2,799
Amortization of goodwill	3,539,038	-
Amortization of other intangible assets	221,406	20,262
Other expenses	<u>227,171</u>	<u>339,306</u>
Total operating expenses	<u>5,758,994</u>	<u>1,730,023</u>
Net income (loss)	(2,103,937)	1,391,598
Members' equity beginning of year/period	-	547,862
Initial capitalization on June 17, 2019 (Note 1)	70,180,497	-
Member draws	(2,058,822)	(1,289,781)
Transition adjustment (Note 2(a))	<u>-</u>	<u>(1,161,007)</u>
Members' equity at end of year/period	\$ <u>66,017,738</u>	\$ <u>(511,328)</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statement of Cash Flows

	<u>Successor</u> Period from June 17, 2019 to <u>December 31, 2019</u>	<u>Predecessor</u> Period from January 1, 2019 to <u>June 16, 2019</u>
Cash flows from operating activities:		
Net income (loss)	\$ (2,103,937)	\$ 1,391,598
Adjustments to reconcile net income (loss) to cash flows provided by operating activities:		
Amortization of goodwill	3,539,038	20,262
Amortization of other intangible assets	221,406	-
Bad debt expense	26,758	-
Depreciation of equipment	3,346	2,799
(Increase) decrease in operating assets, net of acquisition:		
Receivables	83,825	(210,579)
Prepaid expenses	(39,954)	8,416
Contract costs	(57,919)	(188,170)
Increase (decrease) in operating liabilities, net of acquisition:		
Accounts payable	23,458	(56,747)
Accrued expenses	2,969	(13,698)
Deferred revenue	<u>130,294</u>	<u>419,362</u>
Total adjustments	<u>3,933,221</u>	<u>(18,355)</u>
Net cash provided by operating activities	<u>1,829,284</u>	<u>1,373,243</u>
Cash flows from investing activities, net of acquisition:		
Purchases of equipment	-	(6,995)
Purchase of iTrip, LLC, net of cash acquired (Note 1)	<u>(53,816,083)</u>	<u>-</u>
Net cash used by investing activities	<u>(53,816,083)</u>	<u>(6,995)</u>
Cash flows from financing activities, net of acquisition:		
Proceeds from capitalization of the Company (Note 1)	54,180,497	-
Member draws	<u>(2,058,822)</u>	<u>(1,289,781)</u>
Net cash provided (used) by financing activities	<u>52,121,675</u>	<u>(1,289,781)</u>
Change in cash	134,876	76,467
Cash at beginning of year/period	<u>-</u>	<u>245,988</u>
Cash at end of year/period	\$ <u>134,876</u>	\$ <u>322,455</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2019

(1) Nature of operations

iTrip, LLC (the "Company") grants franchises for the right to independently own and operate iTrip locations throughout the United States that offer and provide property management for vacation or other rental properties on behalf of the property owner.

iTrip HoldCo, LLC ("Holdco") was formed on May 28, 2019 whereby the owners contributed all of the outstanding membership interests of iTrip, LLC, and nine additional iTrip affiliated companies, to HoldCo. On June 17, 2019, all of the outstanding membership interests of Holdco were contributed to LTK Enterprises, LLC ("LTK") and its wholly owned subsidiary, iTrip Blocker, Inc ("Blocker"). Contemporaneous with the contribution of membership interests to LTK and Blocker, Vacation Brands Purchaser, Inc. ("Vacation Brands") acquired the outstanding membership interests from LTK. After the acquisition, Vacation Brands and Blocker own 76.98% and 23.02% of the Company, respectively. The Company will continue in perpetuity unless dissolved by the members. As a result of the acquisition, on June 17, 2019, members' equity increased by \$70,691,825 due to the change in control and the Company recognizing a new basis of accounting.

The net purchase consideration for all 10 entities was funded using proceeds from the issuance of membership units. Three former members of iTrip, LLC were issued Class B units of Vacation Brands ("rollover members") as partial consideration for the transaction.

The acquisition of iTrip, LLC, was accounted for as a business combination and the results of operations are included in the Company's financial statements from the date of acquisition. The Company does not recognize or otherwise consider the fair value of certain customer-related and non-competition intangible assets separately from goodwill. Goodwill recognized in connection with the acquisition is not deductible for income tax purposes.

The purchase consideration of the acquired assets and assumed liabilities was allocated based on fair values as follows:

Consideration:

Cash	\$ 53,500,000
Rollover members	16,000,000
Working capital settlement	<u>680,497</u>
Total consideration	<u>\$ 70,180,497</u>

Notes to the Financial Statements

December 31, 2019

Assets acquired and liabilities assumed:

Assets:

Cash	\$ 364,414
Accounts receivable	574,219
Other current assets	11,131
Equipment	11,534
Goodwill	65,235,624
Trademarks	2,360,000
Internally-developed software	2,050,000
Contract costs	<u>862,015</u>
Total assets acquired	<u>71,468,937</u>

Liabilities:

Accounts payable and accrued expenses	(88,440)
Deferred revenue	<u>(1,200,000)</u>
Total liabilities assumed	<u>(1,288,440)</u>
Net assets acquired	\$ <u>70,180,497</u>

(2) Summary of significant accounting policies(a) Recently adopted accounting standard

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification 606, *Revenue from Contracts with Customers* ("ASC Topic 606"). The guidance eliminates the transaction and industry-specific revenue recognition guidance under current generally accepted accounting principals ("GAAP") and replaces it with a principles-based approach. The core principle of the guidance in ASC Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The five step model defined by ASC Topic 606 requires the Company to: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation. ASC Topic 606 additionally enhances the required disclosures surrounding the nature, amount, timing, and uncertainty of revenues and the associated cash flows arising from contracts with customers, including qualitative and quantitative disclosures about contracts with customers, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

The Company adopted this guidance on January 1, 2019, using the modified retrospective method that resulted in a cumulative catch-up adjustment of \$1,161,007 to members' equity as of the date of adoption.

Notes to the Financial Statements

December 31, 2019

(b) Allocation of earnings and losses

Earnings and losses of the Company are allocated to the members in proportion to their ownership percentages as provided in the Limited Liability Company Agreement.

(c) Receivables and credit policies

Receivables are uncollateralized obligations due from franchisees under normal trade terms requiring payment within 30 days from invoice date. Certain franchisees have been granted extended payment terms based on business volume. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a valuation allowance which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of its franchisees, historical loss experience, and existing economic conditions.

(d) Equipment

Equipment consists of computer and video equipment and is stated at cost reduced by accumulated depreciation of \$3,346 at December 31, 2019. Depreciation is provided over the assets' estimated useful lives of three years using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(e) Goodwill

The Company's goodwill represents the excess of the purchase price over the fair value of the assets acquired in business combinations. Effective June 17, 2019, the Company elected to adopt the alternative accounting for goodwill under the provisions of ASU 2014-02 available to private companies. Under these provisions, goodwill is amortized over a period of 10 years using the straight-line method from the date goodwill is generated. Management has elected to perform impairment testing at the entity-level which is required only when impairment indicators are identified.

(f) Other intangible assets

The trademarks are amortized over its useful life of 20 years and internally develop software is amortized over its useful life of 7 years. Both are reviewed for impairment on an annual basis, or more frequently, as impairment indicators arise.

Notes to the Financial Statements

December 31, 2019

(g) Income taxes

The amount provided for income taxes is based upon the amounts of current and deferred taxes payable or refundable at the date of the financial statements as a result of all events recognized in the financial statements as measured by the provisions of enacted tax laws.

All federal taxable income and losses are allocated to the members of the Company for inclusion in their respective income tax returns, and the Company recognizes only state income taxes in the financial statements. The Company's parent, iTrip HoldCo, LLC, files a consolidated return which includes taxable income or loss of the Company and taxable income and losses of iTrip HoldCo, LLC's other wholly owned subsidiaries which are used to offset a portion of the Company's taxable income.

Under generally accepted accounting principles, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Company had no material uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

As of December 31, 2019, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and various state income tax returns.

(h) Revenue recognition

Effective January 1, 2019, the Company adopted ASC Topic 606. Under ASC Topic 606, a contract with a customer is an agreement which both parties have approved, that creates enforceable rights and obligations, has commercial substance, and where payment terms are identified and collectibility is probable. Once the Company has entered a contract, it is evaluated to identify performance obligations. For each performance obligation, revenue is recognized as control of promised goods or services transfers to the customer in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. The amount of revenue recognized takes into account variable consideration such as discounts and ongoing price adjustments.

Prior to 2019, revenue was recognized when all the following conditions were satisfied: a) persuasive evidence of an arrangement existed, b) price was fixed or determinable, c) collectibility was reasonably assured, and d) delivery had occurred or services had been rendered.

Notes to the Financial Statements

December 31, 2019

Revenues consist primarily of franchise fees, royalty revenue, and digital marketing revenue and are recognized in amounts that reflects the consideration the Company expects to be entitled in exchange for those services.

Franchise fees

Franchise fees consist of an initial franchise fee, proprietary software and web hosting fee, initial training fee, and operational support fee. These fees are paid at the execution of the franchise agreement.

The initial franchise fee covers the franchise licenses to operate in the designated territory, which is offset by a related broker fee associated with executing the franchise agreement. The proprietary software and web hosting fee are related to initial programs specifically for first time franchisees to train on the Company's software and application of the brand on their territory. The Company has determined these services are highly interrelated and the Company does not consider them to be individually distinct performance obligations from the franchise agreement, and therefore account for them under "*Revenue from Contracts with Customers (Topic 606)*" as a single performance obligation under the franchise agreement. Revenue is recognized on a straight-line basis over the term of the franchise agreement. Revenue recognized for the initial franchise and proprietary software and web hosting fees totaled approximately \$196,700 for the period from June 17, 2019 to December 31, 2019 and approximately \$260,000 for the period from January 1, 2019 to June 16, 2019.

The initial training fee covers the cost of onsite training that is completed during the first two months after execution of the franchise agreement. Training is not highly interrelated to the iTrip brand, and therefore, revenue for the initial training fee is recognized when the franchise agreement is executed.

The operational support fee is charged as an additional service to provide new franchisees operational assistance and support during the first 12 months under the franchise agreement. Revenue is recognized on a straight-line basis over 12 months.

Royalty revenues

Royalty revenues represent sales-based royalties that are recognized in the period in which the sales occur. Sales-based royalties are variable consideration related to the performance obligation to franchisees to maintain intellectual property being licensed. Royalty revenue is recognized in the month they are billed to the franchisee.

Digital marketing revenue

Digital marketing revenue are marketing campaigns and services that are designed to market and promote the franchise. Revenue for these fees are recognized in the month they are billed to the franchisee.

Notes to the Financial Statements

December 31, 2019

Deferred revenue

Deferred revenue consists of the initial franchise fee and proprietary software and web hosting fee and are being recognized on a straight-line basis over the term of the franchise agreement. The operational support revenue is being recognized on a straight-line basis over 12 months.

Contract costs

Contract costs consist of broker fees and bonuses paid to acquire new franchisees that are paid prior or at the start of the franchise agreement. These costs are amortized on a straight-line basis over the term of the franchise agreement.

(i) Advertising and promotion costs

Advertising and promotion costs are expensed as incurred and totaled \$407,359 for the period from June 17, 2019 to December 31, 2019 and \$385,783 for the period from January 1, 2019 to June 16, 2019.

(j) 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 the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2019 and June 10, 2020, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Credit risk and other concentrations

The Company generally maintains cash on deposit at banks in excess of federally insured amounts. The Company has not experienced any losses in such accounts and management believes the Company is not exposed to any significant credit risk related to cash.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2019

(4) Goodwill

A summary of goodwill as of December 31, 2019 and is as follows:

Goodwill	\$ 65,235,624
Accumulated amortization	<u>(3,539,038)</u>
	\$ <u>61,696,586</u>

Amortization expense for goodwill recognized subsequent to June 16, 2019 totaled \$3,539,038.

A summary of expected future amortization expense for goodwill as of December 31, 2019 is as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 6,523,562
2021	6,523,562
2022	6,523,562
2023	6,523,562
2024	6,523,562
2025 and later years	<u>29,078,776</u>
	\$ <u>61,696,586</u>

(5) Intangible assets

A summary of the intangible assets as of December 31, 2019 is as follows:

Software development costs, net of accumulated amortization of \$157,817.	\$ 1,892,183
Trademarks, net of accumulated amortization of \$63,589.	<u>2,296,411</u>
	\$ <u>4,188,594</u>

Amortization expense totaled \$221,406 for the period from June 17, 2019 to December 31, 2019. For the period from January 1, 2019 to June 16, 2019 amortization expense totaled \$20,262 related to software and website development costs.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2019

A summary of expected amortization expense following December 31, 2019 is as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 410,857
2021	410,857
2022	410,857
2023	410,857
2024	410,857
2025 and later years	<u>2,134,309</u>
	<u>\$ 4,188,594</u>

(6) Members' equity

Each member is entitled to cast the number of votes equal to the percentage governance interest held by such member.

(7) Subsequent event - infectious disease outbreak

As of the date this report was available to be issued, the United States, as well as many other countries around the world, was experiencing an emerging infectious disease (COVID-19) outbreak, impacting individuals, governments, businesses and financial markets with unprecedented disruption and risk. While it is not possible to predict the impacts of the outbreak on the Company's financial condition and results of operations, significant disruptions to key business drivers, such as customer demand and workforce, are possible. Management is closely monitoring the situation and developing strategies designed to mitigate such impacts.

ITRIP, LLC

Financial Statements

December 31, 2018 and 2017

(With Independent Auditors' Report Thereon)

ITRIP, LLC

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INDEPENDENT AUDITORS' REPORT

The Members
iTrip, LLC:

We have audited the accompanying financial statements of iTrip, LLC, which comprise the balance sheets as of December 31, 2018 and 2017, the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iTrip, LLC as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

LBMC, PC

Brentwood, Tennessee
February 28, 2019

ITRIP, LLC

Balance Sheets

December 31, 2018 and 2017

Assets

	<u>2018</u>	<u>2017</u>
Current assets:		
Cash	\$ 245,988	\$ 159,156
Receivables, net	338,800	111,312
Prepaid expenses	<u>25,689</u>	<u>5,327</u>
Total current assets	610,477	275,795
Equipment, net	7,338	5,247
Intangible assets, net	<u>88,951</u>	<u>106,204</u>
Total assets	\$ <u><u>706,766</u></u>	\$ <u><u>387,246</u></u>

Liabilities and Members' Equity

Current liabilities:		
Accounts payable	\$ 129,234	\$ 66,206
Accrued expenses	<u>29,670</u>	<u>8,649</u>
Total liabilities	158,904	74,855
Members' equity	<u>547,862</u>	<u>312,391</u>
Total liabilities and members' equity	\$ <u><u>706,766</u></u>	\$ <u><u>387,246</u></u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Operations and Members' Equity

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating revenue	\$ 4,770,972	\$ 3,050,467
Other revenue	<u>516,840</u>	<u>162,964</u>
Total revenue	<u>5,287,812</u>	<u>3,213,431</u>
Operating expenses:		
Advertising and promotion	931,480	1,097,454
Payroll	1,084,035	677,797
Commissions and fees	435,000	130,000
Travel	170,415	120,914
Consulting	-	22,650
Legal and professional	76,753	97,988
Depreciation and amortization	46,904	12,044
Other	<u>280,341</u>	<u>167,503</u>
Total operating expenses	<u>3,024,928</u>	<u>2,326,350</u>
Net earnings	2,262,884	887,081
Member draws	(2,027,413)	(788,084)
Members' equity at beginning of year	<u>312,391</u>	<u>213,394</u>
Members' equity at end of year	\$ <u>547,862</u>	\$ <u>312,391</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Cash Flows

Years ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net earnings	\$ <u>2,262,884</u>	\$ <u>887,081</u>
Adjustments to reconcile net earnings to cash flows provided by operating activities:		
Amortization	42,828	10,465
Bad debt expense	1,000	3,243
Depreciation	4,076	1,579
(Increase) decrease in operating assets:		
Receivables	(228,488)	(103,993)
Prepaid expenses	(20,362)	(2,574)
Increase (decrease) in operating liabilities:		
Accounts payable	63,028	32,319
Accrued expenses	<u>21,021</u>	<u>6,583</u>
Total adjustments	<u>(116,897)</u>	<u>(52,378)</u>
Net cash provided by operating activities	<u>2,145,987</u>	<u>834,703</u>
Cash flows from investing activities:		
Expenditures for software development costs	(25,575)	(107,050)
Purchase of equipment	<u>(6,167)</u>	<u>(3,190)</u>
Net cash used by investing activities	<u>(31,742)</u>	<u>(110,240)</u>
Cash flows from financing activities:		
Member draws	<u>(2,027,413)</u>	<u>(788,084)</u>
Increase (decrease) in cash	86,832	(63,621)
Cash at beginning of year	<u>159,156</u>	<u>222,777</u>
Cash at end of year	\$ <u><u>245,988</u></u>	\$ <u><u>159,156</u></u>

See accompanying notes to the financial statements.

Notes to the Financial Statements

December 31, 2018 and 2017

(1) Nature of operations

iTrip, LLC (the "Company") grants franchises for the right to independently own and operate iTrip locations that offer and provide property management for vacation or other rental properties on behalf of the property owner. The Company was organized and began operations in June 2015. The LLC will continue in perpetuity unless dissolved by the members.

(2) Summary of significant accounting policies

(a) Allocation of earnings and losses

Earnings or losses of the Company are allocated to the members in accordance with their respective ownership interests.

(b) Receivables and credit policies

Receivables are uncollateralized obligations due from franchisees under normal trade terms requiring payment within 30 days from invoice date. Certain franchisees have been granted extended payment terms based on business volume. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of its franchisees, historical loss experience, and existing economic conditions.

(c) Equipment

Equipment consists of computer and video equipment and is stated at cost reduced by accumulated depreciation of \$5,901 and \$1,825 at December 31, 2018 and 2017, respectively. Depreciation is provided over the assets' estimated useful lives using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

Notes to the Financial Statements

December 31, 2018 and 2017

(d) Software development costs

Capitalized software development costs and website development costs comprise intangible assets. The Company capitalizes its software development costs related to internally developed software once a project is in the application development stage. All external direct costs for materials and services as well as internal payroll and related fringe benefit costs are capitalized and subsequently amortized over an estimated useful life of three years using the straight-line method. Preliminary stage development costs are expensed as incurred.

(e) Income taxes

The Company is a limited liability company and is not subject to federal income tax. Accordingly, all federal taxable income and losses pass through to the members of the Company for inclusion in their individual income tax returns. The Company is subject to state income tax in Tennessee at the partnership level, to the extent that income is not considered self-employment income for federal tax purposes. All income for federal tax purposes was self-employment income during 2018 and 2017.

As of December 31, 2018 and 2017, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and State of Tennessee income tax returns.

(f) Revenue recognition and deferred revenue

Substantially all revenues of the Company are derived from franchise fees and commissions from its franchisees. Franchise fees are recognized as revenue when substantially all of the initial services required of the Company have been performed, which generally coincide with the opening of the respective franchises. The Company recognizes commission revenue as earned.

(g) Advertising and promotion costs

Advertising and promotion costs are expensed as incurred.

(h) 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 the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2018 and 2017

(i) Reclassifications

Certain reclassifications have been made to the 2017 financial statements in order for them to conform to the 2018 presentation. These reclassifications have no effect on net earnings or members' equity as previously reported.

(j) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2018 and February 28, 2019, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

(3) Intangible assets

A summary of the intangible assets as of December 31, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Software development costs, net of accumulated amortization of \$42,376 and \$4,693 in 2018 and 2017, respectively.	\$ 70,674	\$ 102,357
Website development costs, net of accumulated amortization of \$17,105 and \$13,468 in 2018 and 2017, respectively	210	3,847
Software costs, net of accumulated amortization of \$1,508 in 2018.	<u>18,067</u>	<u>-</u>
	<u>\$ 88,951</u>	<u>\$ 106,204</u>

Amortization expense totaled \$42,828 and \$10,465 for the years ended December 31, 2018 and 2017, respectively.

A summary of expected amortization expense following December 31, 2018 is as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 44,418
2020	44,208
2021	<u>325</u>
	<u>\$ 88,951</u>

(4) Members' equity

Each member is entitled to cast the number of votes equal to the percentage governance interest held by such member.

Notes to the Financial Statements

December 31, 2018 and 2017

(5) Related party transactions

The Company has an agreement with two of its members to pay certain fees if new franchise sales are within a geographic region. These fees amounted to \$45,000 during 2018.

ITRIP, LLC

Financial Statements

December 31, 2017 and 2016

(With Independent Auditors' Report Thereon)

ITRIP, LLC

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INDEPENDENT AUDITORS' REPORT

The Members
iTrip, LLC:

We have audited the accompanying financial statements of iTrip, LLC, which comprise the balance sheets as of December 31, 2017 and 2016, the related statements of operations and members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iTrip, LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

LBMC, PC

Brentwood, Tennessee
March 5, 2018

ITRIP, LLC

Balance Sheets

December 31, 2017 and 2016

Assets

	<u>2017</u>	<u>2016</u>
Current assets:		
Cash	\$ 159,156	\$ 222,777
Receivables	111,312	10,562
Prepaid expenses	<u>5,327</u>	<u>2,753</u>
Total current assets	275,795	236,092
 Property and equipment, net	5,247	3,636
Software development costs, net	<u>106,204</u>	<u>9,619</u>
	<u>\$ 387,246</u>	<u>\$ 249,347</u>

Liabilities and Members' Equity

Current liabilities:		
Accounts payable	\$ 66,206	\$ 33,887
Accrued expenses	<u>8,649</u>	<u>2,066</u>
Total liabilities	74,855	35,953
 Members' equity	<u>312,391</u>	<u>213,394</u>
Total liabilities and members' equity	<u>\$ 387,246</u>	<u>\$ 249,347</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Operations and Members' Equity

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating revenue	\$ 3,050,467	\$ 2,328,708
Other revenue	<u>162,964</u>	<u>20,459</u>
Total revenue	<u>3,213,431</u>	<u>2,349,167</u>
Operating expenses:		
Advertising and promotion	1,097,454	932,405
Payroll	677,797	179,904
Commissions and fees	130,000	125,008
Travel	120,914	75,346
Consulting	22,650	166,520
Legal and professional	61,338	93,532
Other	<u>216,197</u>	<u>162,158</u>
Total operating expenses	<u>2,326,350</u>	<u>1,734,873</u>
Net earnings	887,081	614,294
Capital contributions	-	100,000
Member draws	(788,084)	(536,800)
Members' equity at beginning of year	<u>213,394</u>	<u>35,900</u>
Members' equity at end of year	<u>\$ 312,391</u>	<u>\$ 213,394</u>

See accompanying notes to the financial statements.

ITRIP, LLC

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Net earnings	\$ <u>887,081</u>	\$ <u>614,294</u>
Adjustments to reconcile net earnings to cash flows provided by operating activities:		
Amortization	10,465	5,772
Bad debt expense	3,243	5,865
Depreciation	1,579	306
(Increase) decrease in operating assets:		
Receivables	(103,993)	(15,693)
Prepaid expenses	(2,574)	16,097
Accounts payable	32,319	33,887
Accrued expenses	<u>6,583</u>	<u>2,066</u>
Total adjustments	<u>(52,378)</u>	<u>48,300</u>
Net cash provided by operating activities	834,703	662,594
Cash flows from investing activities:		
Expenditures for software development costs	(107,050)	-
Purchase of equipment	<u>(3,190)</u>	<u>(3,942)</u>
Net cash used by investing activities	<u>(110,240)</u>	<u>(3,942)</u>
Cash flows from financing activities:		
Equity contributions	-	100,000
Member draws	<u>(788,084)</u>	<u>(536,800)</u>
Net cash used by financing activities	<u>(788,084)</u>	<u>(436,800)</u>
Increase (decrease) in cash	(63,621)	221,852
Cash at beginning of year	<u>222,777</u>	<u>925</u>
Cash at end of year	\$ <u>159,156</u>	\$ <u>222,777</u>

See accompanying notes to the financial statements.

Notes to the Financial Statements

December 31, 2017

(1) Nature of operations

iTrip, LLC (the "Company") grants franchises for the right to independently own and operate iTrip locations that offer and provide property management for vacation or other rental properties on behalf of the property owner. The Company was organized and began operations in June 2015. The LLC will continue in perpetuity unless dissolved by the members.

(2) Summary of significant accounting policies

(a) Allocation of earnings and losses

Earnings or losses of the Company are allocated to the members in accordance with their respective ownership interests.

(b) Receivables and credit policies

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from invoice date. Certain customers have been granted extended payment terms based on business volume. Late or interest charges on delinquent accounts are not recorded until collected. The carrying amount of accounts receivable is reduced by a valuation allowance, if necessary, which reflects management's best estimate of the amounts that will not be collected. The allowance is estimated based on management's knowledge of its customers, historical loss experience and existing economic conditions.

(c) Property and equipment

Property and equipment are stated at cost. Depreciation is provided over the assets' estimated useful lives using the straight-line method.

Expenditures for maintenance and repairs are expensed when incurred. Expenditures for renewals or betterments are capitalized. When property is retired or sold, the cost and the related accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in operations.

(d) Software development costs

Capitalized software development costs and website development costs comprise intangible assets. The Company capitalizes its software development costs related to internally developed software once a project is in the application development stage. All external direct costs for materials and services as well as internal payroll and related fringe benefit costs are capitalized and subsequently amortized over the estimated three year lives of the application using the straight-line method. Preliminary stage development costs are expensed as incurred.

Notes to the Financial Statements

December 31, 2017

(e) Income taxes

The Company is a limited liability company and is not subject to federal income tax. Accordingly, all federal taxable income and losses pass through to the members of the Company for inclusion in their individual income tax returns. The Company is subject to state income tax in Tennessee at the partnership level, to the extent that income is not considered self-employment income for federal tax purposes.

As of December 31, 2017 and 2016, the Company has accrued no interest and no penalties related to uncertain tax positions. It is the Company's policy to recognize interest and/or penalties related to income tax matters in income tax expense.

The Company files U.S. Federal and State of Tennessee income tax returns.

(f) Revenue recognition and deferred revenue

Substantially all revenues of the Company are derived from franchise fees and commissions from its franchisees. Franchise fees are recognized as revenue when substantially all of the initial services required of the Company have been performed, which generally coincide with the opening of the respective franchises. The Company recognizes commission revenue as earned.

(g) Advertising and promotion costs

Advertising and promotion costs are expensed as incurred.

(h) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Events occurring after reporting date

The Company has evaluated events and transactions that occurred between December 31, 2017 and March 5, 2018, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

ITRIP, LLC

Notes to the Financial Statements

December 31, 2017

(3) Software development costs

A summary of the intangible assets as of December 31, 2017 and 2016 is as follows:

	<u>2017</u>	<u>2016</u>
Software development costs, net of accumulated amortization of \$4,693 in 2017	\$ 102,357	\$ -
Website costs, net of accumulated amortization of \$13,468 and \$7,696 in 2017 and 2016, respectively	<u>3,847</u>	<u>9,619</u>
	<u>\$ 106,204</u>	<u>\$ 9,619</u>

Amortization expense totaled \$10,465 and \$5,772 for the years ended December 31, 2017 and 2016, respectively.

A summary of expected amortization expense following the year of December 31, 2017 is as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 39,531
2019	35,683
2020	<u>30,990</u>
	<u>\$ 106,204</u>

(4) Members' equity

Each member is entitled to cast the number of votes equal to the percentage governance interest held by such member.

EXHIBIT C TO DISCLOSURE DOCUMENT

iTRIP, LLC

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM REQUIRED BY THE STATE OF CALIFORNIA

CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT THE FRANCHISOR GIVE THE FRANCHISEE A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF BUSINESS OVERSIGHT 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 DISCLOSURE DOCUMENT.

Neither we nor any person or franchise broker identified in Item 2 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 these persons from membership in that association or exchange.

In Part II of Item 19, the earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with this law, the law will control.

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).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

The Franchise Agreement contains provisions that limit franchisee's rights, including, but not limited to, a waiver of jury trials, waiver of punitive damages, and a waiver of class actions. These provisions may not be enforceable under California law.

THE FRANCHISE AGREEMENT REQUIRES APPLICATION OF THE LAW OF TENNESSEE AND A FORUM OF THE LOCATION WHERE FRANCHISOR'S HEADQUARTERS ARE LOCATED. THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW.

The Franchise Agreement requires the parties to resolve their disputes through non-binding mediation and, if necessary, litigation. The mediation and litigation will be conducted at a venue close to Franchisor's headquarters, and you must reimburse Franchisor for its costs if it prevails in any litigation proceeding. 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.

Regarding our website, www.iTRIP.net, please note the following:

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ILLINOIS ADDENDUM TO ITRIP, LLC
FRANCHISE DISCLOSURE DOCUMENT

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisess' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void.

ADDENDUM TO ITRIP, LLC.
FRANCHISE DISCLOSURE DOCUMENT
REQUIRED BY THE STATE OF MARYLAND

For franchises and franchisee subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces, supplements and/or otherwise amends, as the case may be, the corresponding disclosures in the main body of the text of the ITRIP, LLC Franchise Disclosure Document:

Item 5 of the Disclosure Document is hereby amended by the addition of the following language:

The State of Maryland requires us to defer collecting your payment of the Initial Franchise Fee and all other initial fees paid to the franchisor (including payments for goods and services received from the franchisor before your iTrip Location opens for business) until we have fulfilled our pre-opening obligations to you. Accordingly, you need not pay the Initial Franchise Fee or other initial fees to us until we have fulfilled our pre-opening obligations to you under the Franchise Agreement.

Item 17.

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

With respect to this Item's discussion of our right to terminate you upon your bankruptcy, this provision in the Franchise Agreement may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

A franchisee 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 3 years after the grant of a franchise.

Exhibit IG

With respect to the Franchisee Questionnaire/Compliance Certification, all representations requiring prospective franchisees to assent to a release, estoppel or waiver of any 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.

ADDENDUM REQUIRED BY THE STATE OF 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.

(A) A PROHIBITION OF THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE EACH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE'S INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, MATERIALS, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATION OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE, CONSUMER PROTECTION DIVISION, ATTN. FRANCHISE SECTION, 670 LAW BUILDING, 525 W. OTTAWA STREET, LANSING, MICHIGAN 48913, 517-373-7117.

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

In an Addendum to the Franchise Agreement, we agree to indemnify you against losses and liabilities for which you are held liable in any proceeding arising out of your use of the mark "ITRIPVACATIONS" or any other trademark, service mark or logotype that you are authorized by us to use with the iTrip franchise. This indemnification is contingent upon you using the marks or logotypes in accordance with the provisions of the Franchise Agreement.

We will comply with Minnesota Statute Section 80C.14 subdivisions 3, 4 and 5 which require, except in certain specific 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.

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

Minn. Rule Part 2869.4400(d) prohibits us from requiring that you assent to a general release as set forth in Item 17 of this Disclosure Document.

Nothing in the Disclosure Document or Franchise Agreement shall affect your rights under Minnesota Statute Section 80C.17, Subd. 5.

ADDENDUM REQUIRED BY THE STATE OF NEW YORK

All references to "Disclosure Document" shall be deemed to include the term "Disclosure Document" as used under New York law.

The State Cover Page is amended to include the following additional Risk Factors:

7. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. 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 THE PROSPECTUS.
8. YOU MUST MAKE MINIMUM ADVERTISING PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

Item 3 of this Disclosure Document is supplemented with the following: “Neither franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark:

- A. 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. In addition, neither the franchisor, its predecessor, nor any person identified in Item 2, or an affiliate offering franchises under the franchisor’s principal trademark has any pending actions against them, 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.
- B. 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 a 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.
- C. 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.

Item 4 of this Disclosure Document is supplemented with the following: “Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular:

- (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;
- (b) obtained a discharge of its debts under the bankruptcy code; or
- (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.”

Item 5 shall be supplemented with the following: “The franchisor uses the initial franchise fee to defray its costs of offering franchises and assisting franchisees to start business. A portion of the initial franchise fee may be profit to the franchisor.”

Item 17, Renewal, Termination, section d, is hereby amended to provide:

The franchisee may terminate the agreement on any grounds available by law.

Item 17, Renewal, Termination, etc., section j, Assignment, is hereby amended to provide:

However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement.

Item 17, Renewal, Termination, section w, is hereby amended to provide:

The forgoing 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.

Modifications that we make to the Manuals as permitted by the Franchise Agreement will not impose an unreasonable economic burden on you.

Provisions of general releases are mentioned in the Disclosure Document and specified in the Franchise Agreement. These releases are limited by the following: all rights enjoyed by you 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 under this law shall remain in force, it being the intent that the non-waiver provisions of the General Business Law of the State of New York Sections 687.4 and 687.5 be satisfied.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

Even though our Franchise Agreement provides that the laws of Tennessee apply, the Rhode Island Franchise Investment Law may supersede these agreements because the Rhode Island Franchise Investment Law provides that "a provision in a franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of laws of another state is void with respect to a claim otherwise enforceable under the Act."

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

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

With respect to disclosures in Item 6 of the Disclosure Document regarding a franchisee securing funds by selling securities in the franchise, be advised that any securities offered or sold by an Investor Franchisee as part of its iTrip franchise must be either registered or exempt from registration under Section 13.1-514 of the Virginia Securities Act.

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

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.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The following RISK FACTORS are added to the State Cover Page of this Disclosure Document:

1. AFTER YOU HAVE BEEN OPERATING FOR THREE (3) FULL YEARS, YOU WILL THEN BE REQUIRED TO GENERATE AT LEAST \$1,000,000 IN TOTAL RENTAL REVENUE EACH SUBSEQUENT YEAR OF OPERATION. IF YOU FAIL TO DO SO, WE MAY, BUT ARE NOT REQUIRED TO, TERMINATE YOUR TERRITORIAL RIGHTS AND/OR TERMINATE YOUR FRANCHISE AGREEMENT.
2. THE FRANCHISOR HAS A LIMITED OPERATING HISTORY. THE FRANCHISOR'S FINANCIAL RESOURCES MAY NOT BE ADEQUATE TO FUND THE FRANCHISOR'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES.

The State of Washington has a statute, RCW 19.100.180, which 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 any litigation involving a franchise purchased in Washington, the litigation site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the litigation, or as determined by the judge.

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

A release or waiver of rights executed by a franchisee shall 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, 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.

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EXHIBIT D**LIST OF ACTIVE FRANCHISEES AS OF DECEMBER 31, 2019**

Name	Address	State (for location of franchise)	Phone Number	Number of Territories
Randy Anthony	9357 Ansley Lane, Brentwood, TN 37027	Alabama	(615) 843-2808	1
Berne Fleming	18209 W North Ct., Waddell, AZ 85355	Arizona	(602) 900-1833	2
Carla Moore	301 Forest Ave Laguna Beach, CA 92651	California	949-689-5629	1
Scott Carpenter	220 Newport Center Drive, #11-516, Newport Beach, CA 92660	California	(949) 929-8640	1
Dan Urie	75-400 La Cresta Dr., Palm Desert, CA 92211	California	(760) 895-1427	1
Danny Rood and Lilly Zabat	2416 W. Victory Blvd., #261, Burbank, CA 91506	California	888-346-4011	1
Susan and Darryl Molina	628 N. 9 th Street, San Jose, CA 95112	California	650-260-4980	1
Kim Allen	625 E Main Street, 102B #244, Aspen, CO 81611	Colorado	(970) 456-9631	1
Sandy Steadman	400 North Park Avenue #10B Breckenridge, CO 80424	Colorado	(800) 951-0752	1
Vina Legault	265 Dillon Ridge Road, Suite C, Dillon, CO 80435	Colorado	(970) 409-3370	1
Mat and Penni Levine	265 Dillon Ridge Road Suite C / 402 Dillon, CO 80435	Colorado	(888) 507-9876	1
Jason Loeb	1815 Central Park Dr., Steamboat Springs, CO 80477	Colorado	(970) 833-1399	1
Chris Reap	323 Adams Ranch Road #2B Telluride, CO 81435	Colorado	(970) 708-7551	1
Steve Hatley	2111 N Frontage Rd. W Suite K Vail, CO 81657	Colorado	(970) 376-0630	2
Mike and Ellen Hannabass	6510-A South Academy Blvd. #323 Colorado Springs, CO 80906	Colorado	(888) 519-3298	1
Bryan Looney	13861 W. 64 th Drive Arvada, CO 80004	Colorado	(303) 835-0729	1
Charlee Michelle and Jared Payne	3361 Meadows Drive, Pagosa Springs, CO 81147	Colorado	970-458-1333	1
Jeremy Swerling	3406 Janellen Dr. Baltimore, MD 21208	Delaware	(410) 653-5900	1

Name	Address	State (for location of franchise)	Phone Number	Number of Territories
Kevin Jenkins	140 Island Way #265 Clearwater, FL 33767	Florida	(727) 233-8276	1
Vivian Alfred	3390 Mary Street 116 Coconut Grove, FL 33133	Florida	(866) 599-2369	2
Randy Anthony	4458 Legendary Drive 210 Destin, FL 32541	Florida	(855) 687-7245	2
Brett Crume	7910 Summerlin Lakes, Ft. Myers, FL 33907	Florida	(800) 819-3537	2
Charles Park	13999 Gulf Blvd C-4 Madeira Beach, FL 33708	Florida	(888) 944-8747	1
Neil and Tammy Novak	4960 Traynor Ct. Naples, FL 34112	Florida	(239) 219-9999	1
Anthony Dighton	1648 Taylor Road 231, Port Orange, FL 32128	Florida	(386) 868-1970	1
Dennis Stark	4039 E Co Hwy 30A Santa Rosa Beach, FL 32459-6455	Florida	(800) 791-3707	1
Loretta Luhman	6547 Midnight Pass Rd. #60, Sarasota, FL 34242	Florida	(941) 218-0847	1
John McDonald	1603 1/2 E 7th Ave, Tampa, FL 33605	Florida	(813) 812-1840	1
Dan Wachter	188 Front Street, Suite 116-87 Franklin, TN 37064	Florida	(407) 625-3844	1
Scott and Tina Reichard	937 Gulf Drive Summerland Key, FL 33042	Florida	(305) 946-1543	1
Kenneth and Rosa Erdberg	33 Oregon Drive Ft Walton Beach, FL 32548	Florida	(305) 613-0418	1
Grant and Kandice Segall	712 S Ocean Shores Flagler Beach, FL 32136	Florida	(317) 584-5887	1
Mark Morze	1651 Triangle Palm Terrace Naples, FL 33419	Florida	(703) 899-4743	1
Tim Wilson	175 N. Florida Mango Road, Suite 103 West Palm Beach, FL 33409	Florida	(561) 310-1111	1
Elyse Schechter	3100 NE 49 th Street #907 Ft. Lauderdale, FL 33308	Florida	(248) 417-4004	1
Sue Kowalewski	115 W 2 nd St. Apt 5 Jacksonville, FL 32206	Florida	(904) 347-5880	1
David and Robyn Ingoldsby	2220 County Road 210 West, Suite 108, PMB 116 St. Johns, FL 32259	Florida	(800) 307-7117	1

Name	Address	State (for location of franchise)	Phone Number	Number of Territories
Brad Glance and Troy Piasczyk	4190 Overture Circle, Bradenton, FL 34209	Florida	941-900-4331	1
Travis and Karin Burton	6671 W. Indiantown Road 50-247, Jupiter, FL 33458	Florida	954-695-0801	1
Kathie Wild	4311 Huntington Street, St. Petersburg, FL 33703	Florida	813-524-5188	1
Chris Adams and Kevin Allard	214 Donald Drive, Pensacola, FL 32507	Florida	334-799-2743	1
Dan and Patty Cummings	13430 Gulf Beach Highway, #1008, Perdido Key, FL 32507	Florida	850-898-8583	1
Matt and Flip Harris	613 Southbridge Blvd., Savannah, GA 31405	Georgia	(912) 344-9928	1
Lora Clemens and Kellie Simpson	2893 Salmon Avenue, Atlanta, GA 30317	Georgia	404-596-5408	1
Leanna Roberts	975 Limahana Place, Suite 204 Lahaina, HI 96761	Hawaii	808-633-6816	1
Tim and Darlene Power	2766 W. Good Court, Boise, ID 83702	Idaho	208-991-4991	1
Roger Berwanger	12417 Ocean Gateway B11 Suite 138 Ocean City, MD 21842	Maryland	(301) 943-9428	1
Liann DiMare	36 Lake Street Wilmington, MA 01887	Massachusetts	(978) 930-1954	1
Paul McAnaw	116 West Deerfield Drive Nixa, MO 65714	Missouri	(417) 693-1030	1
Bonnie Burke	11 Sheridan Street Woburn, MA 01801	New Hampshire	(781) 570-6045	1
Bob Kaylor	27 E. Tarpon Way Lavallette, NJ 08735	New Jersey	(848) 205-3385	1
Elisa Roels	8200 River Road, Wilmington, NC 28412	North Carolina	(888) 457-1830	1
Corey Tigner and Ryan Tigner	8608 SW Lizzie Court Portland, OR 97223	Oregon	(503) 799-7341	1
Reg Delperdang and Camile Hartford	3454 NW Bruce Cyn Ln Bend, OR 97203	Oregon	(972) 523-9591	1
Jim Donohue	833 Rhododendron Drive, Florence, OR 97439	Oregon	800-962-7607	1
Sarah & Steven Goodwin	1727 Sailmaker Street Charleston, SC 29492	South Carolina	(843) 576-9159	2
Robbie Branham	300 14th Ave South North Myrtle Beach, SC 29582	South Carolina	(877) 384-0701	1
Peter Moersen	10 Muirfield Road Hilton Head, SC 29928	South Carolina	(843)715-3231	1

Name	Address	State (for location of franchise)	Phone Number	Number of Territories
John and Jay Dail	2156 Highway 17 Business Garden City, SC	South Carolina	(888) 505-1618	1
Barry and Pamela Fitzgerald	451 BB Sams Drive, St Helena Island, SC 29920	South Carolina	843-790-8973	1
Dennis Stark	204 Pine Mountain Road, Suite 1, Pigeon Forge, TN 37863	Tennessee	865-366-3200	3
Kevin and Kelly Copeland	1055 Pine Street, #314 Nashville, TN 37203	Tennessee	(615) 488-0500	1
Amy Webster Dawn Cramer	1220 Creekview Drive Round Rock, TX 78681	Texas	(512) 299-2830	1
Winter and Lonnie Bush	6341 Stewart Road #328 Galveston, TX 77551	Texas	(225) 772-9919	1
Jeff and Deanna Reed	2305 Granbury Dr. Mesquite, TX 75150	Texas	(469) 258-3170	1
John Kennedy	6300 N Sagewood Dr., Suite H521 Park City, UT 84098	Utah	(435) 245-1713	1
Jeff and Delese Bettinson	1914 E. 9400 Street, Suite 247 Sandy, UT 84093	Utah	(833) 817-7001	1
Karen and Ken Hunt	2212 Queen Anne Avenue N, #503, Seattle, WA 98109	WA	206-805-8398	1

LIST OF FRANCHISEES THAT SIGNED FRANCHISE AGREEMENTS AND LAUNCHED FRANCHISED BUSINESSES BETWEEN JANUARY 1, 2020 AND THE ISSUANCE DATE

<u>Name</u>	<u>State</u>	<u>Address</u>	<u>Phone Number</u>
<u>Megan and Carlos Rodriguez</u>	<u>Arizona</u>	<u>1351 W. Obispo Ave. Mesa, AZ 85202</u>	<u>(407) 697-2723</u>
<u>Sean and Jennifer Degnan</u>	<u>Maryland</u>	<u>122 Round Bay Road, Severna Park, MD 21146</u>	<u>(202) 734-9191</u>
<u>Tony and Jenna Petiprin</u>	<u>Connecticut</u>	<u>90 Fieldcrest Drive Trumbull, CT 06611</u>	<u>(203) 590-1068</u>

LIST OF FRANCHISEES THAT SIGNED FRANCHISE AGREEMENTS BUT HAD NOT YET LAUNCHED FRANCHISED BUSINESS AS OF DECEMBER 31, 2019

<u>Name</u>	<u>State</u>	<u>Address</u>	<u>Phone Number</u>
<u>Kathie Wild</u>	<u>Florida</u>	<u>4311 Huntington Street, St. Petersburg, FL 33703</u>	<u>813-524-5188</u>
<u>Susan and Darryll Molina</u>	<u>California</u>	<u>628 N. 9th Street, San Jose, CA 95112</u>	<u>650-260-4980</u>

Chris Adams and Kevin Allard	Florida	214 Donald Drive, Pensacola, FL 32507	334-799-2743
Lora Clemens and Kellie Simpson	Florida	2893 Salmon Avenue, Atlanta, GA 30317	404-596-5408
Mary and Marco Ceccarelli	North Carolina	123 Institute Street, #762 Mooresville, NC 28115	(704) 912-4199

<u>Name</u>	<u>State</u>	<u>Address</u>	<u>Phone Number</u>
<u>Mary and Marco Ceccarelli</u>	<u>North Carolina</u>	<u>123 Institute Street, #762, Mooresville, NC 28115</u>	<u>(704) 912-4199</u>

**LIST OF FRANCHISEES THAT SIGNED FRANCHISE AGREEMENTS BETWEEN
JANUARY 1, 2020 AND THE ISSUANCE DATE BUT HAD NOT YET LAUNCHED
FRANCHISED BUSINESS AS OF THE ISSUANCE DATE**

<u>Name</u>	<u>State</u>	<u>Address</u>	<u>Phone Number</u>
<u>Shadi Hosseini</u>	<u>California</u>	<u>1782 Palisades Drive Pacific Palisades, CA 90272</u>	<u>(818) 434-3028</u>

**FORMER FRANCHISEES THAT LEFT OUR SYSTEM IN THE PAST
FISCAL YEAR ENDING DECEMBER 31, 2019**

Franchisee	Last Known Business Address	Phone
Joseph Creswell ¹	3152 Parkway, 13-304, Pigeon Forge, TN 37863	(888) 507-3323
Adam Schwartz	1320 N. Brighton Street Burbank, CA 91506	(818) 434-3028
Jon and Lielei Wahlmann	14781 Pomerado Road Ste 222 Poway, CA 92064	(858) 663-5876
Scott Roberts	22715 Camino Del Mar, Unit 26 Boca Raton, FL 33433	(603) 313-0446
Scott Hartman and Robert Finley	3131 McKinney Ave., 6 th Floor Dallas, TX 75204	(877) 414-8747

**FORMER FRANCHISEES THAT LEFT OUR SYSTEM
BETWEEN JANUARY 1, 2020 AND THE ISSUANCE DATE**

<u>Name</u>	<u>Last Known Business Address</u>	<u>Phone Number</u>
<u>Shadi Hosseini</u>	<u>1782 Palisades Drive Pacific Palisades, CA 90272</u>	<u>(818) 434-3028</u>
<u>Elyse Schechter</u>	<u>3100 NE 49th Street #907 Ft. Lauderdale, FL 33308</u>	<u>(248) 417-4004</u>

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EXHIBIT E TO DISCLOSURE DOCUMENT

iTRIP, LLC

OPERATIONS MANUAL TABLE OF CONTENTS



Franchise Operations and Policies Manual

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(Version 01-09-20)

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5. Realtor Portal Setup
6. Realtor Portal Training
- G. Selling Your Services – Homeowner Associations (HOA)
 1. Identifying HOAs
 2. Contacting HOAs
 3. *iTrip Vacations* HOA Presentation
- H. Selling Your Services – Referring Professionals
 1. Overview
 - a. Mortgage Brokers
 - b. Insurance Agents
- I. Property Listings
 1. Creating a Property Listing
 - a. Headline
 - b. Thumbnail Photo
 - c. Photos
 - d. Photo Captions
 - e. Property Description
 - f. Location Description
 - g. Area Destination Page
 - h. Availability Calendar
 - i. Rental Rates Table
 - j. Amenities Table
 - k. Reviews
 - l. Further Details
 - m. Contact Info
 2. Creating Unique Content for Property Listings
 - a. Why Differentiate Your Listings?
 - b. Headlines
 - c. Property Descriptions

- d. Location Information
 - e. Photo Captions
 - f. Amenities
- J. Selling Your Services – Guests
 - 1. Booking Agent Procedures and Call Scripts

6. Cleaning, Maintenance, Photography, Home Watch & Concierge Services (19 pages)

- A. Cleaning Companies
- B. Maintenance Contractors
- C. Photography Services
- D. Home Watch Contractors
- E. Concierge Service Contractors

7. Employees (14 pages)

- A. Office Staff
 - 1. Overview
 - 2. Job Descriptions and Responsibilities
 - a. Booking Agent
 - b. Operations Manager
 - c. Business Development Manager
 - d. Property Inspector
 - 3. Adding an Employee to Your Account Directory
 - 4. Employee Training

8. Advertising and Marketing (26 pages)

- A. Guidelines & Brand Identity Standards
- B. Marketing Analysis & Strategy
- C. Advertising
 - 1. Advertising Programs
 - a. Direct Mail
 - 2. Advertising Materials
 - a. Realtor Brochure
 - b. Unit Owner Brochure

- c. Visitor Center Rack Cards
- D. Marketing and Promotion
 - 1. Marketing and Promotional Programs
 - a. CRM Drip-Marketing Campaigns
 - b. Board of Realtors Sponsored Events
 - c. 90-Day Fast Start Marketing Action Items
 - 2. Social Media
 - a. Corporate Support
 - i. Overview
 - ii. Sharing Special Offers, Discounts and Local Media Events
 - b. Submitting Information
 - i. Area Events
 - ii. Current Promotions
- E. Grand Opening Advertising and Marketing
- F. The Creative Brand Fund
- G. Requesting Approval for Alternative Advertising and Marketing

9. Forms and Materials

- A. iTrip Admin Software Manual
- B. Limited Damage Waiver Program Rider to Franchise Agreement

EXHIBIT F TO DISCLOSURE DOCUMENT

SAMPLE GENERAL RELEASE AGREEMENT

SAMPLE GENERAL RELEASE - TERMINATION

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of ITRIP, LLC's furnishing of certain confidential information in connection with the Franchise Agreement between RELEASOR and ITRIP, LLC (the "Franchise Agreement"), but such Franchise Agreement terminating in accordance with its terms and provisions, and other good and valuable consideration, hereby releases and discharges ITRIP, LLC as RELEASEE; RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a corporation) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[FRANCHISEE NAME]

By: _____

Name: _____

Title: _____

[SEAL]

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____
COUNTY OF _____ ss.:

On _____, 20____ before me _____,
(Name of Notary)
personally came _____, to me known, who, by me duly sworn,
did depose and say that deponent resides at _____,
that deponent is the _____ of _____,
the limited liability company/corporation/other business entity described in the foregoing RELEASE, and
which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to
the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation;
and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____
COUNTY OF _____ ss.:

On this _____ day of _____, 20____, before me _____,
(Name of Notary)
the undersigned officer, personally appeared _____, to me personally
known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and
acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

SAMPLE GENERAL RELEASE - ASSIGNMENT

To all to whom these Presents shall come or may Concern, Know That _____ [a corporation organized under the laws of the State of _____][an individual domiciled in the State of _____] as RELEASOR, in consideration of the consent of ITRIP, LLC to the Assignment of the Franchise Agreement between RELEASOR and ITRIP, LLC (the "Franchise Agreement") to _____, and other good and valuable consideration, hereby releases and discharges ITRIP, LLC as RELEASEE, RELEASEE'S corporate parents, subsidiaries or affiliates and the respective officers, directors, shareholders, agents, attorneys, contractors and employees of each of the foregoing entities (in their corporate and individual capacities), and RELEASEE'S heirs, executors, administrators, successors and assigns, from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the day of the date of this RELEASE, including, without limitation, claims arising under federal, state and local laws, rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise Disclosure Document that RELEASEE provided to RELEASOR; provided further that all liabilities arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement and any causes of action arising in his, her or its 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, Section 687.4 and 687.5 be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section 1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a corporation) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal to be hereunto affixed on _____, _____.

RELEASOR

[FRANCHISEE NAME]

By: _____

Name: _____

Title: _____

[SEAL]

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____ ss.:
COUNTY OF _____

On _____, 20____ before me _____,
(Name of Notary)
personally came _____, to me known, who, by me duly sworn,
did depose and say that deponent resides at _____,
that deponent is the _____ of _____,
the limited liability company/corporation/other business entity described in the foregoing RELEASE, and
which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to
the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation;
and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____ ss.:
COUNTY OF _____

On this _____ day of _____, 20____, before me _____,
(Name of Notary)
the undersigned officer, personally appeared _____, to me personally
known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and
acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

SAMPLE GENERAL RELEASE - RENEWAL

To all to whom these Presents shall come or may Concern, Know That _____
[a corporation organized under the laws of the State of _____][an individual domiciled in the State
of _____] as RELEASOR, in consideration of the execution by ITRIP, LLC of a Renewal
Agreement renewing the franchise between RELEASOR and ITRIP, LLC (the "Franchise Agreement"),
and other good and valuable consideration, hereby releases and discharges ITRIP, LLC as RELEASEE;
RELEASEE'S corporate parents, subsidiaries or affiliates; and, the respective officers, directors,
shareholders, agents, attorneys, contractors and employees of each of the foregoing (in their corporate and
individual capacities), along with RELEASEE'S heirs, executors, administrators, successors and assigns,
from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills,
specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages,
judgments, executions, claims and demands whatsoever, in law, admiralty or equity, which against the
RELEASEE, the RELEASOR, RELEASOR'S heirs, executors, administrators, successors and assigns ever
had, now have or hereafter can, shall or may have, upon or by reason of any matter, cause or thing
whatsoever from the beginning of the world to the day of the date of this RELEASE arising out of or related
to the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws,
rules and ordinances; provided, however, that nothing contained in this release is intended to disclaim or
require RELEASOR to waive reliance on any representation that RELEASEE made in the Franchise
Disclosure Document that RELEASEE provided to RELEASOR; and provided further that all liabilities
arising under Indiana Code Sec. 23-2-2.7 and/or the Maryland Franchise Registration and Disclosure Law
are excluded from this release, and that all rights enjoyed by RELEASOR under said Franchise Agreement
and any causes of action arising in his, her or its 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, Section 687.4 and 687.5
be satisfied. If RELEASOR is domiciled or has his or her principal place of business in the State of
California, then RELEASOR hereby expressly waives and relinquishes all rights and benefits under Section
1542 of the California Civil Code, which provides: "A GENERAL RELEASE DOES NOT EXTEND TO
CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO
EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF
KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER
SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number
as the text of the within instrument may require.

Whenever the text hereof requires, the use of singular number shall include the appropriate plural number
as the text of the within instrument may require.

This RELEASE may not be changed orally.

IN WITNESS WHEREOF, the RELEASOR (if an individual) has executed this RELEASE, and (if a
corporation) has caused this RELEASE to be executed by a duly authorized officer and its corporate seal
to be hereunto affixed on _____, _____.

RELEASOR

[FRANCHISEE NAME]

By: _____

Name: _____

Title: _____

[SEAL]

ACKNOWLEDGMENT FOR CORPORATE RELEASOR

STATE OF _____
COUNTY OF _____ ss.:

On _____, 20____ before me _____,
(Name of Notary)
personally came _____, to me known, who, by me duly sworn,
did depose and say that deponent resides at _____,
that deponent is the _____ of _____,
the limited liability company/corporation/other business entity described in the foregoing RELEASE, and
which executed said RELEASE, that deponent knows the seal of the corporation, that the seal affixed to
the RELEASE is the corporate seal, that it was affixed by order of the board of directors of the corporation;
and that deponent signed deponent's name by like order.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

ACKNOWLEDGMENT FOR INDIVIDUAL RELEASOR

STATE OF _____
COUNTY OF _____ ss.:

On this _____ day of _____, 20____, before me _____,
(Name of Notary)
the undersigned officer, personally appeared _____, to me personally
known, and known to me to be the same person whose name is signed to the foregoing RELEASE, and
acknowledged the execution thereof for the uses and purposes therein set forth.

IN WITNESS WHEREOF I have hereunto set my hand and official seal.

Notary Public

My Commission expires: _____

(NOTARIAL SEAL)

EXHIBIT G TO DISCLOSURE DOCUMENT

FRANCHISEE QUESTIONNAIRE/COMPLIANCE CERTIFICATION

As you know, iTRIP, LLC (“we”, “us”), and you are preparing to enter into a Franchise Agreement for the right to open and operate one (1) or more iTRIP franchises (each, 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, as well as each exhibit or schedule attached to these agreements that you intend to enter into with us?
- Yes ____ No ____ 2. Have you received and personally reviewed the Franchise Disclosure Document we provided?
- Yes ____ No ____ 3. Did you sign a receipt for the Disclosure Document indicating the date you received it?
- Yes ____ No ____ 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. Have you reviewed the Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business(es) with these professional advisor(s)?
- Yes ____ No ____ 6. Do you understand the success or failure of your Franchised Business(es) 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 Premises, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?
- Yes ____ No ____ 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. Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the providing of services under the iTrip mark or any other mark at any location outside your Designated Territory under the Franchise Agreement without regard to the proximity of these activities to you’re the premises of your 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 Nashville, Tennessee?
- Yes ____ No ____ 10. Do you understand the Franchise Agreement provides 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 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?
- Yes ____ No ____ 15. Do you understand that we will send written notices, as required by your Franchise 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 an iTrip franchise, 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 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 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?

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.

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.

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated: _____, 20____

Dated: _____, 20____

Signature of Franchise Applicant

Signature of Franchise Applicant

Name (please print)

Name (please print)

Dated: _____, 20____

Dated: _____, 20____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON BACK OF THIS PAGE (REFER TO QUESTION NUMBER)

REMAINDER OF PAGE LEFT BLANK INTENTIONALLY.

EXHIBIT H TO DISCLOSURE DOCUMENT

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

LIST OF STATE ADMINISTRATORS

California Department of Business Oversight
TOLL FREE 1-(866) 275-2677

LA Office

320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7500

Sacramento Office

1515 K Street, Suite 200
Sacramento, CA 95814-4052
(866) 275-2677

San Diego Office

1350 Front Street, Room 2034
San Diego, CA 92101-3697
(619) 525-4233

San Francisco Office

One Sansome St., Suite 600
San Francisco, CA 94104
(415) 972-8559

Florida Department of Agricultural
and Consumer Services
Division of Consumer Services
Mayo Building, Second Floor
Tallahassee, Florida 32399-0800
(904) 922-2770

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana Secretary of state
Securities Division
302 West Washington Street, Room 111
Indianapolis, IN 46204
(317) 232-6681

Kentucky Office of the Attorney General Consumer
Protection Division

P.O. Box 2000
Frankford, KY 40602
(502) 573-2200

Maryland Office of the Attorney General
Securities Division

200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Michigan Department of the Attorney General
Consumer Protection Division

Attn: Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, MI 48933
(517) 373-7117

Minnesota Department of Commerce

85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

Nebraska Department of Banking and Finance

1200 North Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509-5006
(402) 471-3445

New York State Department of Law

Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8236

North Dakota Securities Department

State Capital, 5th Floor
600 East Boulevard Avenue
Bismarck, ND 58505-0510
(701) 328-2910

Oregon Department of Consumer
and Business Services
Division of Finance and Corporate
Securities labor and Industries
350 Winter Street, NE, Room 410
Salem, OR 97310-3881
(503) 378-4140

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920

South Dakota Department of Labor and
Regulation
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Statutory Document Section
Texas Secretary of State
P.O. Box 12887
Austin, TX 78711
(512) 475-1769

State of Utah
Division of Consumer Protection
P.O. Box 45804
Salt Lake City, Utah 84145-0804
(801) 530-6601

State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

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

Securities and Franchise Registration
Wisconsin Securities Commission
201 W Washington Ave., 3rd Floor
Madison, WI 53703
(608) 266-2801

AGENTS FOR SERVICE OF PROCESS

Attn: Steve Presley
iTrip, LLC
205 Powell Place, Suite 309
Brentwood, Tennessee 37027

Commissioner of the Department of Business
Oversight
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344

Commissioner of the Department of Business
Oversight
One Sansome St., Suite 600
San Francisco, California 94104

Commissioner of the Department of Business
Oversight
1515 K Street., Suite 200
Sacramento, CA 95814

Commissioner of Securities of the State of
Hawaii
Department of Commerce and Consumer
Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, HI 96813

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020

Michigan Department of Attorney General
Consumer Protection Division
Antitrust and Franchise Unit
P.O. Box 30054, 6546 Mercantile Way
Lansing, MI 48909

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
(651) 539-1600

New York Department of State
Attention: UCC
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231
(518) 473-2492

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

Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920

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

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

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

Securities and Franchise Registration
Wisconsin Securities Commission
201 West Washington Avenue, 3rd Floor
Madison, WI 53703
(608) 266-2801

EXHIBIT I TO 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 state, 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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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 J

RECEIPTS

RECEIPTS (OUR COPY)

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 iTrip, LLC offers you a franchise it must provide this Disclosure Document to you within 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 iTrip, 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-H of this Franchise Disclosure Document.

The Issuance Date of this Disclosure Document is May 12, 2020 (as amended June 10, 2020 and further amended August 17, 2020).

A list of franchisor's agents registered to receive service of process is listed as Exhibit A-H to this Franchise Disclosure Document.

I have received a Franchise Disclosure Document with an Issuance Date of May 12, 2020 (as amended June 10, 2020 and further amended August 17, 2020) which contained the following Exhibits:

- | | |
|---|--|
| A. Franchise Agreement (State Addenda and Exhibits) | F. Sample Termination and Release Agreement |
| B. Financial Statements | G. Franchisee Questionnaire/Compliance Certification |
| C. State Specific Addenda to FDD | H. List of State Franchise Administrators/Agents for |
| D. List of Franchisees and Franchisees That Have Left
The System | Service of Process |
| E. Operations Manual Table of Contents | I. State Effect Dates Page |
| | J. Receipts |

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

Steve Presley c/o iTrip, LLC, 205 Powell Place, Suite 309, Brentwood, Tennessee 37027, (888) 694-8747

Franchisee: _____

Print Name: _____

Telephone Number: _____

Date: _____

If Franchisee is a Partnership, Corporation or
Limited Liability Corporation:

Name: _____

Title: _____

Company: _____

Address: _____

RECEIPTS (YOUR COPY)

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