

FRANCHISE DISCLOSURE DOCUMENT



AvenueWest Global Franchise, LLC

a Colorado limited liability company

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AvenueWest Global Franchise, LLC grants franchises for the operation of businesses where licensed real estate agencies provide real estate buying and selling services and property management services. The real estate buying and selling services are offered within the states where the Franchisees have a real estate license to perform these services. The property management services are offered within a specific geographic area (also within the State in which they are licensed) and use the established real estate property management system (“AvenueWest Business(es)”).

The total investment necessary to begin operation of an AvenueWest franchised business is between \$60,750 to \$100,000. This includes \$45,000 that must be paid to the franchisor or its affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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 AvenueWest Global Franchise, LLC at 13949 W Colfax Ave, Suite 270, Lakewood, CO 80401 and 303-825-7625.

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

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

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

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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 C.
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 A 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 AvenueWest business 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 AvenueWest franchisee?	Item 20 or Exhibit C 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 D.

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, arbitration and/or litigation only in Colorado. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Colorado than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all your financial obligations under the Franchise Agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both you and your spouse's marital personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

**NOTICE REQUIRED BY
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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that the 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 terms 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 such 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, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 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 six (6) months advance 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 or 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 qualifications 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 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 Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

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EXHIBITS:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
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Exhibit E	State Addenda and Agreement Riders
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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES REGARDING THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT OR STATE SPECIFIC AMENDMENTS TO THE FRANCHISE AGREEMENT. THESE ADDITIONAL DISCLOSURES OR STATE SPECIFIC AMENDMENTS, IF ANY, APPEAR IN THE STATE ADDENDA AT EXHIBIT E.

ITEM 1

THE FRANCHISOR, AND ANY PARENT, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document, “we,” “us,” “our,” or “AWGF” means AvenueWest Global Franchise, LLC, the Franchisor. “You,” “your,” and “Franchisee” means the person, and its owners if the Franchisee is a business entity, who buys the franchise from AWGF.

The Franchisor, its Predecessor and its Affiliates

AvenueWest Global Franchise, LLC is a Colorado limited liability company that was formed on May 25, 2017 under the name AWGF, LLC. On June 2, 2017, we changed our name to AvenueWest Global Franchise, LLC. We operate under our corporate name, AvenueWest Global Franchise, LLC, the name AvenueWest Corporate Housing, and no other name. Our principal business address is 13949 W Colfax Ave, Suite 270, Lakewood, CO 80401. We began offering AvenueWest franchises in May 2017. We have not and do not operate any businesses like those described in this Franchise Disclosure Document, or in any other line of business. We have two affiliates, AvenueWestDenver, Inc., who operates one AvenueWest Business in California and one in Colorado under franchise agreements with us and Affinity Managed Properties, LLC, who operates two Avenue West Businesses both in Colorado under franchise agreements with us. We had another affiliate, AvenueWest Atlanta, Inc., who operated an AvenueWest Business in Georgia under a franchise agreement with us until February 2019 when it was sold to franchisee. We have not offered and do not offer franchises in any other line of business.

Our predecessor, AW Global, LLC (also formerly known as “Avenue West Global Franchise, LLC”) (“Global”), was formed on May 29, 2009. Global’s principal business address was 7901 Southpark Plaza #216, Littleton, CO 80120. Global offered franchises for AvenueWest Businesses from June 2009 to May 2017. On May 31, 2017, we purchased the assets of Global, including franchise agreements. Global’s affiliate, Avenue West Corporate Housing, Inc. (“AWCHI”), operated businesses similar to the type being offered under this Franchise Disclosure Document beginning in 1999. AWCHI converted its corporate housing businesses to AvenueWest franchises between 2009 and 2012. AWCHI owns the trademarks for the AvenueWest franchise system and licenses them to us. AWCHI’s principal business address is 13949 W Colfax Ave, Suite 270, Lakewood, CO 80401 We have no parent company, and we have no affiliates that offer franchises in any line of business or provide products or services to our franchisees.

Our agent for service of process in Colorado is Angela J. Healy, 13949 W Colfax Ave, Suite 270, Lakewood, CO 80401. Our agents for service of process for other states are identified by state in Exhibit D. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed above in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

The Franchise

We offer franchises (“AvenueWest Franchise(s)” or “Franchise(s)”) a business model focusing on the complete solution available to real estate agents, including real estate sales and property management. The Franchise has the ability to do real estate sales in the entire state of which they are licensed. Then the property management is limited to their Territory. In addition to traditional unfurnished leasing, we also have a model for fully furnished leasing, also called Corporate Housing. Corporate housing typically offers larger square footage rental properties that costs less than hotels, and offers full customer service. Managed corporate housing takes the guest one step further than traditional corporate housing because it provides the guest with a privately owned condo, townhome, loft or house. These privately owned

properties typically are furnished by the owner purchasing furniture versus having rental furniture. We offer AvenueWest Franchises for the use of our “AvenueWest” and “AvenueWest Managed Corporate Housing” trademarks, trade names, service marks, and logos (“Marks”). AvenueWest Franchises are operated under our proprietary AvenueWest system (“System”). We reserve the right to change or otherwise modify the System and add, modify, or delete any of our services at any time throughout your ownership of the Franchise. We anticipate most franchisees will already have an established business entity and real estate brokerage (“Real Estate Brokerage”) or are in the process of establishing a Real Estate Brokerage business at the time we approve your AvenueWest Franchise.

You must operate your AvenueWest Business in accordance with our standard business operating practices and sign our standard franchise agreement (“Franchise Agreement”), which is attached to this Franchise Disclosure Document as Exhibit B.

Market and Competition

An AvenueWest Business targets its services to licensed real estate professionals who already have an established Real Estate Brokerage offering traditional buy and sell and/or property management services and/or individuals who desire to start up a Real Estate Brokerage offering real estate services and property management. Real Estate and unfurnished property management services is a competitive industry and each Franchisee will be responsible for marketing their services in their local market. The addition of fully furnished housing does provide the Franchisee with an additional marketing source. Investors that wish to purchase properties for this type of rental and also tenants that have been given temporary accommodation are excellent sources for the Franchisees real estate services. Corporate Housing is a fragmented industry due to the existence of many small, local providers, it is competitive and has low barriers to entry for new competitors. Your AvenueWest Business will compete mainly with independently owned and operated corporate housing businesses, but also franchises and some corporate housing businesses established, operated and/or owned by other large hotel chains. We compete primarily on the basis of local office location, property locations, uniqueness of property types, quality of accommodations, service, and price. You will also face other normal business risks that could have an adverse effect on your AvenueWest Business. These include industry developments, such as pricing policies of competitors, and supply and demand.

Industry-Specific Laws

There may be specific laws or regulations in your state or municipality regarding the operation of an AvenueWest Business. All franchisees must be a licensed “Real Estate Brokerage” and are subject to state specific laws for the industry. This specifically includes any real estate industry related licenses or permits for you and your applicable staff and agents, which are normally administered and regulated by your State’s Department of Regulatory Agency and/or the Department of Real Estate. We also recommend that your AvenueWest Business be a member of the National Association of REALTORS and the Corporate Housing Providers Association (“CHPA”) in good standing and in accord with their ethical standards. You must also obtain all necessary permits, licenses, and approvals to operate your AvenueWest Business. You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your AvenueWest Franchise, despite any advice or information that we may give you. You should consult with a legal advisor about whether these and/or other requirements apply to your AvenueWest Business.

ITEM 2 BUSINESS EXPERIENCE

CEO and Director: Angela Healy

Angela Healy is our CEO and Director in Lakewood, Colorado and has been since our inception in May 2017. From October 2015 to the February 2019, Ms. Healy was been the CEO of AvenueWest Atlanta, LLC which owned the franchise rights to the Atlanta area. From July 2010 to the present, Ms. Healy has been the CEO of AvenueWest Denver, Inc. which owns the franchise rights to the Denver and San Francisco areas. From February 2016 to December 2016 Ms. Healy was the CEO of AvenueWest Seattle, LLP which owned the franchise rights to the Seattle area. From June 2020 to the present, Ms. Healy has been the CEO of Affinity Managed Properties LLC which owns the franchise rights to the Northern Colorado and Boulder areas. Prior to that, Ms. Healy was the CFO of AW Global, LLC in Littleton, Colorado from May 2009 to August 2010. Ms. Healy was the CFO of Avenue West Corporate Housing, Inc. from June 2004 to July 2010 in Denver, Colorado. Ms. Healy is also a licensed Real Estate Broker in Colorado, California and Georgia.

President and Director: Timothy Healy

Timothy Healy is our President and Director in Lakewood, Colorado and has been since our inception in May 2017. From October 2015 to the February 2019, Mr. Healy was the President of AvenueWest Atlanta, LLC which owned the franchise rights to the Atlanta area. From July 2010 to the present, Mr. Healy has been the President of AvenueWest Denver, Inc. which owns the franchise rights to the Denver and San Francisco areas. From February 2016 to December 2016 Mr. Healy was the President of AvenueWest Seattle, LLP which owned the franchise rights to the Seattle area. From June 2020 to the present, Mr. Healy has been the President of Affinity Managed Properties LLC which owns the franchise rights to the Northern Colorado and Boulder areas.

National Sales and Training Manager: Holly Moore

Holly Moore is our National Sales and Training Manager in Lakewood, Colorado and has been since December 2018. From 2007 to the 2018, Ms. Moore worked for Oakwood Worldwide first as a Leasing Manager, then a Property Manager and most recently a District Manager

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

You must pay us an initial franchise fee (“Initial Franchise Fee”) of \$45,000 when you sign the Franchise Agreement. You will pay a reduced Initial Franchise Fee of \$25,000 for your second and any additional AvenueWest Businesses. The Initial Franchise Fee is payment for all of our pre-opening assistance that we provide to allow you to open your AvenueWest Business and also offsets some of our

franchisee recruitment expenses. The Initial Franchise Fee is uniform, due in full at the time you sign the Franchise Agreement(s), and is deemed fully earned by us once paid and is non-refundable.

During our last fiscal year, which ended December 31, 2021, we did not collect any Initial Franchise Fees.

ITEM 6 OTHER FEES

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Royalty Fee ⁽²⁾	1% of Gross Revenue	The 10 th day of the month	Your Royalty Fee is an ongoing payment that allows you to use the Marks and the intellectual property of the System and pays for our ongoing support and assistance.
Active Unit Fee ⁽³⁾⁽⁴⁾	\$50 per Active Unit per month	The 10 th day of the month commencing with the month in which the Unit became active.	The “ <u>Active Unit Fee</u> ” will be calculated on the last day of the month on any “ <u>Active Units</u> .” See Note 2 for the definition of Unit and Active Unit.
Minimum Franchise Fee ⁽⁴⁾	If the total of all monthly Franchise Fees due is less than: \$500 per month for the fourth to twelfth months of operation; \$1,000 per month for the next 12 months of operation; or \$2,000 per month starting in the third year of operation, the minimum franchise fee will be the difference between \$500, \$1,000 or \$2,000, respectively, and the total amount of the monthly Franchise Fees due.	Same as Royalty Fee	“ <u>Franchise Fees</u> ” means the total of all Royalty Fees, Active Unit Fees and National Marketing Fees. See Note 4.
National Marketing Fee ^{(2)(4) (5)}	0.5% of Gross Revenue	Same as Royalty Fee	We have established a system-wide national marketing fund for our use in promoting and building the AvenueWest brand. We reserve the right to increase this fee to up to one percent (1%) of Gross Revenues upon 30 days’ written notice to you.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Local Advertising Payment	The difference between the amount you spent on local advertising each month and your required local advertising expenditure (\$1,000 per month)	Monthly	We do not require you to spend any minimum amount on advertising and promotion within your Territory at this time, but we reserve the right to require you to spend up to \$1,000 per month. You must pay any expense related to local advertising and promotion in your Territory. If we require it and you fail to meet your required local advertising requirement on local advertising, you must pay us the difference between the amount you spent and the required advertising expenditure, which will be contributed to the National Marketing Fund.
Local and Regional Advertising Cooperatives ⁽⁵⁾	An amount set by the cooperative up to \$500 per month	As required by the cooperative	We currently do not have a cooperative, but reserve the right to require one to be established in the future. The cooperative will establish rules approved by us. Each AvenueWest Business gets one vote. See Item 11 for information about advertising cooperatives. See Note 5.
Additional Training or Assistance Fee	An amount set by us (currently \$500) per attendee, per day, plus expenses	On demand	We provide initial training at no cost for certain persons provided they attend at the same time, but we may charge you for training additional persons, newly-hired personnel, refresher training courses, advanced training courses, and additional or special assistance or training you need or request. The fee amount will depend on the training required and experience level of the trainer.
Convention Fee	The then-current fee (currently estimated to be \$250 to \$500 per person)	On demand	Payable to us to help defray the cost of your attendance at any annual convention that we choose to hold. This fee is due regardless of whether or not you attend our annual convention in any given year.
Audit Expenses	Cost of audit and inspection, any understated amounts, and any related accounting and legal expenses	On demand	Payable if an audit reveals that you understated monthly fees due us by two percent (2%) or more or you fail to submit required reports.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Successor Franchise Fee	50% of the then-current Initial Franchise Fee	Upon signing your Successor Franchise Agreement	Payable if you qualify to renew your Franchise Agreement and choose to enter into a Successor Franchise Agreement.
Fee for Lost Brand Standards Manual	\$500	On demand	You must replace any part of the brand standards manual which is lost, stolen, or destroyed. The brand standards manual remains our property at all times.
Late Payment Fee	The lesser of 15% per annum of the unpaid amount, or the highest rate allowed by applicable law	As incurred	Payable if any payment due to us or our affiliates is not made by the due date. Interest accrues from the original due date until payment is received in full.
Insufficient Funds Fee	\$100 per occurrence	As incurred	Payable if any check or electronic funds transfer (“EFT”) payment is not successful due to insufficient funds, stop payment, or any similar event.
Failure to Submit Required Financial Report Fine	\$100 per occurrence and \$100 per week	Your bank account will be debited for failure to submit any requested report within five days of request	Payable if you fail to submit any required report when due. Fines collected are paid to the National Marketing Fund. You will continue to incur this fee until you submit the required report.
Supplier and Product Evaluation Fee	Cost of inspection (estimated to be between \$100 and \$500)	As incurred	Payable if we inspect new product, service, or proposed supplier nominated by you.
Insurance	You must reimburse our costs plus a 20% administrative fee	On demand	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us for the cost of insurance obtained plus 20% of the premium as an administrative cost of obtaining the insurance.
Indemnification	All amounts (including attorney fees) incurred by us or otherwise required to be paid	As incurred	You must indemnify and reimburse us for any expenses or losses that we or our representatives incur related in any way to your AvenueWest Business or Franchise.
Liquidated Damages ⁽⁶⁾	Will vary under the circumstances	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.

Type of Fee ⁽¹⁾	Amount	Due Date	Remarks
Transfer Fee	50% of Initial Franchise Fee	\$1,000 non-refundable deposit at time of transfer application submittal and the remaining balance of fee at time of approved transfer	Payable only in connection with the transfer of your AvenueWest Business, a transfer of ownership of your legal entity, or the Franchise Agreement. You must reimburse us for any fees or expenses we incur for any transfer that is not completed.
Professional Fees	Will vary under circumstances	As incurred	Reimbursement of legal and accounting fees and other costs we incur as a result of any breach or termination of your Franchise Agreement. You must reimburse us if we incur any expenses in enforcing our rights against you under the Franchise Agreement, or payable for any fees we incur for any transfer that is not completed.
Unauthorized Advertising Fee	\$500 per occurrence	On demand	This fee is payable to the National Marketing Fund if you use unauthorized advertising in violation of the terms of the Franchise Agreement.
Customer Satisfaction Reimbursement	Will vary under the circumstances	As incurred	We may, in our sole discretion, remedy any issues with customers of your AvenueWest Business, including full reimbursement of any fees paid to you. You are required to reimburse us for any such fees.
Payment Service Fees	Up to 4% of total charge	As incurred	If payment is made to us or our affiliates by a credit card for any fee required, we may charge a service charge of up to four percent (4%) of the total charge.
De-Identification	All amounts incurred by us related to de-identification	As incurred	Payable if we must de-identify your AvenueWest Business upon its termination, relocation or expiration.
Management Fee ⁽⁷⁾	\$250 per day plus costs and expenses	As incurred	Payable if we manage your AvenueWest Business because you are in breach of the Franchise Agreement or upon death or disability.
Transfer Broker Fees	Our actual cost of the brokerage commissions, finder's fees, or similar charges	As incurred	If you transfer your AvenueWest Business to a third party or purchaser, you must reimburse all of our actual costs for commissions, finder's fees and similar charges.

Notes:

1. Fees. All fees paid to us or our affiliates are uniform and non-refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. We require you to pay fees and other amounts due to us and our affiliates via EFT or other similar means. You are required to complete the EFT authorization (in the form attached to this Franchise Disclosure Document in Exhibit G) for direct debits from your business bank operating account. We have the right to periodically specify (in the brand standards manual or otherwise in writing) different payees and/or payment methods, such as, but not limited to, weekly/biweekly/monthly payment, payment by auto-draft, credit card, and payment by check. You must provide a Profit and Loss Statement by the 5th day of the month.
2. Gross Revenue. “Gross Revenue” means the aggregate amount of all rental income and sales of goods and services, whether for cash, on credit or otherwise, made in, about or in connection with the AvenueWest Business, and including all proceeds from any business interruption insurance, but shall not include any sales, service or other taxes collected from your clients and paid to the appropriate taxing authority; and, promotions or discounts to the extent previously approved by us and where you realize no revenue.
3. Active Unit Fee. A “Unit” is defined as a furnished or unfurnished unit or property that you have under your management program. “Active Unit” means any Unit that is in the system to be rented and may or may not have a tenant. We reserve the right to increase the Active Unit Fee at any time upon 30 days’ written notice to you (but no more than once per calendar year), and will not increase the Active Unit Fee by more than three percent (3%) total over the initial term of the Franchise Agreement.
4. Minimum Franchise Fee. There will be no Minimum Franchise Fee due for the first month of the term of the Franchise Agreement if that month is a partial month.
5. Local and Regional Advertising Cooperatives. We reserve the right to establish a local or regional advertising cooperative. If a local or regional advertising cooperative is established, contribution amounts to the local or regional advertising cooperative will be established by the cooperative members. We anticipate that each AvenueWest franchisee will have one vote for each AvenueWest Business operated by the member in the designated market. No local or regional advertising cooperatives have been established as of the Issuance Date of this Franchise Disclosure Document.
6. Liquidated Damages. Liquidated damages are determined by multiplying the combined monthly average of Minimum Franchise Fees and national marketing fees (without regard to any fee waivers or other reductions) that are owed by you to us, beginning with the date you open your AvenueWest Business through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000.
7. Management Fee. The Management Fee will be charged for a period of up to 90 days, should AvenueWest be required to manage your business.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$45,000	\$45,000	Lump Sum	At signing of the Franchise Agreement	Us
Furniture/ Equipment ⁽²⁾	\$0	\$1,000	As Arranged	As incurred	Third Parties
Travel and Living Expenses While Training ⁽³⁾	\$1,000	\$4,000	As arranged	As incurred	Third Parties
Signage ⁽⁴⁾	\$0	\$3,000	As arranged	As requested	Various Suppliers
Inventory ⁽⁵⁾	\$4,000	\$10,000	As arranged	As incurred	Third Parties
Business Licenses and permits ⁽⁶⁾	\$0	\$250	As arranged	As requested	State and Local Authorities
Computer System ⁽⁷⁾	\$0	\$5,000	As arranged	As incurred	Third Parties
Legal and Accounting Fees ⁽⁸⁾	\$250	\$6,750	As arranged	As incurred	Third Parties
Insurance ⁽⁹⁾	\$500	\$2,500	As arranged	As incurred	Third Parties
Office Lease ⁽¹⁰⁾	\$0	\$2,500	As arranged	As incurred	Third Parties
Additional Operating Funds/Working Capital (Initial 3 Months) ⁽¹¹⁾	\$10,000	\$20,000	As arranged	When incurred	Third Parties, Various Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT⁽¹²⁾	\$60,750	\$100,000			

Notes:

All fees paid to us or our affiliates are non-refundable under any circumstances once paid except as provided in ITEM 5. Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers.

1. Initial Franchise Fee. See Item 5 for an explanation of the Initial Franchise Fee. The Initial Franchise Fee is non-refundable once paid.
2. Furniture/Equipment. If you do not have a current office location, you may need to purchase furniture and equipment to operate.
3. Travel and Living Expenses While Training. We provide training at our office (or at another location designated by us). If you must travel to attend training, you must pay for air fare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees (see ITEM 11).
4. Signage. While we do not anticipate that you will need any exterior or interior signs for your AvenueWest Business, you may be required by your lease to pay for the cost of an interior and/or exterior sign. The cost of signs may vary significantly depending on the location of your AvenueWest Business, requirements in your lease and local ordinance/zoning restrictions.
5. Inventory. This estimate includes items such as linens and towels and other arrival supplies, key machine and kitchen kits, along with a supply of sales brochures, sales literature, personalized letterhead and business cards and office organizational material you will need.
6. Business Licenses. These amounts also include the estimated cost of obtaining licenses or permits to operate an AvenueWest Business. Other permit and license fees will also vary depending on location and on whether applicable laws require the payment of occupational or other taxes. Franchise taxes are not included.
7. Computer System. You must have the computer and Internet access capabilities described more fully in ITEM 11. The high end in the chart reflects our estimate for such purchases if you do not have a computer and/or access to the Internet.
8. Legal and Accounting Fees. You may choose to employ an attorney, an accountant and other consultants to assist you in establishing your AvenueWest Business. These fees may vary from location to location depending upon the prevailing rate of attorneys', accountants' and consultants' fees.
9. Insurance. You must, at all times, maintain, at your own expense, the insurance coverage we require, and satisfy other insurance-related obligations. Please note that if you have had prior issues or claims from previous operations unrelated to the operation of an AvenueWest Business, your rates may be significantly higher than those estimated above.
10. Office Lease. If you do not have an existing Real Estate Brokerage business office, you will pay rent based on the size of the space you occupy and the location of the office. This amount is an estimate based on the costs for a shared office space for 1 person on a monthly basis, for 9 months, plus a 1 month deposit.
11. Additional Funds. This amount includes estimated operating expenses you should expect to incur during the first three months of operations, not including any revenue generated by your AvenueWest Business. It includes Active Unit Fees, payroll expenses, advertising, other prepaid expenses, accounting and professional fees and other operational expenses. These figures do not include any taxes that you may pay. You should check with your local and state governmental agencies for any taxes that may be assessed. We expect that most new franchisees will not hire employees during the first few months of operation because most franchisees will also be the operators of their AvenueWest Businesses.

12. Figures May Vary. Most AvenueWest franchisees will already be established Real Estate Brokerages with existing businesses outside of Corporate Housing and may not need additional funds during the first three months (“Initial Phase”), which is the time period these figures are based upon. Some franchisees, however, may require additional funds during the Initial Phase in order to support ongoing expenses. These figures are estimates only and are based on our estimate of nationwide costs and market conditions prevailing as of the date of this Franchise Disclosure Document. We relied on more than 20 years of experience in operating a business similar to the AvenueWest Business to compile these estimates. You must bear any deviation or escalation in costs from the estimates that we have given. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. Many factors that are unique to your location can make a dramatic difference in the estimates provided. You may incur additional expenses starting your AvenueWest Business. Your costs depend on several factors, including how well you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and sales levels reached by your AvenueWest Business during the initial period. We do not provide financing arrangements for you (See ITEM 10). If you obtain financing from others to pay for some of the expenditures necessary to establish and operate the AvenueWest Business the cost of financing will depend on your credit worthiness, collateral, lending policies, financial condition of the lender, regulatory environment, and other factors.

ITEM 8

RESTRICTIONS ON SOURCES OF SERVICES

Standards and Specifications

You must establish and operate your AvenueWest Business in compliance with your Franchise Agreement. You must strictly follow our methods, standards, and service specifications as set forth in our proprietary and confidential operations manual we provide to you or other written materials from us (“Brand Standards Manual”), which we may modify periodically, and which may exist in various parts, locations and formats, and may include a combination of audio, video, print, electronic media, website content, and/or software components. We reserve the right to require you to use an electronic version of the Brand Standards Manual and to require you to access the document using the Internet or an intranet created and supported by us. Our standards and specifications have been prescribed to maintain a uniform standard of high quality, value, client recognition, advertising support and availability to be furnished to the public in connection with our Marks. You must not: (i) deviate from these methods, standards, and specifications without our prior written consent, or (ii) otherwise operate in any manner which reflects adversely on our Marks or the System. In operating the AvenueWest Business, all products and supplies must be purchased from our designated or approved suppliers and conform to our standards and specifications, which have been established through years of experience.

In the future, we may modify our specifications. We will notify you of new or modified standards, specifications, and guidelines through periodic amendments or supplements to the Brand Standards Manual or through written communication (including electronic communication). We will issue copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information.

You must use approved computer hardware and software that we periodically designate to operate your AvenueWest Franchise. You must obtain the computer hardware, software licenses, maintenance and support services and other related services that meet our specifications from the suppliers we specify. You must also use approved corporate housing management software. You must

utilize an approved credit card processing service provider; currently, we have approved Chase, Evalon and QuickBooks, but we may change which service provider(s) is/are approved in our sole discretion.

You must maintain in force at your sole expense (1) commercial general liability insurance with limits of at least \$1 million per occurrence, at least \$5 million aggregate, and at least \$1 million per person; (2) personal and advertising injury insurance with a limit of at least \$1 million; (3) products-completed operations commercial general liability insurance with a limit of at least \$1 million aggregate; (4) all risks coverage insurance on rented premises with limits of \$300,000 per occurrence and all furniture, fixtures, equipment, inventory, supplies and other property used in the operation of the AvenueWest Business (including flood and/or earthquake coverage where there are known risks) for full replacement value; (5) workers compensation insurance consistent with applicable law but not less than the following coverage: employer liability with a limit of at least \$500,000 each accident, and employer liability disease with a limit of at least \$500,000 each employee and \$500,000 aggregate; and (6) cyber coverage encompassing data theft and cybersecurity. You must obtain the insurance coverage required under the Franchise Agreement. The insurance company must be authorized to do business in the state where your AvenueWest Business is located and must be approved by us. It must also be rated “A” or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies must name us and any affiliates we designate as additional named insured parties.

Purchases from Approved Suppliers

Neither we nor our affiliate are an approved or designated supplier of any other products or services, but may become one in the future. Most of the required supplies and business tools you will need, such as sheets and towels and items to furnish a kitchen, are supplied through our approved or designated suppliers and vendors. You must purchase all products, equipment, supplies, and materials only from approved suppliers (including manufacturers, wholesalers, and distributors). We and our affiliates may derive revenue from these sales and may sell these items at prices exceeding our or their costs. None of our officers own an interest in any supplier. During our last fiscal year ended December 31, 2021, we did not derive any revenue from required purchases by franchisees.

You must purchase all products, equipment, supplies, and materials only from approved suppliers (including manufacturers, wholesalers, and distributors). We estimate that approximately ten percent ten percent (10%) of purchases required to open your AvenueWest Business and 40% of purchases required to operate your AvenueWest Business will be from us or from other approved suppliers and under our specifications.

We do not have purchasing and distribution co-operatives as of the Issuance Date of this Franchise Disclosure Document; however, we may negotiate alternative purchase arrangements with suppliers and distributors of approved products for the benefit of our franchisees, and we reserve the right to receive rebates on volume discounts from our purchase of products we may resell to you. We do not provide material benefits, such as renewing or granting additional franchises to franchisees based on their use of designated or approved suppliers. There are no caps or limitations on the maximum rebates we may receive from our suppliers as the result of franchisee purchases.

We and our affiliates may receive rebates or other consideration from suppliers in consideration for goods or services that we require or advise you to obtain from approved suppliers, and we reserve the right to do so in the future. Such compensation may be in the form of rebates, monthly rental fees or other compensation. Our revenue or other consideration received may include promotional allowances, volume discounts, and other payments.

Approval of New Suppliers

We may update the list of approved suppliers in the Brand Standards Manual. If you desire to have a non-approved supplier of a product or service designated as an approved supplier, you must submit samples of the supplier's products or services to us, along with a written statement describing why such items, services, or suppliers should be approved for use in the System. We reserve the right to charge a fee to evaluate the proposed supplier of approximately \$100 to \$500 per evaluation (See Item 6). We do not make our supplier specifications and/or standards generally available to franchisees or suppliers. While we will be required to respond to a request within 30 days, we generally respond to a request for an additional approved supplier within seven days. Our written approval must be received before you use products not purchased from an approved supplier. We may revoke our approval at any time if we determine, in our discretion, that the supplier no longer meets our standards. When you receive written notice of a revocation, you must stop selling any disapproved products, and stop purchasing from any disapproved supplier.

You must meet our standards for client satisfaction with your services. That may require you to spend additional time and incur expenses to make sure that your clients are satisfied with your services. We may contact your clients directly to perform surveys and make other inquiries about your services and other aspects of the System.

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 franchise disclosure document.

	Obligation	Section in Franchise Agreement	Item in Disclosure Document
a.	Site selection and acquisition/lease if any	Sections 8.2 & 10.1	Item 11
b.	Pre-opening purchases/leases	Section 10.2	Item 11
c.	Site development and other pre-opening requirements	Sections 10 & 12	Item 11
d.	Initial and ongoing training	Sections 8.4 & 8.5	Item 11
e.	Opening	Section 8.6	Item 11
f.	Fees	Sections 3.2, 5, 7.4, 8.4, 8.5, 8.6, 9.2, 9.3, 12.16, 14.4, Attachment 1	Items 5, 6, & 7
g.	Compliance with standards and policies/Brand Standards Manual	Sections 7.4, 12.2, & 12.3	Item 11
h.	Trademarks and proprietary information	Sections 6 & 7	Items 13 & 14
i.	Restrictions on products/services offered	Section 12.6	Items 8 & 16
j.	Warranty and client service requirements	Section 12.9	Item 6
k.	Territorial development and sales quotas	Section 4	Item 12

	Obligation	Section in Franchise Agreement	Item in Disclosure Document
l.	Ongoing Product and service purchases	Section 12.6	Items 8 & 16
m.	Maintenance, appearance and remodeling requirements	Sections 10, 12.2, & 12.3	None
n.	Insurance	Section 12.8	Item 8
o.	Advertising	Section 9	Item 11
p.	Indemnification	Section 12.13	None
q.	Owner's participation/management staffing	Section 12.4	Item 15
r.	Records/reports	Section 11	Item 6
s.	Inspection/audits	Sections 11.3 & 12.5	None
t.	Transfer	Section 14	Item 17
u.	Renewal	Section 3	Item 17
v.	Post-termination obligations	Section 13.4	Item 17
w.	Non-competition covenants	Sections 16.2 & 16.4	Item 17
x.	Dispute resolution	Section 17	Item 17

ITEM 10 FINANCING

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

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING

Except as listed below, AWGF is not required to provide you with any assistance.

Pre-Opening Obligations

Before you open your AvenueWest Business, we (or our affiliates or designees) will provide the following assistance and services to you:

1. We will designate your territory (See Item 12 and Franchise Agreement – Section 4 and Attachment 1).
2. We will loan to you, or make available to you on our website, one copy of our Brand Standards Manual, which contains mandatory and suggested specifications, standards, operating procedures and rules. The Brand Standards Manual is confidential and remains our property. We may modify the Brand Standards Manual periodically, but the modification will not alter your status and rights under the Franchise Agreement (See Franchise Agreement – Section 7.4). We have included a copy of the table of contents of our Brand Standards Manual as Exhibit F to this Franchise Disclosure Document.

3. We will provide up to three people, including you (or if you are an entity, your Managing Owner) and your Designated Manager, if you have one, an initial training program in Lakewood, Colorado lasting approximately three business days at no charge. We will charge a fee of \$500 for each additional person, per day. See “Training” below for more information. The factors that affect this time frame are your ability to obtain financing, our availability for training, pre-opening preparations, and other personal factors (See Franchise Agreement – Section 8.4).

4. Provide you with specifications for the computer and software system for your AvenueWest Business (See Franchise Agreement – Section 12.14).

5. Assist you in your site selection process by approving a location for your AvenueWest Franchise (See Franchise Agreement – Section 10.1).

Site Selection

Because it is expected that you will already have an established business at the time we approve your franchise, we do not provide any site selection assistance to you other than approving the location for your AvenueWest Business.

Schedule for Opening

We estimate that the length of time between the signing of the Franchise Agreement and the opening of your AvenueWest Business will usually be about 30 days. You must commence operations within 90 days of signing the Franchise Agreement or within 30 days of your Initial Training Program completion, whichever is later. Some factors affecting this length of time include your ability to secure any necessary financing, your ability to acquire a location through lease or purchase negotiations if necessary, and the schedule of and your completion of our initial training program.

You may not open your AvenueWest Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed the Initial Training Program to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required by the Franchise Agreement, or other documentation of insurance coverage and payment of premiums we request; (5) you notify us that all approvals and conditions stated in the Franchise Agreement have been met; and (6) you have received all required permits and licenses. You must be prepared to open and operate your AvenueWest Business immediately after we state your AvenueWest Business is ready for opening.

Continuing Obligations

During the operation of your AvenueWest Business, we (or our affiliates or designees) will provide the following assistance and services to you:

1. Research new services and methods of doing business and provide you with information concerning developments of this research. We may offer you new services and methods of operating your AvenueWest Business on reasonable terms (See Franchise Agreement – Section 8.8).

2. Offer you continuing advisory services by telephone during normal business hours. We may also provide to you visits by our field representative, but we have the right to charge you a fee for our services and require you to reimburse us for any travel expenses we incur to provide any additional on-site consultation or advisory services you request (See Franchise Agreement – Sections 8.5 and 8.6.). Other guidance may be provided by bulletins and other written materials, consultations in person at our

offices or at your office, or by any other means of communications, such as webinars. At your request, we may provide special optional assistance for which you will be required to pay per diem fees and charges that we establish from time to time.

3. Include information about your AvenueWest Business on our main website and provide you with a separate sub-site specific to your territory. You may maintain your own website if needed for other real estate related services but are still required to maintain an up to date property database and local information on your AvenueWest site. We may arrange for our webmaster to design and link your web pages to our website and maintain your websites (See Franchise Agreement – Sections 6.10 and 9.2.2).

4. Inform you of mandatory standards, specifications, and procedures for the operation of your AvenueWest Franchise, as described in Item 8 (Franchise Agreement – Section 12).

5. Allow you to continue to use confidential materials, including the Brand Standards Manual, and the Marks (Franchise Agreement – Sections 6 and 7).

6. Maintain and use a national marketing fund to develop promotional and advertising programs for AvenueWest Businesses, described in greater detail immediately below in this Item 11 (Franchise Agreement – Section 9.3).

7. Review and approve suppliers and distributors you would like to use (Franchise Agreement – Section 8.3). See ITEMS 6 and 8 for additional information on this process.

8. Provide additional training to you for newly-hired personnel, refresher training courses, and additional training or assistance that, in our discretion, you need or request. You may be required to pay additional fees for this training or assistance (Franchise Agreement – Section 8.5).

Optional Assistance

During the term of the Franchise Agreement, we (or our designee(s)) may, but are not required to, provide the following assistance and services to you:

1. Modify, update, or change the System, including the adoption and use of new or modified trade names, trademarks, service marks, or copyrighted materials, new products, new equipment, or new techniques.

2. Make periodic visits to the AvenueWest Business for the purpose of assisting in all aspects of the operation and management of the AvenueWest Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the AvenueWest Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

3. Hold periodic national or regional conferences to discuss on-going changes in the industry, operational techniques, service developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You must attend these conferences. When we hold mandatory conferences, you will not be required to pay a conference fee, but you must pay all travel and living expenses for you and any of your employees who attend. These conferences will be held at our corporate headquarters or at another location chosen by us. We may provide other conferences periodically, and you may be required to pay a conference fee for these additional conferences based upon

the direct costs to us of retaining speakers and other direct expenses associated with the conference. We do not intend to receive any net income from these conferences (See Franchise Agreement – Section 8.5).

4. We may offer additional and/or refresher training programs. We have the right to charge reasonable fees for providing any such training programs. You will be responsible for all compensation and expenses (including travel, meals and lodging) incurred by you and your personnel who attend any training programs.

5. We may provide you an online information database, which we will update periodically. While we currently do not charge a fee for this service, we reserve the right to do so at any time in the future (See Franchise Agreement – Section 8.6).

6. We will furnish you on-going guidance with respect to the System. Such guidance, at our discretion, may be furnished through online training or seminars, for which you may be required to pay user fees or program fees, depending on whether we consider a particular feature to be standard or optional. We, at our sole discretion, may add to, delete or modify any and all of the standard features and optional services; and we, at our sole discretion, may re-designate standard features as optional services and vice versa.

7. We may negotiate prices and terms with suppliers. We may receive rebates and other incentive payments from the suppliers for these purchases. We reserve the right to use these rebates and payments in any manner in which we determine (See Franchise Agreement – Section 8.3).

8. We may establish and coordinate marketing and sales programs on a local, regional, national or international basis, including multi-area marketing efforts that we may develop in the future. These efforts could include multi-area customer, Internet, shows and events, yellow pages, directory, affinity and co-branding programs, and would require your cooperation, participation, and adherence to maximum pricing as permitted by law. You may also be required to participate in other marketing and promotional programs, and follow franchisor and supplier requirements and guidelines. We reserve the right to require you to participate in such programs and activities, in which case you may be required to incur expenses and to pay fees to us.

9. In our sole discretion, pay you a referral fee in an amount that we determine in our discretion in cash, services or product credit for referring a third-party franchise prospect to us, who ultimately becomes an AvenueWest franchisee. In any given period of time, the amount and/or value of the referral bonus will be uniform for all franchisees. We may increase or decrease the referral bonus at any time and by any amount in our discretion; however, the referral bonus will not exceed \$5,000. You are authorized only to identify the prospect to our franchise sales staff. You are not authorized to act as our agent or franchise broker and may not provide any information to prospects other than our information brochure. We may provide notice of the referral fee to the prospective franchisee receiving the Franchise Disclosure Document. We retain the right in our sole discretion to modify or terminate this referral program at any time with or without notice. The factors concerning our decision to start, modify, or terminate the referral program include the number of franchises that we sell, the number of referrals that we receive from current franchisees and the quality of referrals that we receive from current franchisees (See Franchise Agreement – Section 8.10).

Advertising

National Marketing Fund

You are required to contribute 0.5% of Gross Revenue per month (“National Marketing Fee”) to the National Marketing Fund. Your contribution to the National Marketing Fund will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the National Marketing Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Franchisor-owned outlets may, but are not required to, contribute to the National Marketing Fund on the same basis as franchisees. We reserve the right to increase this fee to up to one percent (1%) of Gross Revenues upon 30 days’ written notice to you. During our last fiscal year, ended December 31, 2021, the National Marketing Fund was spent as follows: 3.3% for production; 6.4% for media placement; 4.5% for public relations; 64.0% for website and social media; 6.0% for conferences; 15.7% for dues/memberships and 0.7% on national customer meetings.

The National Marketing Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use a professional advertising agency or media buyer to assist us. The National Marketing Fund will be in a separate bank account, commercial account, or savings account.

We have complete discretion on how the National Marketing Fund will be utilized. We may use the National Marketing Fund for local, regional, national, or international advertising or marketing, sales promotion and promotional materials, public and consumer relations, website development and search engine optimization, the development of technology for the System, and any other purpose to promote the AvenueWest brand. This may include our attendance at trade shows. We may reimburse ourselves, our authorized representatives, or our affiliates from the National Marketing Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes, and all other direct or indirect expenses associated with the programs funded by the National Marketing Fund.

We do not guarantee that advertising expenditures from the National Marketing Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount of the National Marketing Fund or any other fund on advertising in the geographical area where you are or will be located. We will not use the National Marketing Fund contributions for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement indicating “Franchises Available,” or similar phrasing, or include information regarding acquiring a Franchise on or as a part of materials and items produced by or for the National Marketing Fund.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the National Marketing Fund. Any unused funds in any calendar year will be applied to the following year’s funds, and we reserve the right to contribute or loan additional funds to the National Marketing Fund on any terms we deem reasonable. If the National Marketing Fund operates at a deficit or requires additional funds at any time, we have the right to loan such funds to the National Marketing Fund on any terms we determine. If we terminate the National Marketing Fund, we will distribute all unspent monies to franchise owners in proportion to their respective National Marketing Fund Contributions during the preceding 12-month period.

The National Marketing Fund is not audited. We will provide an annual unaudited accounting for the National Marketing Fund that shows how the National Marketing Fund proceeds have been spent for the previous year upon written request.

We retain the right to market on the Internet, including all use of websites, domain names, URLs, linking, advertising, and co-branding arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique, with words or symbols similar to the Marks unless we permit you to do so under the online policies in the Brand Standards Manual. We intend any franchisee website be accessed only through our home page. We may require you to provide us content for our Internet marketing. We retain the right to approve or disapprove any linking or other use of our website in our sole discretion.

Local Advertising

We do not require you to spend any minimum amount on advertising and promotion within your Territory at this time, but we reserve the right to require you to spend up to \$1,000 per month. You must pay any expense related to local advertising and promotion in your Territory.

You agree, at your sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by us, and further agree to honor the rebates, giveaways, and other promotions issued by other AvenueWest franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. You will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by us and which are accepted at all AvenueWest Businesses, and you will not issue coupons or discounts of any type except as approved by us.

You may be required to participate in any local or regional advertising cooperative for AvenueWest Businesses that is established. The area of each local and regional advertising cooperative will be defined by us, based on our assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative, not to exceed \$500 per month, for each AvenueWest Business that the franchisee owns that exists within the cooperative's area. Each AvenueWest Business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative including determining the amount of contributions from each member. We may require that each cooperative that exceeds five franchisee members must operate with governing documents. Each cooperative must prepare annual unaudited financial statements and such statements will be provided for review to each member of such cooperative. We reserve the right to form, change, dissolve, or merge any advertising cooperative formed in the future. If we elect to form such cooperatives, or if such cooperatives already exist near your territory, you must participate in compliance with the provisions of the Brand Standards Manual, which we may periodically modify in our discretion (See Franchise Agreement – Section 9.4).

Marketing Resources, Pre-Approvals for Marketing Materials, and Internet Marketing

You may develop, at your own cost, advertising and promotional materials for your own use. All advertising, promotional, and marketing content must be clear, factual, not misleading, and must conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we may require from time to time. Use of logos, Marks, and other name identification materials must follow our approved standards. You may not use our logos, Marks, and other name identification materials on items to be sold or services to be provided without our prior written approval. Before you conduct any advertising or marketing, you must send us or our designated agency samples of your proposed materials for review if such materials vary from our standard advertising and promotional materials, and if we have not prepared or previously approved the materials. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. You may not advertise via the Internet or a worldwide web page, including websites such as Groupon, Twitter, and Facebook, unless we have authorized you to do so in writing. We will attempt to notify you of whether or not the advertising is approved within seven days of receiving the advertisement from you. If

we do not notify you within 30 days, the advertisement is deemed to be disapproved. We reserve the right to utilize advertising you develop for all franchisees without paying or providing other compensation to you (See Franchise Agreement – Section 9.2.1). We reserve the right to place any conditions on your development or use of any advertising or marketing materials.

We may use both outside advertising and marketing agencies and internal staff to create advertising. We may provide advertising, promotional materials, and services to you. Materials provided may include banner ads, trade show banners, presentation folders, marketing flyers, promotional materials like coffee mugs and press releases. If you use unauthorized advertising materials, you must pay a fee of \$500 per occurrence to the National Marketing Fund.

System Website

We have established a System website (“System Website”) for AvenueWest Businesses which includes local pages for each franchisee. Your page will include information relating to your specific AvenueWest Business and select content that we provide from our System Website. Your page will showcase AvenueWest services. You must maintain your associated online property database and informational pages for your local page to promote your AvenueWest Business. You may not establish or maintain any other website or engage in any other electronic marketing of products or services without our prior written approval. All such information shall be subject to our approval prior to posting. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, linking, advertising, and co-branding arrangements. You may be requested to provide content for our Internet marketing, and you must follow our intranet and Internet usage rules, policies, and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms, and meta-tags, and in connection with linking, marketing, co-branding, and other arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, meta-tag, or search technique with words or symbols similar to the Marks. We intend any franchisee website be accessed only through our home page. You will provide us content for our Internet marketing. We retain the right to approve any linking or other use of our System Website.

Franchise Advisory Council

We currently do not have, but reserve the right to form a franchise advisory council (“FAC”) to advise us on advertising policies. If established, we will work with the FAC to solicit ideas and concerns and seek advice from franchisees. The FAC will be governed by bylaws. Members of the FAC would consist of both franchisees and corporate representatives. Members of the FAC would be selected by way of a voting method specified in the FAC’s bylaws. The FAC would serve in an advisory capacity only. We will have the power to form, change or dissolve the FAC, in our sole discretion...

Brand Standards Manual

We will provide you with the Brand Standards Manual in hard copy or electronic form. You agree to comply fully with all mandatory standards, specifications, and operating procedures and other obligations that are part of the AvenueWest Managed Corporate Housing Complete Minimum Standards and the operating standards (“Standards”). We may modify the Standards from time to time to reflect changes in standards, specifications, and operating procedures. The Brand Standards Manual contains confidential information, and you must agree not to copy any part of the Brand Standards Manual. The Brand Standards Manual contains approximately 242 pages.

Software and Computer Equipment

You must purchase or lease, and maintain and use, only such computer(s), hardware, software, web technologies or applications, required dedicated Internet access, modem(s), printer(s), and other related accessories or peripheral equipment, and methods of operation as we may specify in the Brand Standards Manual or otherwise in writing from time to time (collectively, the “Computer System”). The Computer System includes the following hardware and software: a PC or Mac based computer system that is capable of connecting to the Internet and the World Wide Web and a printer (you may use one that you currently own, as long as it is three years old or newer); one scanner; one photocopier; a three-line phone system or online phone routing program; one digital camera; at least one tablet for property inspections; a smart phone for each individual in the business operation; software meeting our minimum specifications including Microsoft Office 2021 edition or higher (including Word, Excel, and Outlook); and an approved Corporate Housing Management software.

Other than the above, we do not require you to purchase any particular computer hardware or software to establish or operate the AvenueWest Business at this time. You may need additional software, online data storage and online document signing software. We recommend utilizing DropBox or One Drive and DocuSign or RightSignature to allow for ease in support and integrating of documents, but you must purchase and use computer hardware that will be compatible with our computer system and capable of running any designated software. We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future. You are not required to update or upgrade the computer system as long as you meet our minimum requirements.

We estimate the cost of purchasing the Computer System will range from \$0 to \$5,000 depending upon whether you need to purchase the computer hardware and software or if you already have an adequate system. The cost to upgrade the hardware and maintain or upgrade the software of the Computer System depends on the needs of the System, industry regulations, and technological developments, none of which we can predict at this time and are therefore subject to change. There is no limitation on the frequency or cost of this obligation. Neither we nor any affiliate or third party vendor have any ongoing obligation to provide ongoing maintenance, upgrades, or updates to your Computer System. You must obtain your own technical support for the Computer System.

You must keep your Computer System in good maintenance and repair and, at your expense, promptly make any and all additions, changes, modifications, substitutions, and/or replacements to your Computer System as we direct. You will pay any and all, annual or otherwise, software fees, or other fees, as required by our approved suppliers to maintain your Computer System and software. You acknowledge and agree that our suppliers have the right to increase or decrease the software fees at any time, in their sole discretion, upon written notice to you. You further acknowledge and agree that we reserve the right to change our approved suppliers, including any software suppliers, at any time and in our sole discretion. You may not alter your Computer System, or use alternative software or suppliers of technology, without our prior written approval. If you are in default of any obligations under the Franchise Agreement, we may, in addition to any other remedy we may have under the Franchise Agreement, temporarily inhibit your access to all or part of the Computer System, including any proprietary software, until you have cured such default completely.

We will provide you with the Reservation Software that is required to be used. No other Reservation Software may be used. We will provide access to each of your full-time employees. If you require additional access, you will be charged the currently monthly licensing fee with no mark up.

You must use any credit card vendors and accept all credit cards and debit cards that we determine. The term “credit card vendors” includes, among other things, companies that provide services

for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). The Reservation Software has the ability to do an API feed from your credit card vendor of your choice to allow for auto charging of the monthly rental payments.

We will provide a national 800 number that connects to your local office. We will provide you with up to five email addresses, a general market address, and a specific market domain. You must regularly check your electronic mailbox and any portion of our Web site devoted to franchise owners.

We may charge you a reasonable fee for: (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.

You will have sole responsibility for: (1) the operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded.

We have the right to independently access your electronic information and data through our proprietary data management and intranet system and to collect and use your electronic information and data in any manner we promote developing the System and the sale of Franchises. This may include posting financial information of each AvenueWest franchisee on an intranet website or using this information to make financial performance representations in our Franchise Disclosure Document. There is no contractual limitation on our right to receive or use information through any proprietary data management and intranet system.

Training

Before you open your AvenueWest Business, we will provide an initial training program lasting approximately three business days. The length is listed as an approximation to reflect the fact that certain persons who are very experienced in the industry may require less training. The fee for the initial training program is included in the Initial Franchise Fee. The training program is usually conducted at our office in Lakewood, Colorado (See Franchise Agreement – Section 8.4). We provide initial training to up to three people, including you (or your Managing Owner, if you are an entity) and your Designated Manager, if you have one, provided they attend at the same time. If you desire to have additional people attend the initial training program we may charge you a fee of \$500 per person per day (See Item 6). We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses for any person attending the Initial Training Program.

At least 15 days before beginning operation of your AvenueWest Business, you or, if you are an entity, your managing owner, and if approved by us, your designated manager (See Item 15), must attend and successfully complete to our satisfaction our Initial Training Program. Except as otherwise stated, you are otherwise responsible for training your employees.

If, during the initial training program, we determine that any manager is not qualified to manage the business, we will notify you and you may select and enroll a substitute manager in this training program. If your manager’s employment terminates, you must designate a new manager, who must complete our initial training program successfully within 30 days after the termination of the initial manager. If we do not hold an initial training program during that 30-day period, the replacement

manager must attend and complete successfully the first available initial training program we hold. We may charge you a training fee for a replacement manager (See Item 6) and you must pay for the manager's airfare, ground transportation, lodging, meals, personal expenses, and the manager's salary and benefits.

If, during the initial training program, we determine in our sole discretion that you are not qualified to manage the AvenueWest Business, we will have the right to terminate the Franchise Agreement, effective upon delivery of written notice to you. You and any other owners will sign general releases, in form and substance satisfactory to us, of any and all claims against us and our affiliates, officers, directors, employees and agents.

We plan to provide the training listed in the table below. The hours presented for each subject are estimates and may change.

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Corporate Housing History and Fundamentals	8 hours	0 hours	Lakewood, CO
Property Management	6 hours	2 hours	Lakewood, CO
Tenant Management	8 hours	0 hours	Lakewood, CO
Total	22 hours	2 hours	

Notes:

1. The training subjects may vary, and the training may be less than the times indicated above, depending on the number and experience of the attendees. There currently are no fixed (i.e., monthly or bi-monthly) training schedules.
2. Angela Healy, our CEO, and Holly Moore, National Sales and Training Manager, currently oversee our training program. Ms. Healy and Ms. Moore have a combined 45 years of experience in the subjects taught, with 9 years of combined teaching and training experience with AvenueWest.
3. We will use the Brand Standards Manual as the primary instruction materials during the Initial Training Program.

Ongoing Training

We have the right to require that you or your Managing Owner and any Designated Manager attend supplemental and refresher training programs during the term of the Franchise Agreement, to be held at the time and place we designate. Some of these courses may be optional while others may be required. We may also provide assistance by telephone, electronic mail, or other form of communication, such as webinars, to you during normal business hours. If, after the Initial Training Program, we determine that additional assistance in connection with the opening of the AvenueWest Business is

necessary, then we may provide such additional training at the Premises or such other location as it determines appropriate, but has no obligation to do so.

If you appoint a new Designated Manager, you must notify us and that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your AvenueWest Business. You may also request that we provide additional training (either at corporate headquarters or at your AvenueWest Business). We may charge you a training fee for these supplemental and refresher training programs (See Item 6). You will be responsible for travel, lodging, meals and living expenses you or our representative incurs in connection with attendance at any supplemental or refresher training programs, as well as your Designated Manager's compensation.

We will provide training to you (and/or your managing owner) on the System, System guidelines, and operational and brand standards. At our discretion, we may provide either one hour of direct training to you or your Designated Manager or allow participation in a periodic AvenueWest seminar, which may be held by telephone or webinar. We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the AvenueWest System and brand standards to your key employees. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the AvenueWest Business.

We reserve the right to hold and require you to attend national or regional conferences to discuss ongoing changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. If the conference is mandatory, you will be required to pay a conference fee, due regardless of whether you attend, and must pay all travel and living expenses for yourself and all of your employees attending the conference. Conferences may be held at our corporate headquarters or at any other location chosen by us. We may preclude you from attending any national or regional conference, calls, meetings, or webinars if you are in default of the Franchise Agreement.

ITEM 12 TERRITORY

The Franchise Agreement for your AvenueWest Business grants you a protected territory ("Territory") for the operation of your AvenueWest business. Your Territory is non-exclusive and will be based on a combination of factors, which may include distance from the physical location of your AvenueWest Business, zip codes, street boundaries, population density, and demographics, all in our discretion. The size of the Territory will likely differ among franchisees, and will be determined by the demographics and attributes of the area in which the AvenueWest Business is located. As a general rule, the standard Territory will include an area encompassing a population ranging from 500,000 to 1,000,000 individuals. The population statistics used in determining your Territory will be based on numbers derived from the current U.S. Census report and supplemented with other information available and other population statistical sources of our choosing to determine populations. The Territory will be mutually determined by us and you and described in the Franchise Agreement. If you have not identified a location for your AvenueWest Business when you sign the Franchise Agreement you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the location. Franchisees operating in more densely populated metropolitan areas may have smaller Territories, while franchisees operating in less densely populated urban areas may have larger Territories.

The Franchise Agreement does not require that you establish your AvenueWest Business at any specific location within the Territory. While other franchisees and we may directly market to and solicit tenant customers anywhere inside or outside of a franchisee's territory, franchisees have the exclusive

right to solicit and acquire Units in their own Territory and may not do so in another franchisee's territory. Franchisees may, however, place tenant customers into a Unit that is within another franchisee's territory. You may not advertise in any media with a primary circulation outside your Territory, except with our written consent. You may, however, advertise in media whose circulation is inside your Territory. Except for National Accounts described below, we will not solicit or acquire Units inside your Territory. In the case of National Accounts, we do not pay compensation for servicing Units inside your Territory. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We or our affiliates may open and operate an AvenueWest Business conducting the same business utilizing the Marks and the System or grant another franchise to someone whose Territory does not include your Territory. Provided you are in compliance with all terms and conditions of the Franchise Agreement, we will not, during the Term, establish an office or grant the right to another franchisee to establish a franchise in your Territory. All Inbound Referrals will be referred to you. "Inbound Referrals" are defined as those Internet web-site leads and telephone leads with a request for housing in your Territory.

Although we may choose to assist you in selecting a location for your AvenueWest Business if you do not already have a Real Estate Brokerage business office, you are solely responsible for selecting the location and negotiating any lease or purchase term. You are not guaranteed any specific approved location and you may not be able to obtain your top choice as your location. You may not relocate your AvenueWest Business without our prior written consent, which may be withheld in our sole discretion. Any relocation will be at your sole expense. Our approval will, among other things, be based on the following factors: where your AvenueWest Business will be located, whether or not such relocation will infringe upon the rights of other franchisees, and the time it will take to relocate your AvenueWest Business.

We retain the right, for ourselves and our affiliates, on any terms we deem advisable, and without granting you any rights:

1. to own, franchise or operate AvenueWest Businesses at any location outside of the Territory, regardless of the proximity to your AvenueWest Business, even if doing so will or might affect your operation of your AvenueWest Business;
2. to maintain the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce without our prior written approval and subject to the policies and procedures in our Brand Standards Manual;
3. to offer and sell products, including proprietary products, under the Marks or any other marks, through or at locations within or outside of the Territory without our prior approval;
4. to buy, or be purchased by, or merge or combine with, any business, including a business that competes directly with your AvenueWest Business, wherever located;
5. to acquire and convert to the System operated by us, any businesses offering services and products similar to those offered by AvenueWest Businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Territory if you are in compliance with the Franchise Agreement;

6. to develop and implement multi-area marketing programs that are mandatory or voluntary, as we determine, such as Internet marketing; trade shows and events; national or international directories, affinity (marketing alliances with third parties, such as trade associations or companies with complimentary services), marketing with vendors and media reaching outside one market, which may allow us to sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs;

7. to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering corporate housing, flexible accommodations or lodging services business, or any other kind of business, at any location, including within the Territory, which may be similar to or different from the AvenueWest Business operated by you;

8. to service National Accounts inside of the Territory according to our National Accounts policy; and

9. to solicit and allow other franchisees to solicit tenant customers within your Territory and to place tenant customers into Units within your Territory.

We are not required to pay you if we exercise any of the rights specified above within your Territory. We and our affiliates retain all rights that we do not specifically grant to you under the Franchise Agreement.

We retain all rights to service or designate ourselves to service National Accounts (as described below) in your Territory only in the event you are unable or unwilling to service them. “National Account” means any customer: (i) that conducts its business for its own account or through agents, affiliates, independent contractors, or franchisees in two or more of our territories; (ii) a regional or national chain with three or more locations, which customer or chain has contracted with us to obtain housing solutions and services for two or more of its locations from us, our affiliates and/or franchisees; or (iii) which owns, manages, controls, or otherwise has responsibility for businesses in more than one location and whose presence is not confined within any one particular franchisee’s territory. We reserve the right to establish and implement (through the Brand Standards Manual) policies and procedures for the servicing of National Accounts, which may include eligibility criteria to participate in National Accounts programs, referral fees to franchisees, and maximum fees to be charged for specified services to a particular National Account. If we permit you to service National Accounts, you will be required to follow all rules and regulations that we put into place, including those described in the Franchise Agreement.

If a National Account customer requests a property in your Territory, you will have the right to service a National Account customer within your Territory, and you will have five business days to exercise such right. If at any time after you elect to service a National Account customer within your Territory you demonstrate, in our sole discretion, that you are unable or unwilling to continue doing so, we will have the right to service that National Account customer. You won’t resume providing services to any National Accounts without our prior written consent, which may be granted in our sole discretion.

If we receive any National Account requests through any alternative distribution channels for service within your Territory, we will offer that business to you. If you decline or are unable to provide the services, we reserve the right to do so, directly or indirectly, without compensation to you.

You are prohibited from soliciting or acquiring properties as Units outside of your Territory, even if such requests are for a National Account. You must comply with all of our National Account rules and regulations.

We have the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing firms to make sales outside your Territory. If you engage in sales activities using these other channels of distribution, you must obtain our approval and follow our online policy and Brand Standards Manual.

The continuation of the Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency.

If you wish to purchase an additional AvenueWest Franchise, you must apply to us, and we may, at our discretion, offer an additional Franchise to you. We consider a variety of factors when determining whether to grant additional Franchises. Among the factors we consider, in addition to the then-current requirements for new AvenueWest franchisees, are whether or not the franchisee is in compliance with the requirements under their current franchise agreement.

We do not grant options, rights of first refusal or similar rights to acquire additional franchises within the Territory or contiguous territories. You do not receive the right to acquire additional AvenueWest Franchises within the Territory. You are not given a right of first refusal on the sale of existing AvenueWest Franchises.


You are not permitted to have an individual franchisee website. You may choose, however, to promote your business via alternate online strategies consistent with our online policy. We have the right to review all online content on social media sites, discount websites, blogs, in electronic communications, and on other online sites on which our trademarks are used to protect the reputation and high quality associated with our trademarks. We may require you to remove or cease using our trademarks and intellectual property if used in a questionable way. All Internet marketing is a part of our marketing programs (regional, national, or international programs designed to increase business), and must be coordinated through our designated supplier for website services and approved by us.

ITEM 13 TRADEMARKS

The Franchise Agreement and your payment of Royalty Fees grant you the right to operate an AvenueWest Business under our name using the principal Marks listed below, including the trade names “AvenueWest” and “AvenueWest Managed Corporate Housing”. You may also use other current or future trademarks, service marks, and logos we approve to identify and operate your AvenueWest Business. You must indicate to the public and your customers and clients, in the form required in the Franchise Agreement and specified in the Brand Standards Manual, that you are an independent operator of the AvenueWest Business and shall use the appropriate trademark and copyright marks as we direct. You may not use the Marks with any unauthorized product or service, or in a manner not authorized by us.

The Marks are owned by AWCHI, and are licensed exclusively to us. AWCHI has granted us an exclusive license (“Trademark License”) to use the Marks to franchise the System. The Trademark License is for 50 years and began on May 31, 2017. It will automatically renew for subsequent 50 year periods. The license may not be terminated provided that we are not in default or we do not materially breach the Trademark License by engaging in any activity that damages the Marks or the goodwill of the Marks. If the Trademark License is terminated, AWCHI has agreed to license the use of the Marks

directly to our franchisees until such time as each franchise agreement expires or is otherwise terminated. AWCHI has registrations for the following Marks with the United States Patent and Trademark Office (“USPTO”):

Registered Mark	Registration Number	Registration Date	Register
AVENUEWEST MANAGED CORPORATE HOUSING	3,931,924	March 15, 2011; Renewed February 18, 2022	Registered on the Principal Register
AVENUEWEST	3,935,179	March 22, 2011; Renewed March 19, 2022	Registered on the Principal Register
	3,942,713	April 12, 2011; Renewed July 4, 2020	Registered on the Principal Register

All required affidavits have been filed for the registered Marks. There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation involving the Marks, which are relevant to your use of these Marks. Except for the agreement for the Trademark License, no agreement limits our right to use or license the use of our trademarks in a manner material to your AvenueWest Franchise.

You must follow our guidelines and requirements when you use any of the Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate name or in any form on the Internet, including, but not limited to URLs, domain names, email addresses, locators, links, meta-tags or search techniques without our prior written consent. You must indicate to the public in any contract, advertisement, and with a conspicuous sign in your AvenueWest Business that you are an independently owned and operated licensed franchisee of AvenueWest Global Franchise, LLC. You may not use any of the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized by us in writing, including in connection with any business besides your AvenueWest Business that you may operate. You may not use the Marks in any advertising for the transfer, sale, or other disposition of the AvenueWest Business or any interest in the Franchise. All rights and goodwill from the use of the Marks accrue to us. If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue, or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark. Guidelines regarding proper trademark use and notices are set forth in the Brand Standards Manual and will be updated periodically as we determine to be appropriate.

Your right to use the Marks is derived solely from your Franchise Agreement, and is limited to conducting business in compliance with the Franchise Agreement and all applicable standards, specifications, and operating procedures we prescribe. Any unauthorized use of the Marks by you will constitute an infringement of our rights in the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement

applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your Franchise Agreement contest or assist any other person in contesting the validity or ownership of any of the Marks.

You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must notify us immediately after you learn about an infringement of or challenge to your use of our Marks. You may not communicate with any person other than us, our counsel, or our designees about the apparent infringement, challenge, or claim. We will take the action necessary, as we determine to be appropriate, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the action appropriate, but we are not required to take any action if we do not feel it is warranted. You must modify or discontinue the use of a Mark if we modify or discontinue its use. If this happens, we will reimburse you for your actual cost of compliance (for example, changing signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business. We may acquire, develop, and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

You should understand that there could be other businesses using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before starting your AvenueWest Business, you should research this possibility, using telephone directories, trade directories, Internet directories, or otherwise to avoid the possibility of having to change your business name.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information contained in the Brand Standards Manual is proprietary and is protected by copyright and other laws. The Brand Standards Manual and the limitations of your use and your employees' use are described in Item 11. The designs contained in the Marks, the layout of our advertising materials, the content and format of our services, as well as any other writings or recordings in print or electronic form are also protected by copyright and other laws. Although we have not filed an application for copyright registration for the Brand Standards Manual, the advertising materials, the content and format of our services, and other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") in connection with your operation of your AvenueWest Business, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Brand Standards Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts, and systems on, knowledge of, and experience in the development, operation and

franchising of AvenueWest franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of AvenueWest franchises, and other related materials are proprietary and confidential (“Confidential Information”) and are our property to be used by you only as described in the Franchise Agreement and Brand Standards Manual. Where appropriate, certain information has also been identified as trade secrets (“Trade Secrets”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Confidential Information and Trade Secrets.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your AvenueWest Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other AvenueWest Franchises during the term of the Franchise Agreement.

You must notify us within three days after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyrighted Works or if someone challenges your use of our Copyrighted Works. We will take whatever action we deem appropriate to protect our rights in and to the Copyrighted Works, Confidential Information, or Trade Secrets. We will indemnify, hold harmless, and reimburse you for your liability and reasonable costs in connection with defending your use of our Copyrighted Works. To receive reimbursement you must have notified us within the required timeframe upon learning of another’s use and you must have used the Copyrighted Works only in accordance with the terms of the Franchise Agreement and Brand Standards Manual. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information, or Trade Secrets. You may not communicate with anyone except us, our counsel, or our designees regarding any infringement, challenge, or claim. We will take action as we deem appropriate regarding any infringement, challenge, or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or Trade Secrets. You must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyrighted Works, Confidential Information, or Trade Secrets.

You must add, modify, or discontinue the use of a Copyright Work if we instruct you to do so. If this happens, we will reimburse you for your actual cost of compliance. You must not directly or indirectly contest our rights to any of our Copyrighted Works that are part of our business.

Our Brand Standards Manual, electronic information and communications, sales and promotional materials, the development and use of our Services, and other related materials are proprietary and confidential and are considered to be our property to be used by you only as described in the Franchise Agreement or the Brand Standards Manual. Where appropriate, certain information has also been identified as Trade Secrets. You must maintain the confidentiality of our Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and confidential information. We reserve the right to convert the Brand Standards Manual and into an exclusively electronic format and to require you to access either document through the Internet or an intranet created and supported by us.

No patents or patents pending are material to us at this time.

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

The AvenueWest Franchise shall be managed by you, or if you are an entity, by one of your owners who is a natural person with at least a 50% ownership interest and voting power in the entity (“Managing Owner”). Under certain circumstances we may allow you to appoint a designated manager (“Designated Manager”) to run the day-to-day operations of AvenueWest Franchise. You (or your Managing Owner, if you are an entity) and your Designated Manager, if you have one, must complete our training program and must supervise and participate in the actual day-to-day operation the AvenueWest Business. The Designated Manager is not required to have an equity interest in the legal entity of the Franchise owner. You must not hire any Designated Manager who does not meet our standard qualifications. Neither you nor your Designated Manager may have an interest or business relationship with any of our business competitors. If you replace a Designated Manager, the new Designated Manager must satisfactorily complete our training program at your own expense.

Any Designated Manager and, if you are an entity, an officer that does not own equity in the Franchisee entity must sign the System Protection Agreement, the form of which is attached to this Franchise Disclosure Document in Exhibit G. All of your employees, independent contractors, agents, or representatives that may have access to our Confidential Information must sign a Confidentiality Agreement (unless they already signed a System Protection Agreement), the current form of which is attached to this Franchise Disclosure Document in Exhibit G. If you are an entity, each owner (i.e., each person holding an ownership interest in you) must sign an owner’s agreement, the form of which is attached to the Franchise Agreement as Attachment 4. We also require that the spouses of the Franchise owners sign the owner’s agreement, which contains a personal guaranty.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may offer for sale only those corporate housing services and other services and products that are authorized and approved by us (See Items 1, 8 and 9) and meet our standards and specifications. You must follow our policies, procedures, methods and techniques. You must offer all services products that we designate as required for all franchisees within your Territory. We have the right to change or add to the services or products that you must offer in your Territory, with prior notice to you. If we change or add to our required services and products, the changes or additions will remain in permanent effect, unless we specify otherwise. There are no limitations on our rights to make changes to the required services and products offered by you. The amount you must pay for the changes or additions will depend upon the nature and type of changes or additions. You must discontinue selling and offering for sale any services or products that we disapprove. We also reserve the right to establish minimum and maximum prices in accordance with the law for use with multi-area marketing and special price promotions.

You will be required to offer our Standard Customer Satisfaction Guarantee as defined in the Operation Manual, to provide guest surveys, and may be required to use standard forms of reservation agreements.

You may not sell products through other channels of distribution such as wholesale, Internet, or mail order sales. You may not establish an account or participate in any social networking sites (including, without limitation, Facebook, Twitter or any other social or professional networking site or blog) or mention or discuss the Franchise, us, or our affiliates without our prior written consent and as

subject to our online policy. Our online policy may completely prohibit you from any use of the Marks in social networking sites or other online use.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements. You should read these provisions in the Franchise Agreement attached to this Franchise Disclosure Document.

	Provision	Section in Franchise Agreement	Summary
a.	Length of the franchise term	Section 3	Ten years.
b.	Renewal or extension of the term	Section 3	Your successor franchise right permits you to remain as a franchise after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the pre-conditions to obtaining a Successor Franchise, we will offer you the right to obtain one additional term of ten years. You must sign our then-current Franchise Agreement (“ <u>Successor Franchise Agreement</u> ”) for the Successor Term, and this new Franchise Agreement may have materially different terms and conditions (including, e.g. higher monthly rental fees and advertising contributions) from the Franchise Agreement that covered your original term. You must also be current in payments, upgrade the business to current standards and sign a general release.
c.	Requirements for franchisee to renew or extend	Section 3	Provides notice of intent to renew, sign Successor Franchise Agreement, pay a successor franchise fee, be current in payments, upgrade business to current standards, and sign general release, provide proof of current licensing, insurance and permits, comply with all other provisions of the Brand manual, as may have been revised. Franchisees may be asked to sign a Successor Franchise Agreement with materially different terms and conditions than their original contract.
d.	Termination by franchisee	Section 13.3	Franchisees may terminate the franchise agreement under any grounds permitted by state law. If Franchisee terminates for grounds other than permitted by state law it shall be deemed a default of the Franchise Agreement.
e.	Termination by franchisor without cause	None	None.

	Provision	Section in Franchise Agreement	Summary
f.	Termination by franchisor with cause	Section 13.1	We can terminate if you commit any one of several violations, including disclosure of confidential information or misuse of Marks; failure to complete training, failure to operate for five days, insolvency or bankruptcy, felony conviction, material judgment against Franchisee, failure to pay amounts due, misuses Marks, attempts to sell, transfer or otherwise assign the Franchise, Franchisee entity, or business or substantial portion of assets of business without Franchisor consent, fails to report, fails to designated Premises, understatement of revenue, default under lease or loss of possession of business premises; failure to meet minimum goals, engagement of unauthorized business; failure to comply with Brand Standards Manual, two prior defaults during a 12-month period, or three defaults during the term.
g.	“Cause” defined – curable defaults	Section 13.2	You have 30 days to cure, including failure to obtain our consent, failure to comply with the System, non-payment of fees and other obligations, failure to comply with federal, state or local laws or regulations, default under any other agreement with us, and 10 days to cure for any other default under a term of the Franchise Agreement if second or more default.
h.	“Cause” defined – non-curable defaults	Section 13.1	Non-curable defaults include disclosure of confidential information or misuse of Marks; failure to complete training, failure to operate for five days, insolvency or bankruptcy, felony conviction, material judgment against you, failure to pay amounts due, misuse Marks, attempts to sell, transfer or otherwise assign the Franchise, the franchisee entity, or business or substantial portion of assets of business without our consent, fail to report, fail to designate premises, understatement of revenue, default under lease or loss of possession of business premises; failure to comply with laws; two prior defaults during a 12 month period, or three defaults during the term.

	Provision	Section in Franchise Agreement	Summary
i.	Franchisees obligations on termination/non-renewal	Sections 13.4, 16.1, 16.3, 16.4	Obligations include payment of amounts due, return of Confidential Information and other documents and materials, complete de-identification, permit us access to computer systems and premises to verify de-identification and books and records, sign a general release, prohibition on use of Confidential Information, and non-solicitation/non-competition, and pay liquidated damages where applicable.
j.	Assignment of contract by franchisor	Section 14	No restriction on our right to assign.
k.	“Transfer” by franchisee - defined	Section 14.3	Includes transfer of contract or assets or ownership change.
l.	Franchisor approval of transfer by franchisee	Sections 14.4, 14.5, 14.6	We have the right to approve all transfers but will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Section 14.4	You are in compliance with the Franchise Agreement, new franchisee qualifies, Transfer Fee paid, training completed, release signed by you, and current form of Franchise Agreement and personal guarantees signed by new franchisee, our brokerage fees reimbursed.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 15	We can match any offer for your AvenueWest Business.
o.	Franchisor’s option to purchase franchisee’s business	Sections 15.1, 15.3	We may purchase your inventory and equipment at fair market value if franchise is terminated for any reason.
p.	Death or disability of franchisee	Section 14.6	Franchise must be assigned by estate to approved next of kin within 120 days.
q.	Non-competition covenants during the term of franchise	Section 16.2	No involvement in competing business anywhere, subject to applicable state law.
r.	Non-competition covenants after the franchise is terminated or expires	Section 16.3, 16.4	On expiration or termination, no competing business for two years within: (i) a 50-mile radius from your AvenueWest Business (and including the premises of the AvenueWest Business); and (ii) a 50-mile radius from all other AvenueWest businesses that are operating or under construction. Owners may not solicit any customer of the Franchise or any AvenueWest Franchise for two years, subject to applicable state law.
s.	Modification of the agreement	Section 19.2	No modifications generally but Brand Standards Manual subject to change.

	Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 19.1	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by negotiation or arbitration	Section 17	Except for certain claims, all disputes must be arbitrated in the principal city closest to our principal place of business (currently Denver, Colorado), subject to applicable state law.
v.	Choice of forum	Section 17.6	Arbitration must be in the principal city closest to our principal place of business (currently Denver, Colorado), subject to applicable state law.
w.	Choice of law	Sections 17.5, 17.6	Colorado law, except for the Colorado Consumer Protection Act unless its jurisdictional elements are independently met without reference to this section, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and 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 performance at a particular location or under particular circumstances.

The Franchisor's financial performance information provided in this Item 19 are for the periods ending December 31, 2020 and December 31, 2021.

As of December 31, 2020 and December 31, 2021, we had 15 Businesses in operation. Of these 15 Businesses, 11 were owned and managed by franchisees and 4 were owned and managed by our affiliates ("Reporting Group").

The financial information in this Item 19 has been prepared using information from sales records and reports produced by Franchises ("Franchise Locations") as well as Businesses operated by an affiliate ("Affiliate-Owned Locations") in the Reporting Group. The Affiliate-Owned Locations are treated similarly as the Franchise Locations in that they have signed Franchise Agreements and pay royalties and other fees as required by the Franchise Agreements. The numbers below have not been audited but we

have no reason to doubt their accuracy. Franchise Locations share many of the same characteristics as Affiliate-Owned Locations, including the degree of competition, services and goods offered.

Some Businesses have reached these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Revenue is derived from the number of properties that a location manages for rental. The term “Revenue” means the total of all revenues and income from the sale of AvenueWest services to clients. Here is a chart that shows the number of properties that the High, Low and Average franchise managed:

Table 1

Number of Properties Under Management - Franchisees

	High	Low	Average	Median
Dec 31, 2021	38	5	23	18
Dec 31, 2020	36	3	18	14

Table 2

Number of Properties Under Management – Affiliate Owned

	High	Low	Average	Median
Dec 31, 2021	98	4	37	32
Dec 31, 2020	121	5	46	29

Here is a chart that shows the dollar value of all Revenues from each franchise location from High, Low and Average:

Table 3

Revenue Generated from Each Location - Franchisees

	High	Low	Average	Median
FY 2021	\$1,486,070	\$565,332	\$892,190	\$1,079,702
FY 2020	\$1,148,646	\$473,456	\$683,632	\$594,296

Table 4**Revenue Generated from Each Location – Affiliate Owned**

	High	Low	Average	Median
FY 2021	\$2,611,749	\$531,157	\$1,275,226	\$1,204,527
FY 2020	\$3,029,528	\$742,796	\$1,446,763	\$1,368,496

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

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 outlet, 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 the franchisor's management by contacting Angela Healy at 13949 W Colfax Ave, Suite 270, Lakewood, CO 80401 (303) 825-7625, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary
For Years 2019-2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2019	7	12	+5
	2020	12	11	-1
	2021	11	11	0
Company-Owned**	2019	3	2	-1
	2020	2	4	+2
	2021	4	4	0
Total Outlets	2019	10	14	+4
	2020	14	15	+1
	2021	15	15	0

*We acquired the rights to the Franchise Agreements for these outlets when we purchased the assets of our predecessor, AW Global, LLC (also formerly known as "Avenue West Global Franchise, LLC") in May 2017. As of May 31, 2017, they became our franchisees. All of these outlets opened prior to 2015.

**These outlets are owned by our affiliates and operate under franchise agreements with us.

Table No. 2

Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2019-2021

State	Year	Number of Transfers
Georgia	2019	1
	2020	0
	2021	0
Texas	2019	0
	2020	1
	2021	0
Totals	2019	1
	2020	1
	2021	0

Table No. 3

Status of Franchised Outlets
For Years 2019-2021

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
Arizona	2019	1	2	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
California	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Colorado	2019	3	1	0	0	0	0	4
	2020	4	0	0	0	2	0	2
	2021	2	0	0	0	0	0	2
Georgia	2019	0	1	0	0	0	0	1
	2020	1	1	0	0	0	1	1
	2021	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
Missouri	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Nevada	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Totals	2019	7	5	0	0	0	0	12
	2020	12	2	0	0	2	1	11
	2021	11	0	0	0	0	0	11

Table No. 4

Status of Company-Owned Outlets*
For Years 2019-2021

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
California**	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Colorado**	2019	1	0	0	0	0	1
	2020	1	0	2	0	0	3
	2021	3	0	0	0	0	3
Georgia***	2019	1	0	1	0	0	0
	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
Totals	2019	3	0	1	0	0	2
	2020	2	0	2	0	0	4
	2021	4	0	0	0	0	4

* These outlets are owned by our affiliates and operate under franchise agreements with us.

Table No. 5

Projected Openings as of
December 31, 2021 for 2022

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
Utah	0	1	0
Alabama	0	1	0
Ohio	0	0	1
New Mexico	0	0	1
Maryland	0	0	1
Total	0	2	3

A list of names, addresses and telephone numbers of all current AvenueWest franchisees are listed in Exhibit C attached to this Franchise Disclosure Document. The name and last known address and telephone number of every current franchisee who has had an AvenueWest Franchise terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the one year period ending December 31, 2021, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document is listed in Exhibit C to this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the AvenueWest franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the AvenueWest Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no trademark-specific franchisee organizations associated with the AvenueWest franchise system being offered, and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Exhibit A contains our unaudited financial statements as of April 30, 2022 and the financial statements required to be included with this Franchise Disclosure Document, audited financial statements as of December 31, 2021, 2020 and 2019. Our fiscal year end is December 31st.

ITEM 22 CONTRACTS

Attached to this Franchise Disclosure Document are the following proposed agreements regarding the Franchise:

Exhibit B	Franchise Agreement
Exhibit E	State Addenda and Agreement Riders
Exhibit G	Contracts for use with the AvenueWest Franchise

ITEM 23 RECEIPT

The last page of this Franchise Disclosure Document are a detachable Receipt to be signed by you. Please detach, sign, date, and return one copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT A

FINANCIAL STATEMENTS

UNAUDITED FINANCIALS

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/HER OPINION WITH REGARD TO THE CONTENT OR FORM

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06/12/22

Accrual Basis

AvenueWest Global Franchise LLC

Profit & Loss

January through April 2022

	Jan - Apr 22
Ordinary Income/Expense	
Income	
4000 · Franchise Fees	74,685.13
4200 · National Marketing Fee	9,587.47
4700 · Rental Income	673,648.43
4950 · Miscellaneous Income	396.00
Total Income	758,317.03
Cost of Goods Sold	
5000 · Operating Expenses	17,445.83
5200 · National Marketing Expenses	17,928.85
5700 · Rental Expense	649,690.00
5800 · Annual Meeting Expenses	2,113.06
5900 · Miscellaneous Expenses	396.00
Total COGS	687,573.74
Gross Profit	70,743.29
Expense	
7000 · Office Expenses	16,796.55
7100 · Bank Fees	953.57
7300 · Professional Services	8,734.24
7400 · Insurance	370.00
7500 · Auto Expenses	95.00
7600 · Marketing	10,419.97
7700 · Computer Expenses	2,938.31
7950 · Management Fees	10,000.00
8000 · Interest Expenses	2,973.00
8900 · Filing Fees	10.00
9999 · temp	188.75
Total Expense	53,479.39
Net Ordinary Income	17,263.90
Net Income	17,263.90

AvenueWest Global Franchise LLC

Balance Sheet

As of April 30, 2022

	Apr 30, 22
ASSETS	
Current Assets	
Checking/Savings	
1001 · Chase Business	99,364.43
1002 · Chase National Marketing Acct	1.00
Total Checking/Savings	99,365.43
Accounts Receivable	
1500 · Accounts Receivable	116,659.75
Total Accounts Receivable	116,659.75
Other Current Assets	
1499 · Undeposited Funds	1,755.60
1750 · Security Deposits	9,032.88
Total Other Current Assets	10,788.48
Total Current Assets	226,813.66
Fixed Assets	
1800 · Furniture and Equipment	0.00
1820 · Computers	543.38
Total Fixed Assets	543.38
Other Assets	
1900 · Notes from Franchisees	86,327.96
1990 · Goodwill	99,886.07
Total Other Assets	186,214.03
TOTAL ASSETS	413,571.07
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	21,750.26
Total Accounts Payable	21,750.26
Credit Cards	
2220 · Dell Financial	2,938.31
Total Credit Cards	2,938.31
Other Current Liabilities	
2300 · Deferred Revenue	111,913.08
2350 · Tenant Security Deposits	6,000.00
Total Other Current Liabilities	117,913.08
Total Current Liabilities	142,601.65
Long Term Liabilities	
2610 · SBA EIDL Loan	150,000.00
2900 · Shareholder Loan	80,000.00
2990 · Note to AW Global	45,997.00
Total Long Term Liabilities	275,997.00
Total Liabilities	418,598.65

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AvenueWest Global Franchise LLC

06/12/22

Balance Sheet

Accrual Basis

As of April 30, 2022

	<u>Apr 30, 22</u>
Equity	
3040 · A Healy Equity	510.00
3060 · T Healy Equity	490.00
3200 · Retained Earnings	-23,291.48
Net Income	<u>17,263.90</u>
Total Equity	<u>-5,027.58</u>
TOTAL LIABILITIES & EQUITY	<u><u>413,571.07</u></u>

AVENUEWEST GLOBAL FRANCHISE, LLC

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2021, 2020, AND 2019**



AVENUEWEST GLOBAL FRANCHISE, LLC

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Independent Auditor's Report

To the Members
AvenueWest Global Franchise, LLC
Denver, CO

Opinion

We have audited the accompanying financial statements of AvenueWest Global Franchise, LLC, which comprise the balance sheets as of December 31, 2021, 2020, and 2019, and the related statements of operations, members' deficit, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AvenueWest Global Franchise, LLC as of December 31, 2021, 2020, and 2019, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezas & Dunlay

St. George, Utah
March 31, 2022

AVENUEWEST GLOBAL FRANCHISE, LLC

BALANCE SHEETS

As of December 31, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Assets			
Current assets			
Cash	\$ 82,440	\$ 75,092	\$ 14,567
Accounts receivable	143,763	89,042	56,358
Notes receivable	86,328	53,880	64,532
Other current assets	6,033	6,033	7,533
Total current assets	<u>318,564</u>	<u>224,047</u>	<u>142,990</u>
Non-current assets			
Equipment, net	16,385	17,181	9,519
Intangible assets, net	80,155	94,953	109,750
Total non-current assets	<u>96,540</u>	<u>112,134</u>	<u>119,269</u>
Total assets	<u>\$ 415,104</u>	<u>\$ 336,181</u>	<u>\$ 262,259</u>
Liabilities and Members' Deficit			
Current liabilities			
Accounts payable	\$ 41,002	\$ 68,937	\$ 26,608
Credit card liability	5,973	6,170	14,843
Customer deposits	29,325	63,031	57,922
Deferred revenue	86,328	53,880	56,532
Notes payable, current	10,667	7,964	7,252
Total current liabilities	<u>173,295</u>	<u>199,982</u>	<u>163,157</u>
Non-current liabilities			
Notes payable	192,659	111,103	60,372
Notes payable - related party	80,000	80,000	105,471
Total noncurrent liabilities	<u>272,659</u>	<u>191,103</u>	<u>165,843</u>
Total liabilities	<u>445,954</u>	<u>391,085</u>	<u>329,000</u>
Accumulated members' deficit	<u>(30,850)</u>	<u>(54,904)</u>	<u>(66,741)</u>
Total liabilities and members' deficit	<u>\$ 415,104</u>	<u>\$ 336,181</u>	<u>\$ 262,259</u>

The accompanying notes are an integral part of the financial statements.

AVENUEWEST GLOBAL FRANCHISE, LLC

STATEMENTS OF OPERATIONS

For the years ended December 31, 2021, 2020, and 2019

	2021	2020	2019
Revenue			
Rental income	\$ 2,129,258	\$ 2,222,285	1,591,012
Royalty income	190,325	184,496	218,408
Marketing fee income	37,598	30,299	27,535
Initial franchise sales	30,458	22,652	\$ 25,935
Other revenue	68,063	49,251	34,445
Total revenue	2,455,702	2,508,983	1,897,335
Cost of revenue	2,273,248	2,168,041	1,667,979
Gross profit	182,454	340,942	229,356
Operating expenses			
General and administrative expenses	170,552	285,481	244,909
Professional fees	9,479	13,850	10,580
Depreciation and amortization	21,176	20,689	16,103
Total operating expenses	201,207	320,020	271,592
Income (loss) from operations	(18,753)	20,922	(42,236)
Other income (expenses)			
Interest expense	(14,022)	(9,085)	(8,326)
Other income	56,829	-	-
Total other income (expenses)	42,807	(9,085)	(8,326)
Net income (loss)	\$ 24,054	\$ 11,837	\$ (50,562)

The accompanying notes are an integral part of the financial statements.

AVENUEWEST GLOBAL FRANCHISE, LLC
STATEMENTS OF CHANGES TO MEMBERS' DEFICIT
For the years ended December 31, 2021, 2020, and 2019

Balance as of January 1, 2019	\$ (16,179)
Net loss	<u>(50,562)</u>
Balance as of December 31, 2019	(66,741)
Net income	<u>11,837</u>
Balance as of December 31, 2020	(54,904)
Net income	<u>24,054</u>
Balance as of December 31, 2021	<u><u>\$ (30,850)</u></u>

The accompanying notes are an integral part of the financial statements.

AVENUEWEST GLOBAL FRANCHISE, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021, 2020, and 2019

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:			
Net income (loss)	\$ 24,054	\$ 11,837	\$ (50,562)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	21,176	20,689	16,103
Forgiveness of debt	(56,829)	-	-
Interest accrued on note payable	4,670	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(54,721)	(32,684)	(35,869)
Notes receivable	(32,448)	10,652	(60,682)
Other current assets	-	1,500	(7,533)
Accounts payable	(27,935)	42,329	31,136
Credit card liability	(197)	(8,673)	-
Customer deposits	(33,706)	5,109	41,471
Deferred revenue	32,448	(2,652)	56,532
Net cash provided (used) by operating activities:	<u>(123,488)</u>	<u>48,107</u>	<u>(9,404)</u>
Cash flows from investing activities:			
Purchase of equipment	(5,582)	(13,554)	(8,325)
Net cash used by investing activities	<u>(5,582)</u>	<u>(13,554)</u>	<u>(8,325)</u>
Cash flows from financing activities:			
Draws on notes payable, related party	-	-	65,000
Payments on notes payable, related party	-	(25,471)	-
Draws on notes payable	150,000	61,467	-
Payments on notes payable	(13,582)	(10,024)	(43,523)
Net cash provided by financing activities	<u>136,418</u>	<u>25,972</u>	<u>21,477</u>
Net change in cash and cash equivalents	7,348	60,525	3,748
Cash and cash equivalents at beginning of period	<u>75,092</u>	<u>14,567</u>	<u>10,819</u>
Cash and cash equivalents at end of period	<u>\$ 82,440</u>	<u>\$ 75,092</u>	<u>\$ 14,567</u>
Cash paid for interest	\$ 9,352	\$ 9,085	\$ 8,326
Cash paid for taxes	\$ -	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

AVENUEWEST GLOBAL FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

AvenueWest Global Franchise, LLC (the "Company"), a Colorado limited liability company, was formed on May 25, 2017 and immediately commenced operations. The Company is a franchisor that grants franchisees a non-exclusive license to operate businesses that provide complete temporary housing solutions within a stable residential setting, specifically offering short-term, furnished accommodations in the form of corporate housing services and flexible corporate housing within a specified geographic area.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

Management of the Company will make a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with GAAP. Actual results could differ from those estimates.

(d) Reclassification

Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform to the presentation in the current period financial statements.

(e) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. Also included within cash equivalents are deposits in-transit from banks for payments related to third-party credit card and debit card transactions. As of December 31, 2021, 2020, and 2019, the Company had cash and cash equivalents of \$82,440, \$75,092, and \$14,567, respectively.

(f) Accounts Receivable

Accounts receivable represents amounts due from franchisees for various fees and tenants for outstanding rent. The provision for uncollectible amounts is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover losses. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Company on an ongoing basis. The losses ultimately incurred could differ materially in the near term from the amounts estimated in determining the allowance. For the years ended December 31, 2021, 2020, and 2019, management determined no allowance for doubtful accounts receivable was necessary. As of December 31, 2021, 2020, and 2019, the Company had accounts receivable of \$143,763, \$89,042, and \$56,358, respectively.

(g) Equipment

The Company's equipment is stated at historical cost. Depreciation expense is estimated utilizing the straight-line method over the estimated useful lives for owned assets of three to five years.

AVENUEWEST GLOBAL FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(h) Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. The Company looks primarily to the estimated undiscounted future cash flows in its assessment of whether or not long-lived assets have been impaired.

The Company has recorded intangible assets related to franchise contracts purchased on May 31, 2017, which are being amortized over their estimated useful life of ten years. As of December 31, 2021, 2020, and 2019, the Company determined there was no impairment of intangible assets.

(i) Revenue Recognition

The Company's revenues consist of fees from franchised locations operated by conventional franchisees and short-term rental revenue from clients. Revenues from franchisees consist of initial franchise fees along with royalties and marketing fees based on a percentage of gross revenues.

On January 1, 2020, the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch-up adjustment recognized upon adoption. As such, comparative information in the Company's financial statements has not been restated and continues to be reported under the accounting standards in effect for those periods. Management determined that the effect of adopting ASC 606 did not have a material effect on the Company's financial statements.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For short-term rental revenue, the Company enters into a formal lease agreement with the tenant that clearly outlines the term, monthly rent payments, and all other applicable fees and guidelines.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines the transaction price, which includes an initial fee and ongoing royalties, marketing fees, and technology fees, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of short-term rental revenue, royalties, and marketing fees, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise fees.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business

AVENUEWEST GLOBAL FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

(j) Income Taxes

The Company has elected to be treated as an S corporation for income tax purposes. Accordingly, all taxable income and losses are reported in the income tax returns of the members, and no provision for income taxes has been recorded in the accompanying financial statements.

The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2021, the 2020, 2019, and 2018 tax years are subject to examination.

(k) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2021, 2020, and 2019 was \$2,480, \$378, and \$1,086, respectively.

(l) Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which creates ASC 842, *Leases*, and supersedes ASC 840, *Leases*. ASC 842 requires lessees to recognize a right-of-use asset and lease liability for all leases with terms of more than 12 months. Recognition, measurement, and presentation of expenses will depend on classification as a finance or operating lease. The new guidance will be effective for private companies with annual reporting periods beginning after December 15, 2021 and is to be applied retrospectively. Early adoption is permitted. The Company is currently assessing the impact this guidance may have on its financial statements.

(m) Concentration of Risk

The Company maintains its cash in bank deposit accounts that at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Notes Receivable and Deferred Revenue

The Company has entered into promissory notes with franchisees for a portion of initial franchise fees due. The notes require monthly payments and generally accrue interest at a rate of 6% per annum. As of December 31, 2021, 2020, and 2019, the Company had notes receivable of \$86,328, \$53,880, and \$64,532, all of which is classified as current.

The Company defers all initial franchise fees that have a significant financing component. As of December 31, 2021, 2020, and 2019, total deferred revenue was \$86,328, \$53,880, and \$64,532, respectively.

AVENUEWEST GLOBAL FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(3) Equipment

As of December 31, 2021, 2020, and 2019, the Company's equipment consisted of the following:

	2021	2020	2019
Office furniture and equipment	\$ 32,108	\$ 26,526	\$ 12,972
Less: accumulated depreciation	(15,723)	(9,345)	(3,453)
	<u>\$ 16,385</u>	<u>\$ 17,181</u>	<u>\$ 9,519</u>

Depreciation expense for the years ended December 31, 2021, 2020, and 2019 was \$6,378, \$5,892, and \$1,305, respectively.

(4) Intangible Assets

As of December 31, 2021, 2020, and 2019, the Company's intangible assets consisted of the following:

	2021	2020	2019
Franchise agreements	\$ 147,978	\$ 147,978	\$ 147,978
Less: accumulated amortization	(67,823)	(53,025)	(38,228)
	<u>\$ 80,155</u>	<u>\$ 94,953</u>	<u>\$ 109,750</u>

Amortization expense for the years ended December 31, 2021, 2020, and 2019 was \$14,798, \$14,798, and \$14,798, respectively. Expected future amortization is as follows:

For the year ended December 31,	Amortization
2022	\$ 14,798
2023	14,798
2024	14,798
2025	14,798
2026	14,798
2027	6,165
	<u>\$ 80,155</u>

(5) Related Party Transactions

The Company is affiliated with AvenueWest Denver and San Francisco through common ownership. During the years ended December 31, 2021, 2020, and 2019, the Company recognized revenues of \$66,487, \$76,172, and \$95,698 from these related parties, respectively. As of December 31, 2021, 2020, and 2019, the Company had accounts receivable from these affiliates of \$12,480, \$4,273, and \$6,364, respectively. As of December 31, 2019, the Company had a note payable to one of the affiliates that was due upon demand with a balance of \$15,971. This note was repaid in full during the year ended December 31, 2020.

During the year ended December 31, 2017, the Company entered into a note payable with a relation to the managing member of the Company. The note had an initial principal balance of \$35,000 and charged 10% per annum, with monthly interest payments and a single balloon payment due on December 31, 2021. During the year ended December 31, 2021, the related party's estate transferred the promissory note to the managing member. As of December 31, 2020 and 2019, the balance of the note was \$35,000.

The Company has a loan due to its managing member. The note is a subordinated note payable with interest at 9.375% per annum and requires monthly interest-only payments. The note is not collateralized and matures with a single balloon payment on February 4, 2031. As of December 31, 2021, 2020, and 2019, the balance of the note was \$80,000, \$45,000, and \$54,500, respectively.

AVENUEWEST GLOBAL FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(6) Notes Payable

As of December 31, 2021, 2020, and 2019, the Company had the following notes payable:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Promissory note with the United States Small Business Administration ("SBA") with a principal balance of \$150,000. The note accrues interest at 3.75% per annum, requires monthly payments of \$731 beginning in February 2022, and has a maturity date of February 1, 2051. Unpaid interest has been accrued as of year-end.	\$ 154,670	\$ -	\$ -
Note payable with a third-party financial institution as part of the Payroll Protection Program administered by the United States Small Business Administration ("SBA"). The loan accrued interest at an annual rate of 1%, and had a maturity date of April 5, 2022. During the year ended December 31, 2021, the Company obtained notification of forgiveness of the full balance, which is recorded in other income.	-	56,829	-
Note payable with a third party in relation to an asset purchase agreement during the year ended December 31, 2017. The note requires quarterly payments and charges interest at a rate of 1% per annum.	48,656	56,620	64,372
Commercial line of credit to purchase office equipment. Accrues interest at a rate of 3.25% per annum.	<u>-</u>	<u>5,618</u>	<u>3,252</u>
	203,326	119,067	67,624
Less: current maturities	<u>(10,667)</u>	<u>(7,964)</u>	<u>(7,252)</u>
	<u>\$ 192,659</u>	<u>\$ 111,103</u>	<u>\$ 60,372</u>

(7) Customer Deposits

The Company provides short-term rentals to clients. From time to time, the Company's customers pay in advance. These deposits are recognized as revenue after the short-term lease expires. As of December 31, 2021, 2020, and 2019, the Company's customer deposits liability had a balance of \$29,325, \$63,031, and \$57,922, respectively.

(8) Commitments and Contingencies

(a) *Litigation*

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involving such amounts of unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

AVENUEWEST GLOBAL FRANCHISE, LLC
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2021, 2020, and 2019

(b) Operating Lease

During the year ended December 31, 2020, the Company entered into an operating lease for office space with a third party. The least term expires on June 30, 2025. Future minimum lease payments under this operating lease are as follows:

For the year ended December 31,		
2022	\$	37,262
2023		37,972
2024		38,681
2025		19,518
	\$	<u>133,433</u>

(c) COVID-19

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2021 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(9) Subsequent Events

Management has reviewed and evaluated subsequent events through March 31, 2022, the date on which the financial statements were available to be issued.

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT B

FRANCHISE AGREEMENT

EXHIBIT B



AVENUEWEST GLOBAL FRANCHISE, LLC

FRANCHISE AGREEMENT

Franchisee: _____

Date: _____

Territory: _____

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ATTACHMENTS:

Attachment 1	Addendum to Franchise Agreement
Attachment 2	Collateral Assignment of Telephone Numbers, Addresses, and Listings
Attachment 3	Statement of Ownership
Attachment 4	Owners Agreement

FRANCHISE AGREEMENT

This Franchise Agreement (“**Agreement**”) is entered into and effective this ____ day of _____, 20__, between **AvenueWest Global Franchise, LLC**, a Colorado limited liability company located at 13949 W Colfax Ave, Suite 270, Lakewood, CO 80401 (“**Franchisor**”, “**we**,” “**us**” or “**our**”), and “Franchise Owner” identified in **Attachment 3** of this Agreement (“**you**”, “**your**” or “**Franchisee**”) effective as of the “**Effective Date**” identified in **Attachment 1** of this Franchise Agreement.

RECITALS:

Franchisor has the exclusive right to grant franchises for the operation of a business that provides complete temporary housing solutions within a stable residential setting, specifically offering short-term, furnished accommodations in the form of corporate housing, within a specified geographic area and using a unique system.

A. AvenueWest Businesses are operated under a business format using a unique system with high standards of service, including valuable know-how, information, Trade Secrets, Confidential Information, training methods, standards, designs, methods of trademark usage, copyrights, product sources and specifications, confidential electronic and other communications, methods of Internet usage, research and development.

B. The distinguishing characteristics of the System include the trademark “**AvenueWest**” and other trademarks and trade names, confidential operating procedures, confidential brand standards manual, standards and specifications for equipment, services and products, methods of service, management and marketing programs, and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by Franchisor from time to time. They are the Confidential Information and Trade Secrets of or licenses to Franchisor and are designated by and identified with the Marks described in this Agreement.

C. Franchisor has a license to use and sublicense the use of the Marks to franchise the operation of AvenueWest Businesses.

D. Franchisor continues to use, develop and control the use of the Marks to identify for the public the source of services and products marketed under the System, and which represent the System’s high standards of quality, service and customer satisfaction.

E. Franchisee acknowledges the benefits to be derived from being identified with the System, the value of the Marks and the benefits of continued uniformity of image to Franchisee, Franchisor, Franchisor’s Affiliates and other franchisees of Franchisor.

F. Franchisee acknowledges the importance to the System of Franchisor’s high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating an AvenueWest Business in conformity with the System.

G. Franchisee recognizes that to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on Franchisee, including strict adherence to Franchisor’s present and future requirements regarding the types of products sold, services offered, advertising used, operational techniques, marketing and sales strategies and related matters.



H. Franchisee is aware of the foregoing and is desirous of obtaining the right to use the System and in association therewith, the right to use the Marks, and wishes to be assisted, trained, and franchised to operate an AvenueWest Business pursuant to the provisions specified in this Agreement, subject to the terms and conditions contained in this Agreement.

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

1. DEFINITIONS.

1.1. **“Affiliate”** shall mean any person or entity directly or indirectly controlling, controlled by, or under common control with another person or entity. **“Control,” “controlled” and “controlling”** means the power to direct or cause the direction of the management and policies of an entity and shall be deemed to exist if any person or entity directly or indirectly owns, controls, or holds the power to vote 50% or more of the voting securities of such other entity.

1.2. **“Assets”** means the all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements and other tangible and intangible items used in the operation of the AvenueWest Business.

1.3. **“AvenueWest Business”** means the business operations conducted or to be conducted by Franchisee consisting of a business providing complete temporary housing solutions within a stable residential setting, specifically offering short-term, furnished accommodations in the form of corporate housing, within a specified geographic area and using Franchisor’s System in association with the Marks.

1.4. **“Brand Standards Manual”** means, collectively, Franchisor’s confidential operations manual and other written materials, including information posted on Franchisor’s Website and information sent to or accessed by Franchisee in print or electronic form, brand standards manual, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.5. **“Business Records”** means evidence of each business transaction, and all financial, marketing, and other operating aspects of the AvenueWest Business, and all evidence and records with respect to customers, employees, and other service professionals relating the AvenueWest Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the AvenueWest Business.

1.6. **“Competitive Business”** shall have the meaning set forth in Section 16.2.

1.7. **“Confidential Information”** means all methods for establishing, operating and promoting the AvenueWest Business pursuant to Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, and Marks, information and know-how of Franchisor, pricing from suppliers and such other information as may be further developed periodically by Franchisor.

1.8. **“Copyrighted Materials”** shall have the meaning set forth in Section 6.11.

1.9. **“Damages”** shall have the meaning set forth in Section 12.13.

1.10. **“Designated Manager”** shall have the meaning set forth in Section 12.4.

- 1.11. **“FAC”** shall have the meaning set forth in Section 9.3.4.
- 1.12. **“Franchisee Affiliates”** shall have the meaning set forth in Section 17.6.
- 1.13. **“Franchisor Affiliates”** shall have the meaning set forth in Section 17.6.
- 1.14. **“Gross Revenue”** means the aggregate amount of all rental income and sales of goods and services, whether for cash, on credit or otherwise, made in, about or in connection with the AvenueWest Business, and including all proceeds from any business interruption insurance, but shall not include any sales, service or other taxes collected from Franchisee’s clients and paid to the appropriate taxing authority; and, promotions or discounts to the extent previously approved by Franchisor and where Franchisee realizes no revenue.
- 1.15. **“Initial Franchise Fee”** shall have the meaning set forth in Section 5.2.
- 1.16. **“Initial Term”** shall have the meaning set forth in Section 3.1.
- 1.17. **“Interim Period”** shall have the meaning set forth in Section 3.5.
- 1.18. **“Marketing Programs”** means regional, national, or international programs designed to increase business, such as marketing to multi-area customers, Internet, shows, events, yellow pages, directories, affinity marketing, vendor programs, and co-branding programs. Franchisee must also adhere to maximum pricing to the extent permitted by law. All such programs are proprietary trade secrets of Franchisor.
- 1.19. **“Marks”** means any trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the franchised AvenueWest Business, whether or not they are registered, including, but not limited to, **“AvenueWest”**.
- 1.20. **“Minimum Franchise Fee”** shall have the meaning set forth in Section 5.5.
- 1.21. **“National Marketing Fee”** shall have the meaning set forth in Section 9.3.
- 1.22. **“National Marketing Fund”** means the separate bank account used by Franchisor for the purposes specified in this Franchise Agreement. The Marketing Fund is not a trust or escrow account, and is managed by Franchisor.
- 1.23. **“Notice of Intent”** shall have the meaning set forth in Section 15.4.
- 1.24. **“Premises”** means the location which Franchisor has approved within the Territory, at which Franchisee operates the AvenueWest Business.
- 1.25. **“Successor Franchise Agreement”** shall have the meaning set forth in Section 3.2.2.
- 1.26. **“Successor Term”** shall have the meaning set forth in Section 3.2.
- 1.27. **“System”** means, collectively, the valuable know how, Confidential Information, any other information, Trade Secrets, methods, Brand Standards Manual, standards, designs, methods of trademark usage, Copyrighted Materials and copyrightable works, service sources and specifications, proprietary software, confidential electronic and other communications, methods of Internet usage, marketing

programs, and research and development connected with the operation and promotion of the AvenueWest Business, as modified by Franchisor and its Affiliates from time to time and at any time.

1.28. “**Territory**” shall have the meaning set forth in Section 4.1

1.29. “**Trade Secret**” means the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, improvement, confidential business or financial information, listing of names, addresses, or telephone numbers, or other information relating to any business or profession which is secret in the sense that it is not generally known to competitors of Franchisor or its Affiliates.

1.30. “**Transfer**” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the AvenueWest Business, substantial assets of the AvenueWest Business, or this Agreement.

1.31. “**Transfer Fee**” shall have the meaning set forth in Section 14.4.3.

2. GRANT OF FRANCHISE.

2.1. Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee a non-exclusive license to operate an AvenueWest Business at the Premises to be determined in accordance with this Agreement and in the Territory as designated in **Attachment 1** to this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.2. Modification of System. Franchisor reserves the right to change, improve, or further develop the System, or any part of the System at any time. Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply. Any modifications to the System developed by Franchisee in whole or in part shall be proprietary to and owned by Franchisor or its Affiliates and may not be used or transferred by Franchisee other than as provided in this Agreement.

2.3. Ownership and Principal Contact of Franchisee. If Franchisee is an entity, Franchisee shall complete and update throughout the term of this Agreement, as necessary, the Statement of Ownership attached hereto as **Attachment 3**. The AvenueWest Franchise shall be managed by Franchisee, or if Franchisee is an entity, by one of its owners who is a natural person with at least a 50% ownership interest and voting power in the entity (“**Managing Owner**”). Under certain circumstances Franchisor may allow Franchisee to appoint a designated manager (“**Designated Manager**”) to run the day-to-day operations of AvenueWest Franchise. In addition, if Franchisee is an entity, all persons holding an ownership interests in the entity and each individual’s respective spouse shall guaranty Franchisee’s performance under this Agreement by signing the Owners Agreement attached hereto as **Attachment 4**. If Franchisee is a limited liability company, partnership, corporation or other entity, Franchisee shall provide to Franchisor a copy of the organizational document creating such entity, a resolution signed by all members, directors or partners, as appropriate, designating the principal contact for the AvenueWest Business and such other information about the entity as Franchisor may request to permit it to determine that such entity is validly existing and in good standing in the state or states where it does business. This principal contact must be a managing member, general partner or controlling shareholder. Such representative shall have the authority to speak for and bind Franchisee in all matters pertaining to this Agreement, and all matters relating to the AvenueWest Business. Further, if Franchisee is an entity, such entity shall engage in no business other than the operation of the AvenueWest Business governed by this Agreement except that Franchisee may

operate a business that is complementary to the AvenueWest Business, provided it does not fall within the definition of a Competitive Business, as defined in Section 16.2.

3. TERM AND SUCCESSOR TERM.

3.1. Initial Term of Agreement. This Agreement and the license granted shall continue for a period of 10 years (“**Initial Term**”). The Initial Term shall begin on the date this Agreement is executed by Franchisor, subject, however, to termination in accordance with the provisions of this Agreement.

3.2. Successor Term. Upon the expiration of the Initial Term and any Interim Period, Franchisor may extend Franchisee’s rights to operate the AvenueWest Business for one additional term (“**Successor Term**”) of ten years, if Franchisee:

3.2.1. Sends written notice to Franchisor, as provided in Section 19.10, not less than one year prior to the expiration of the Initial Term stating Franchisee’s desire to extend its rights to operate the AvenueWest Business;

3.2.2. Executes Franchisor’s then-current franchise agreement (“**Successor Franchise Agreement**”), which may have materially different terms, including without limitation higher fees, and all other agreements in the form then being used by Franchisor to grant new franchises;

3.2.3. Pays the then-current successor franchise fee (“**Successor Franchise Fee**”) equal to 50% of the then-current Initial Franchise Fee at the same time that Franchisee executes and delivers the Successor Franchise Agreement to Franchisor;

3.2.4. Executes a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to Franchisor;

3.2.5. At its sole cost and expense, reimages, renovates, refurbishes and modernizes the AvenueWest Business, within the time frame required by Franchisor, including the building design, parking lot, landscaping, equipment, computer system, signs, interior and exterior decor items, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies and other products and materials to meet Franchisor’s then current standards, specifications and design criteria for the AvenueWest Business, as contained in the then-current Franchise Agreement, Brand Standards Manual, or otherwise in writing, including, without limitation, such structural changes, remodeling and redecoration and such modifications to existing improvements as may be necessary to do so;

3.2.6. Complies with all other provisions contained in the Brand Standards Manual, as modified periodically by Franchisor in Franchisor’s sole discretion; and

3.2.7. Provides proof of current licenses, insurance and permits.

3.3. Successor Term – Additional Conditions. Despite Franchisee’s compliance with the conditions of Section 3.2, Franchisor may refuse to extend Franchisee’s rights to operate the AvenueWest Business if Franchisee:

3.3.1. Has failed to remedy any breach of this Agreement specified by Franchisor in a written notice to Franchisee; or

3.3.2. Has committed and received notice of two or more breaches of this Agreement in the 24 months prior to the end of the Initial Term, even if such breaches were timely remedied; or

3.3.3. Has not given Franchisor a written notice of intent to extend its rights to operate the AvenueWest Business at least one year prior to expiration of the Initial Term; or

3.3.4. Is not current in payment obligations to Franchisor or to Franchisee's, landlord, suppliers, or trade creditors.

3.4. Successor Term – Reservation of Rights. IF FRANCHISEE FAILS TO COMPLY IN ANY WAY WITH THE PROVISIONS OF THIS SECTION 3, FRANCHISOR HAS THE RIGHT TO DETERMINE THAT FRANCHISEE HAS IRREVOCABLY DECLINED TO EXTEND FRANCHISEE'S RIGHTS TO OPERATE THE FRANCHISE AND ITS OPTION SHALL THEREUPON TERMINATE.

3.5. Interim Period. If Franchisee does not sign a Successor Franchise Agreement and pay the Successor Franchise Fee prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then, at the option of Franchisor, this Agreement may be treated either as: (i) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("**Interim Period**") until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of this Agreement shall be deemed to take effect upon termination of the Interim Period.

4. **TERRITORY.**

4.1. Territory. During the Initial Term and any Interim Period, and for so long as Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, and subject to Franchisor's reservation of rights as set forth in Sections 4.2 and 4.3, neither Franchisor nor any of its Affiliates will establish or license another person or entity to establish an AvenueWest Business within the protected territory, as set forth in **Attachment 1**, attached hereto and incorporated herein by reference ("**Territory**"). The Territory is non-exclusive. This Agreement does not require that Franchisee establish its AvenueWest Business at any specific location within the Territory. While Franchisor and other franchisees may directly market to and solicit tenant customers anywhere inside or outside of a franchisee's territory, franchisees have the exclusive right to solicit and acquire Units (as defined in Section 5.4 below) in their own Territory and may not do so in another franchisee's territory. Franchisees may, however, place tenant customers into a Unit that is within another franchisee's territory. Except for National Accounts described below, Franchisor will not solicit or acquire Units inside Franchisee's Territory. Franchisee may not relocate its AvenueWest Business without Franchisor's prior written consent, which may be withheld in Franchisor's sole discretion. Any relocation will be at Franchisee's expense. All Inbound Referrals will be referred to Franchisee. "**Inbound Referrals**" are defined as those Internet website and telephone leads with a request for housing in Franchisee's Territory. Once established, the boundaries of Franchisee's Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Territory increases or decreases over time. Except as otherwise specifically provided in this

Agreement, this Agreement does not grant rights to Franchisee to pursue any of Franchisor's or its Affiliate's other business concepts other than the AvenueWest Business or restrict Franchisor or its Affiliates from pursuing other business concepts.

4.2. Reservation of Rights. Franchisee acknowledges that the franchise granted hereunder is non-exclusive and that Franchisor and its Affiliates retain the exclusive right, among others:

4.2.1. to own, franchise or operate AvenueWest Businesses at any location outside of the Territory, regardless of the proximity to Franchisee's AvenueWest Business, even if doing so will or might affect Franchisee's operation of Franchisee's AvenueWest Business;

4.2.2. to maintain the Internet as a channel of distribution for Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce without Franchisor's prior written approval and subject to the policies and procedures in Franchisor's Brand Standards Manual;

4.2.3. to offer and sell products, including proprietary products, under the Marks or any other marks, through at locations within or outside of the Territory without Franchisor prior approval;

4.2.4. to buy, or be purchased by, or merge or combine with, any business, including a business that competes directly with Franchisee's AvenueWest Business, wherever located;

4.2.5. to acquire and convert to the System operated by Franchisor, any businesses offering services and products similar to those offered by AvenueWest Businesses, including such businesses operated by competitors or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned and whether located inside or outside of the Territory, provided that in such situations the newly acquired businesses may not operate under the Marks in the Territory if Franchisee is in compliance with the Franchise Agreement;

4.2.6. to develop and implement multi-area marketing programs that are mandatory or voluntary, as Franchisor determines, such as Internet marketing; trade shows and events; national or international directories, affinity (marketing alliances with third parties, such as trade associations or companies with complimentary services), marketing with vendors and media reaching outside one market, which may allow Franchisor to sell to customers anywhere. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs; and

4.2.7. to use and license the use of other proprietary and non-proprietary marks or methods, which are not the same as or confusingly similar to the Marks, whether in alternative channels of distribution or in the operation of a business offering corporate housing, flexible accommodations or lodging services business, or any other kind of business, at any location, including within the Territory, which may be similar to or different from the AvenueWest Business operated by Franchisee; and

4.2.8. to service National Accounts inside of the Territory according to Franchisor's National Accounts policy; and

4.2.9. to solicit and allow other franchisees to solicit tenant customers within Franchisee's Territory and to place tenant customers into Units within Franchisee's Territory.

Franchisor is not required to pay Franchisee if Franchisor exercises any of the above rights.

4.3. National Accounts.

4.3.1. Franchisor retains all rights to service or designate itself to service National Accounts (as described below) in Franchisee's Territory only in the event Franchisee is unable or unwilling to service them. "**National Account**" means any customer: (i) that conducts its business for its own account or through agents, affiliates, independent contractors, or franchisees in two or more of Franchisor's territories; (ii) a regional or national chain with three or more locations, which customer or chain has contracted with Franchisor to obtain housing solutions and services for two or more of its locations from Franchisor, Franchisor's Affiliates and/or franchisees; or (iii) which owns, manages, controls, or otherwise has responsibility for businesses in more than one location and whose presence is not confined within any one particular franchisee's territory. Franchisee reserves the right to establish and implement (through the Brand Standards Manual) policies and procedures for the servicing of National Accounts, which may include eligibility criteria to participate in National Accounts programs, referral fees to franchisees, and maximum fees to be charged for specified services to a particular National Account. If Franchisor permits Franchisee to service National Accounts, Franchisee will be required to follow all rules and regulations that Franchisor puts into place, including those described in this Agreement.

4.3.2. If a National Account customer requests a property in Franchisee's Territory, Franchisee will have the right to service a National Account customer within Franchisee's Territory, and Franchisee will have five business days to exercise such right. If at any time after Franchisee elects to service a National Account customer within Franchisee's Territory Franchisee demonstrates, in Franchisor's sole discretion, that Franchisee is unable or unwilling to continue doing so, Franchisor will have the right to service that National Account customer. Franchisee will not resume providing services to any National Accounts without Franchisor prior written consent, which may be granted in Franchisor's sole discretion.

4.3.3. If Franchisor receives any National Account requests through any alternative distribution channels for service within Franchisee's Territory, Franchisor will offer that business to Franchisee. If Franchisee declines or is unable to provide the services, Franchisor reserves the right to do so, directly or indirectly, without compensation to Franchisee.

4.3.4. Franchisee is prohibited from soliciting or acquiring Units outside of Franchisee's Territory, even if such requests are for a National Account. Franchisee must comply with all of Franchisor's National Account rules and regulations.

4.3.5. Franchisor has the right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing firms to make sales outside Franchisee's Territory. If Franchisee engages in sales activities using these other channels of distribution, Franchisee must obtain Franchisor's approval and follow Franchisor's online policy and Brand Standards Manual.

5. **FEES.**

5.1. Payment of Fees. All payments required under this Section are imposed by and payable to Franchisor or its Affiliates, and are non-refundable except as expressly provided below. All payments must be made by automatic pre-authorized payment plan or electronic funds transfer. Franchisor may require any other method of payment, including check, cash, certified check, money order, credit or debit card, or

the Internet. Franchisee must sign an Automated Clearing House Payment Authorization Form, set forth in Exhibit G to Franchisor's Franchise Disclosure Document. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed. Franchisor may require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent. If Franchisee's pre-authorized account does not have sufficient funds when Franchisor is entitled to draw such funds for the payment of any amounts due, then Franchisee shall be in breach of this Agreement and Franchisor may exercise any and all remedies, including termination of this Agreement. If any required payment is made to Franchisor or its Affiliates by a credit card, Franchisor may charge a service charge of up to four percent (4%) of the total charge.

5.2. Initial Franchise Fee. Franchisee must pay an initial franchise fee ("**Initial Franchise Fee**") upon the signing of this Agreement, plus, if due and payable, all applicable federal, state or municipal taxes. The Initial Franchise Fee for an AvenueWest Business is \$45,000. Franchisee will pay a reduced Initial Franchise Fee of \$25,000 for its second and any subsequent AvenueWest Businesses. The Initial Franchise Fee under this Agreement is set forth in **Attachment 1**. The Initial Franchise Fee is in consideration of all of Franchisor's pre-opening assistance that it provides to allow Franchisee to open the AvenueWest Business and Franchisor's lost or deferred opportunity to enter into this Agreement with others, and it offsets some of Franchisee's expenses for franchisee recruitment. The Initial Franchise Fee is non-refundable once paid.

5.3. Royalty Fee. Franchisee shall pay to Franchisor each month, as provided in Section 5.6, a continuing royalty ("**Royalty Fee**") equal to one percent (1%) of Franchisee's Gross Revenue during the preceding month. The Royalty Fee is due on the 10th day of each month and is an ongoing payment that allows Franchisee to use the Marks and the other intellectual property of the System and that pays for Franchisor's ongoing support and assistance.

5.4. Unit Fees. Franchisee must pay to Franchisor, as provided in Section 5.6, a unit fee equal to \$50 per Active Unit per month during the Initial Term and any Interim Period ("**Unit Fee**"). "**Unit**" means a furnished or unfurnished unit or property that Franchisee has under its management program. "**Active Unit**" means any Unit that is in Franchisee's management program to be rented and may or may not have a tenant. The Unit Fee is due on the 10th day of each calendar month commencing with the month in which the Unit became an Active Unit. The Unit Fee will be calculated on the last day of the month for any Active Units. Franchisor reserves the right, upon 30 days' written notice to Franchisee, to increase the monthly Unit Fees, but no more than once per calendar year and by no more than three percent (3%) total per fee over the Initial Term.

5.5. Minimum Franchise Fee. If the total of the Royalty Fees, Unit Fees, and National Marketing Fees (collectively, "**Franchise Fees**") due is less than \$500 in a given month during the first fourth through twelfth months of operations, \$1,000 per month during the next twelve months of operations, or \$2,000 per month starting in year three of operations and continuing through any Interim Period, and any Successor Terms, Franchisee will pay a minimum franchise fee ("**Minimum Franchise Fee**") for each month equal to the difference between \$500 and the Franchise Fees (for the fourth through the twelfth months of the Initial Term), \$1,000 and the Franchise Fees (for the thirteenth through the twenty-fourth months of the Initial Term), or \$2,000 and the Franchise Fees (for the remainder of the Initial Term, any Interim Period, and any Successor Terms). If the total of the Franchise Fees exceeds the Minimum Franchise Fee in a given month, Franchisee will not be required to pay a Minimum Franchise Fee for that given month. No Minimum Franchise Fee will be due for the first month of operation if that month is a partial month.

5.6. Manner of Payment. Franchisee shall calculate the Royalty Fees, Unit Fees, National Marketing Fees, and Minimum Franchise Fees due to Franchisor as prescribed above and cause Franchisor

to receive payment of all Royalty Fees, Unit Fees, National Marketing Fees, and Minimum Franchise Fees, and all other amounts then owed to Franchisor, together with a statement of Franchisee's Gross Revenue for each month (which must be certified as complete and accurate by a duly authorized representative of Franchisee), by no later than the 10th day following each month. Franchisor may require or specify that any such statement be provided by software approved by Franchisor. In the event that the software is not functioning or this feature is not available, Franchisee shall prepare and submit the required reports manually.

5.7 EFT and Pre-Authorized Payments.

Franchisee, at Franchisee's sole cost and expense, shall instruct its bank to pay the amount of its Royalty Fees, Unit Fees, National Marketing Fees, Minimum Franchise Fees and other fees directly to Franchisor from Franchisee's account, by electronic funds transfer or such other automatic payment mechanism which Franchisor may designate ("**EFT**") and upon the terms and conditions set forth in the Manual, and promptly upon Franchisor's request, Franchisee shall execute or re-execute and deliver to Franchisor such pre-authorized check forms and other instruments or drafts required by Franchisor's bank, payable against Franchisee's bank account, to enable Franchisor to draw Franchisee's Royalty Fees, Unit Fees, National Marketing Fees, Minimum Franchise Fees and other sums payable under the terms of this Agreement. Franchisor's current form of EFT authorization is attached to the Franchise Disclosure Document as Exhibit G. Franchisee shall also, in addition to those terms and conditions set forth in the Manual, maintain a single bank account for such payments and shall maintain such minimum balance in such account as Franchisor may reasonably specify from time to time. Franchisee shall not alter or close such account except upon Franchisor's prior written approval. Any failure by Franchisee to implement such EFT system in strict accordance with Franchisor's instructions shall, without limiting the materiality of any other default of this Agreement, constitute a material default of this Agreement.

5.8 Late Charges and Other Fees. Unless otherwise stated, Franchisee must pay interest at the lesser rate of 15% per annum or the highest contract rate allowed under applicable law for any late payments due under this Agreement (computed from the day after such payment is due until the date the principal and interest is paid). Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees Franchisor incurs in connection with Franchisee's failure to make any required payments. If any check or payment is not successful due to insufficient funds, stop payment, or similar event, Franchisee must pay Franchisor \$100 for each such occurrence.

5.9 Taxes and Debts. Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the AvenueWest Business, including payroll taxes. Franchisee will not permit a tax sale, seizure, levy, execution, bankruptcy, assignment of assets for or by creditors, or similar action to occur.

6. **MARKS AND COPYRIGHTED WORKS.**

6.1. Ownership of the Marks. Franchisee acknowledges that Franchisor has the sole and exclusive right to use the Marks and of all right, title, interest, and goodwill of the Marks. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the AvenueWest Business, any services or products, and that Franchisor, a licensee of the Marks, desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. Franchisee acknowledges and agrees that it will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with the ownership of the Marks or Franchisor's right to use them, nor will it represent that it has any right, title, or interest in the Marks other than those expressly granted by this Agreement. Franchisee acknowledges that all usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks shall inure to the exclusive benefit of Franchisor, and that this Agreement

does not confer any goodwill or other interests in the Marks upon expiration or termination.

6.2. Use of the Marks. Franchisee further acknowledges that it is of utmost importance that the goodwill, stature, and image of quality associated with the Marks be maintained and enhanced by Franchisee. Franchisee will make no use of the Marks without the prior approval of Franchisor, this Agreement itself not constituting such approval. To maintain and enhance the goodwill and image of quality associated by the public with the Marks, Franchisee will conduct its business in accordance with this Agreement and specifically with the provisions of this Section 6. In connection therewith:

6.2.1. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of business by Franchisee pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Brand Standards Manual and elsewhere from time to time during the term of this Agreement.

6.2.2. Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement and at Franchisor's expense, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Marks, including but not limited to, executing and delivering to Franchisor such documents as Franchisor reasonably requests for any such purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing such documents.

6.2.3. Franchisee will use the Marks only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, interior décor, and promotional items which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks as provided in the Brand Standards Manual and otherwise given by Franchisor from time to time.

6.2.4. Franchisee agrees to safeguard and maintain the reputation and prestige of the Marks and will not do anything that would tarnish the image of or adversely impact the value, reputation or goodwill associated with the Marks. Franchisee will never attempt to dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor to counsel, procure, or assist anyone else to do the same.

6.2.5. Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks with respect to any Products or services. Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks, or any trademark or logo confusingly similar thereto, anywhere in the world.

6.2.6. Franchisee shall mark the Marks with a superscript “®”, “SM” or “TM” unless and until advised by Franchisor to use a different notice.

6.2.7. If Franchisor determines the use of a Mark in connection with any products or services provided by Franchisee will infringe or potentially infringe upon the rights of any third party or weakens or impairs Franchisor's rights in the Marks, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in accordance with Franchisor's

instructions, and Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof.

6.2.8. Franchisee will not use any materials that are false or misleading.

6.2.9. Franchisee will ensure that any advertising, labeling, packaging and other materials associated with the any products or services sold by Franchisee fully conform to all applicable laws and regulations.

6.2.10. Franchisee will conduct its business operations in accordance with all applicable laws and regulations, including but not limited to, consumer protection laws and regulations.

6.2.11. Franchisee will control the quality of the products or services sold by Franchisee to avoid product quality problems or product liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

6.2.12. Franchisee shall not use any Mark or portion of any Mark as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, without Franchisor's written permission. Franchisee shall obtain such fictitious or assumed name registrations as may be required by Franchisor or under applicable law.

6.3. Limitations on Franchisee's Use of the Marks. Franchisee must use the Marks as the sole identification of the AvenueWest Business, but must also identify itself as the independent owner of the AvenueWest Business in the manner prescribed by Franchisor. All Marks must be displayed in the manner prescribed by Franchisor. Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols:

6.3.1. as part of any entity or business name;

6.3.2. in conjunction with any documents, contracts, licenses, permits and other official documents, employment applications, time cards, and pay checks. Franchisee will use its legal name on all such documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;

6.3.3. in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;

6.3.4. in connection with the performance or sale of any unauthorized services;

6.3.5. in connection with any other business being run simultaneously with the AvenueWest Business or from the Premises, if authorized under Section 2.3;

6.3.6. in any other manner not expressly authorized in writing by Franchisor.

6.4. Franchisor's Rights to Protect Marks. In order to preserve the validity and integrity of the Marks and Copyrighted Works licensed herein and to assure that Franchisee is employing the same in the operation of its AvenueWest Business properly, Franchisor or its agents shall have the right to enter and inspect the Premises and operating procedures at any reasonable times. Franchisor shall have the right to observe the manner in which Franchisee is rendering its services and conducting its operations, to confer with Franchisee's employees and customers, and to select Products and other items for testing of content

and evaluation purposes to make certain that all such tested items are satisfactory and meet the quality control provisions and performance standards established by Franchisor.

6.5. Modification or Discontinuance of Marks. If Franchisor or its licensor decides to modify or discontinue use of any Mark, and/or use any additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor's directions within a reasonable time after notice to Franchisee by Franchisor. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Mark.

6.6. Unauthorized Use of the Marks. Any unauthorized use of the Marks by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks.

6.7. Assignment of Rights. In the event Franchisee acquires, as a result of the exercise of any rights provided under this Agreement, any rights in the Marks, it agrees to assign and hereby assigns all such rights to Franchisor.

6.8. Notice of Claims and Infringements, Defense of Actions. Franchisee shall notify Franchisor immediately of any claim, demand, or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof. Franchisee shall also notify Franchisor of any action, claim or demand against Franchisee relating to the Marks immediately after Franchisee receives notice of said action, claim, or demand. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks, Franchisor shall have the sole right, but not the duty, to defend any such action. Franchisor shall have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks and shall exercise such right in the sole discretion of Franchisor. Franchisor shall control all actions but not be obligated to take any action. If Franchisor learns of an infringing user, it will take the action appropriate, but Franchisor is not required to take any action if it does not feel it is warranted. In any defense or prosecution of any litigation relating to the Marks or components of the System undertaken by Franchisor, Franchisee shall cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or necessary in the opinion of Franchisor's counsel, to carry out such defense or prosecution. At Franchisor's option, Franchisee will join in any action, in which case Franchisor shall bear all the out-of-pocket costs of Franchisee for such participation. If Franchisee joins in an action, then the recovery, if any, from such legal action shall be first applied to the total expenses associated therewith and then split equally between Franchisor and Franchisee. Both parties shall make every effort consistent with the foregoing to protect, maintain, and promote the Marks as identifying the System and only the System. **FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS.**

6.9. Additional Marks. All provisions of this Agreement applicable to the Marks apply to any and all additional trademarks, service marks and commercial symbols Franchisor authorizes or licenses to Franchisee to use after the date of this Agreement.

6.10. Marks on the Internet. Franchisor retains the sole right to use the Marks and market on the Internet, including all use of websites, domain names, URL's, linking, advertising, and co-branding arrangements. Franchisee may not establish a presence on the Internet except as Franchisor may specify, and only with Franchisor's prior written consent. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign any Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any link to or other use of its website.

6.11. Copyright Materials. Franchisee agrees that all material, including but not limited to, all artwork and designs, created by Franchisee or any other person or entity retained or employed by

Franchisee, and used with the Marks (“**Copyrighted Materials**”) are works made for hire within the meaning of the United States Copyright Act and are the property of Franchisor, who shall be entitled to use and license others to use the Copyrighted Materials subject to the provisions of this Agreement unencumbered by moral rights. To the extent the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to Franchisor, Franchisee irrevocably assigns and agrees to assign to Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in such Copyrighted Materials, which Franchisee and the author of such Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from the author or third parties to copyright owner, its successors, and assigns that may be acquired.

6.12. Use of Copyrighted Materials. Franchisee will make no use of the Copyrighted Materials without the prior approval of Franchisor, this Agreement itself not constituting such approval. To maintain and enhance the rights in the Copyrighted Materials, Franchisee will conduct its business in accordance with this Agreement and specifically with the provisions of this Section 6. Franchisee agrees to safeguard and maintain the value of the Copyrighted Works and will not do anything that would adversely impact the value of the Copyrighted Works. Franchisee will never attempt to dilute, directly or indirectly, the value attached to the Copyrighted Works, nor to counsel, procure, or assist anyone else to do the same. Franchisee must not directly or indirectly contest Franchisor’s rights to its Copyrighted Works, Confidential Information or Trade Secrets.

6.12.1 Franchisee will use the following notice at least once on each piece of advertising, promotional, or other material used in connection with the products and services:

© (year of first publication). AvenueWest Global Franchise, LLC, All Rights Reserved.

6.12.2 If, in Franchisor’s reasonable determination, the use of a Copyrighted Work in connection with any products or services will infringe or potentially infringe upon the rights of any third party or weakens or impairs Franchisor’s rights in the Copyrighted Works, then upon notice from Franchisor, Franchisee will immediately terminate or modify such use in accordance with Franchisor’s instructions, and Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof. Franchisee may not communicate with anyone except Franchisor, its counsel, or its designees regarding any infringement, challenge, or claim. Franchisor will take action as it deems appropriate regarding any infringement, challenge, or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge, or claim under any Copyrighted Works, Confidential Information, or Trade Secrets. Franchisee must sign any and all instruments and documents, give the assistance, and do acts and things that may, in the opinion of Franchisor’s counsel, be necessary to protect and maintain Franchisor’s interests in any litigation or proceeding or to protect and maintain Franchisor’s interests in the Copyrighted Works, Confidential Information, or Trade Secrets.

6.13. Registration of Copyrighted Materials. Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any Copyrighted Works with respect to any of its products or services. Failure of Franchisor to obtain or maintain in effect any such application or registration is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Copyrighted Works, or any Copyrighted Work or logo substantially similar thereto, anywhere in the world.

7. BRAND STANDARDS MANUAL AND CONFIDENTIAL INFORMATION.

7.1. Confidential Information. The System, Brand Standards Manual, and Confidential Information are proprietary, involve Trade Secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree:

7.1.1. to adhere to all security procedures prescribed by Franchisor for maintaining the proprietary information as confidential;

7.1.2. to disclose such information to its employees only to the extent necessary to market services and for the operation of the AvenueWest Business in accordance with this Agreement;

7.1.3. not to use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and

7.1.4. to exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and any intranet, extranet and Internet usage agreements developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

7.2. Standards and Authorized Use. Franchisee must maintain strict compliance with the Brand Standards Manual as presently set forth and as subsequently amended and revised.

7.3. Unauthorized Use. Franchisee must not copy or otherwise reproduce any Confidential Information, and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Brand Standards Manual or the System will constitute a breach of this Agreement and an infringement of Franchisor's proprietary rights, including Trade Secrets and copyrights. Franchisee must promptly report any unauthorized use of the Brand Standards Manual or other Confidential Information. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (a) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (b) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; (c) made in cases of suit for retaliation based on the reporting of a suspected violation of law, or disclosure of Confidential Information to an attorney and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed except pursuant to court order.

7.4. Brand Standards Manual. Franchisor will provide to Franchisee access during the term of the franchise to Franchisor's confidential Brand Standards Manual, which may be in print, on CD-ROM or DVD; on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Brand Standards Manual only in an electronic format. The Brand Standards Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Brand Standards Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. If any part of the Brand Standards Manual is lost, stolen, or destroyed, Franchisor may charge Franchisee a replacement fee of \$500. Franchisor may periodically update and revise the Brand Standards Manual. Franchisee acknowledges that its entire knowledge of the operation of the AvenueWest Business is and shall be derived from information disclosed to Franchisee by Franchisor and that such information is proprietary, Confidential Information and a Trade Secret of Franchisor. Franchisee shall maintain the absolute confidentiality of all such information during and after the term of this Agreement,

and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Brand Standards Manual in the same manner as all other Confidential Information set forth above.

7.5. Non-Disclosure and Non-Competition Agreements. Franchisee and its owners, members, managers, partners or shareholders, officers, directors, agents, beneficial owners, principal employees, and immediate family members shall execute Franchisor's standard Nondisclosure and Non-competition Agreement before performing any work at the AvenueWest Business or otherwise having access to Franchisor's Confidential Information. A copy of all such signed agreements shall be delivered to Franchisor within one week of their execution.

7.6. Ownership of Business Records. Unless otherwise prohibited by law, Franchisee acknowledges and agrees that Franchisor owns all Business Records with respect to customers and suppliers to the AvenueWest Business including, without limitation, all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion, unless otherwise prohibited by law.

8. FRANCHISOR'S DUTIES.

8.1. Services Provided by Franchisor. Franchisor will provide initial and continuing services as it deems necessary or advisable to further Franchisee's AvenueWest Business, the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Provision of services by Franchisor, either initial or continuing, is independent from the payment of the Initial Franchise Fee or continuing fees. Franchisor will provide the services listed below on a continuing basis.

8.2. Approval of Premises. As more fully set forth in Section 10, if necessary, Franchisee is solely responsible for locating and negotiating a lease for the Premises for the AvenueWest Business. Franchisee agrees that the Premises is a factor in the potential for success of the AvenueWest Business and Franchisor has the right to reject any proposed location. However, Franchisor's approval or assistance in locating the Premises does not constitute a representation or warranty with respect to the potential sales or profitability of the operation of the AvenueWest Business from the Premises.

8.3. Equipment, Advertising Materials and Supplies. Franchisor will specify or approve certain equipment, advertising materials and supplies used in the AvenueWest Business, as provided elsewhere in this Agreement. Franchisor may negotiate with suppliers and obtain advertising allowances or rebates for doing so, and may utilize such allowances or rebates in any manner in which Franchisor determines.

8.4. Initial Training. Franchisor will provide initial training, as Franchisor may determine to be appropriate, within 30 days of signing this Agreement. Franchisor will provide the initial training program to three people, including Franchisee, or if Franchisee is an entity, Franchisee's Managing Owner, and Franchisee's Designated Manager, if applicable, provided they attend initial training at the same time. Franchisor will be responsible for travel, accommodation, and other costs for itself and any of its employees while conducting the initial training program. Franchisor reserves the right to provide such initial training program at Franchisor's corporate headquarters or at another location designated by Franchisor. Franchisee or its Managing Owner and any Designated Manager must attend and satisfactorily complete the initial training program at least 15 days prior to opening the AvenueWest Business. The training program lasts for approximately three days, and consists of a discussion of the System, techniques, procedures, and

methods of operation, customer service, sales and marketing, strategic planning, support procedures and instructions on quality standards and practical experience in the operation of the AvenueWest Business. If Franchisor requires that the initial training program be provided at a place other than Franchisee's Premises, then Franchisee will be responsible for personal travel, accommodation, and other costs for itself and any of its employees while attending training. Franchisee will be charged Franchisor's then-current training fee for any additional persons attending training. Any replacement Designated Manager must complete the initial training program and Franchisor may charge Franchisee a fee for such training.

8.5. Ongoing Training. Franchisor has the right to require that you or your Managing Owner and any Designated Manager attend supplemental and refresher training programs during the term of the Franchise Agreement, to be held at the time and place we designate. Some of these courses may be optional while others may be required. If you appoint a new Designated Manager, that person must attend and successfully complete our Initial Training Program before assuming responsibility for the management of your AvenueWest Business.

Franchisor will provide training to you (and/or your managing owner) on the System, System guidelines, and operational and brand standards. We will not provide general business or operations training to your employees or independent contractors; however, we may provide limited training on the AvenueWest System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the AvenueWest Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the AvenueWest Business.

Franchisor reserves the right to hold and require Franchisee to attend national or regional conferences to discuss ongoing changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. If the conference is mandatory, Franchisee will be required to pay a conference fee, due regardless of whether Franchisee attends, and must pay all travel and living expenses for itself and all of its employees attending the conference. Conferences may be held at Franchisor's corporate headquarters or at any other location chosen by Franchisor. Franchisor may preclude Franchisee from attending any national or regional conference, calls, meetings, or webinars if Franchisee is in default of this Agreement.

8.6. Opening and Continuing Assistance. At Franchisor's discretion, it may provide either one hour of direct training to Franchisee or its Designated Manager or allow participation in a periodic AvenueWest seminar, which may be held via telephone or webinar. Franchisee is otherwise responsible for training its own employees. If, after the Initial Training described in Section 8.4, Franchisor determines that additional assistance in connection with the opening of the AvenueWest Business is necessary, then Franchisor may provide such additional training at the Premises or such other location as it determines appropriate, but has no obligation to do so. Franchisor will also provide reasonable ongoing assistance by telephone, electronic mail, or other form of communication, such as webinars, to Franchisee during normal business hours. If Franchisee requests or Franchisor determines that Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per attendee, per day, plus travel and living expenses for Franchisor's representative. Franchisor reserves the right to institute additional charges for call centers or other assistance provided by Franchisor on behalf of Franchisee to customers or prospective customers of Franchisee.

8.7. Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.8. Development of Programs. Franchisor may develop new service methods, as and when Franchisor deems beneficial to the System. Franchisor will offer such new service methods to Franchisee on terms determined by Franchisor.

8.9. Modification of System. Franchisor will continue to improve, modify, and revise the Brand Standards Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.2 and 7.4.

8.10. Referral Program. Franchisor, in its sole discretion, may pay Franchisee a referral fee of not more than \$5,000 in cash, services or product credit, in Franchisor's sole discretion, for each third-party franchise prospect Franchisee refers to Franchisor who ultimately signs an AvenueWest franchise agreement with Franchisor and pays Franchisor the initial franchise fee within 12 months of Franchisee's initial referral. Franchisee is authorized only to identify the prospect to Franchisor's franchise sales staff and must do so in writing. Franchisee is not authorized to act as Franchisor's agent or franchise broker and is instructed not to provide any information to prospects other than Franchisor's information brochure. Franchisor may provide notice of the referral fee to the prospective franchisee receiving the Franchise Disclosure Document. Franchisor retains the right in its sole discretion to modify or terminate this referral program at any time upon notice to Franchisee.

9. MARKETING AND ADVERTISING.

9.1. Franchisee Advertising. For the purposes of this Section, Franchisee will be required to participate in Franchisor's Marketing Programs, as set forth in this Section 9; however the Marketing Programs are not the only means and methods of advertising and marketing. Such programs may require Franchisee's cooperation and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees. Franchisee will also be required to conduct additional advertising and marketing activities in its Territory, as set forth in Section 9.2 to develop the AvenueWest Business.

9.2. Local Advertising and Marketing Materials.

9.2.1. During the Initial Term and any Interim Period, the Franchisee shall spend such amounts as are reasonable and necessary for advertising and promotion within the Territory. Franchisor reserves the right to require a Local Advertising expenditure of up to \$1,000 per month. If Franchisee fails to meet the required minimum Local Advertising expenditure in any given month, Franchisee must pay the difference between the amount spent and the minimum Local Advertising expenditure to the National Marketing Fund. Franchisor may provide Franchisee with advertising and marketing materials, which may include, but are not limited to, video and audiotapes, multimedia, print-ready advertising materials, posters, banners, and other items to be used for local advertising and marketing activities. Franchisee must purchase any additional copies of advertising and marketing materials. Franchisee may not develop, produce or use any advertising and marketing materials without Franchisor's prior written consent. Franchisee must request Franchisor's approval in writing. Franchisor will attempt to review and respond to all requests within seven days. However, if Franchisor does not respond within 30 days, the materials will be deemed disapproved. If Franchisee uses unauthorized advertising in violation of the terms of this Agreement, Franchisor may charge Franchisee an unauthorized advertising fee of \$500 per occurrence, which will be paid to the National Marketing Fund or to Franchisor if the National Marketing Fund is no longer in existence. Franchisor reserves the right to place any conditions on Franchisee's development or use of any advertising or marketing materials. Franchisor can use any advertising developed by Franchisee, without cost, and provide the advertising to other franchisees. Franchisee must participate in any local, regional and national trade shows in the real estate industry

that Franchisor requires. Franchisee agrees, at its sole cost and expense, to issue and offer such rebates, giveaways, and other promotions in accordance with advertising programs established by Franchisor, and further agree to honor the rebates, giveaways, and other promotions issued by other AvenueWest franchisees under any such program, so long as such compliance does not contravene any applicable law, rule, or regulation. Franchisee will not create or issue any gift cards/certificates and will only sell gift cards/certificates that have been issued or sponsored by Franchisor and which are accepted at all AvenueWest Businesses, and Franchisee will not issue coupons or discounts of any type except as approved by Franchisor.

9.2.2. Franchisee may not advertise in any media with a primary circulation outside Franchisee's Territory, except with Franchisor's written consent. Franchisee may, however, advertise in media whose circulation is inside Franchisee's Territory. All Internet marketing is a part of Marketing Programs, and must be coordinated through Franchisor's designated supplier for website services and approved by Franchisor. Franchisee may not market independently on the Internet or acquire an independent Internet domain name or website, but Franchisor will include Franchisee's Premises address on its website. All expenditures by Franchisee, other than those paid from the National Marketing Fund, will be reported to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means.

9.2.3. Franchisee shall furnish Franchisor a monthly accounting of Franchisee's expenditures for advertising and promotion on a form approved by Franchisor.

9.3. National Marketing.

9.3.1. Franchisee shall pay to Franchisor each month during the term of this Agreement, as provided in Section 5.5, an advertising and marketing fee equal to one-half percent (0.5%) of Franchisee's Gross Revenue during the preceding month ("**National Marketing Fee**"). Franchisor reserves the right to increase this fee to up to one percent (1%) of Gross Revenues upon 30 days' written notice to Franchisee. All National Marketing Fees shall be payable on or before the 10th day of each month to the National Marketing Fund. The National Marketing Fees shall be used to develop advertising and marketing materials and to advertise the System on a regional, national, or international level at the same time. Franchisor will use the National Marketing Fund for local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. Franchisor may also use the National Marketing Fund to attend franchise trade shows and other events. Franchisor may also use the funds to offset or partially rebate Franchisee local media and printing expenses. Franchisee acknowledges and agrees that expenditures from the National Marketing Fund may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. The National Marketing Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the National Marketing Fund. Franchisor may accumulate these funds, and the balance may be carried over to subsequent years and used for the purposes stated in this Agreement. If the National Marketing Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the National Marketing Fund on any terms Franchisor determines. Franchisor may also utilize the National Marketing Fund to reimburse itself for administrative expenses incurred in administering the National Marketing Fund. The National Marketing Fund is not audited. Franchisor will provide an annual accounting for the National Marketing Fund that shows how the National Marketing Fund proceeds have been spent for the previous year upon written request. If Franchisor terminates the National Marketing Fund, Franchisor will distribute all unspent monies to franchise owners in proportion to their respective National Marketing Fund Contributions during the preceding 12 month period.

9.3.2. The National Marketing Fees collected by the National Marketing Fund are non-refundable. Franchisor may terminate or suspend the National Marketing Fund at any time by sending written notice to all Franchisees. If the National Marketing Fund is terminated, any remaining balance in the National Marketing Fund will be expended as provided for in Section 9.3 or returned to Franchisee on a pro-rata basis. If the National Marketing Fund is suspended, Franchisor will continue to hold the National Marketing Fees paid into the National Marketing Fund, as set forth in Section 9.3.1.

9.3.3. Franchisor (and any designee of the Franchisor) will have no direct or indirect liability or obligation to Franchisee or the National Marketing Fund or otherwise with respect to the management, maintenance, direction, administration or otherwise of the National Marketing Fund. Franchisee and Franchisor agree that their rights and obligations with respect to the National Marketing Fund and all related matters are governed solely by this Agreement and neither this Agreement or the National Marketing Fund creates a trust, fiduciary relationship, or similar arrangement.

9.3.4. Franchisor currently does not have, but may form, a franchise advisory council (“FAC”) to advise Franchisor on advertising policies. If established, Franchisor will work with the FAC to solicit ideas and concerns and seek advice from franchisees. The FAC will be governed by bylaws. Members of the FAC would consist of both franchisees and corporate representatives. Members of the FAC would be selected by way of a voting method specified in the FAC’s bylaws. The FAC would serve in an advisory capacity only. Franchisor will have the power to form, change or dissolve the FAC, in its sole discretion...

9.4 Advertising Cooperatives. Franchisee may be required to participate in any local or regional advertising cooperative for AvenueWest Businesses that is established. The area of each local and regional advertising cooperative will be defined by Franchisor, based on Franchisor’s assessment of the area. Franchisees in each cooperative will contribute an amount to the cooperative set by the cooperative, not to exceed \$500 per month, for each AvenueWest Business that the franchisee owns that exists within the cooperative’s area. Each AvenueWest Business Franchisor owns that exists within the cooperative’s area will contribute to the cooperative on the same basis as franchisees. Members of the cooperative will be responsible for administering the cooperative including determining the amount of contributions from each member. Franchisor may require that each cooperative that exceeds five franchisee members must operate with governing documents. Each cooperative must prepare annual unaudited financial statements and such statements will be provided for review to each member of such cooperative. Franchisor reserves the right to form, change, dissolve, or merge any advertising cooperative formed in the future. If Franchisor elects to form such cooperatives, or if such cooperatives already exist near Franchisee’s Territory, Franchisee must participate in compliance with the provisions of the Brand Standards Manual, which Franchisor may periodically modify in its discretion.

10. DEVELOPMENT AND MAINTENANCE OF PREMISES.

10.1. Premises. The Franchisor must approve the Premises in writing, as set forth below. If the location of the Premises has not been approved at the time of the execution of this Agreement, Franchisee shall propose a location of the Premises within one month thereafter. If Franchisee fails to do so, this Agreement will terminate automatically. Franchisee must deliver to Franchisor such information about the Premises that Franchisor reasonably requests, including but not limited to any traffic, competition, and demographic and similar location information relating to any proposed site, for review. Franchisee must deliver to Franchisor a copy of the proposed lease or amendment to its existing lease containing an option to assume the lease signed by the lessor in favor of Franchisor in a form acceptable to Franchisor. Franchisor’s approval of the Premises is not a representation or warranty that the location will be successful.

10.2. Commencement of AvenueWest Business. Franchisee, at its cost and expense, must furnish and equip the Premises. Franchisee, at its own cost and expense, must purchase and install all fixtures, furnishings, equipment, supplies and signage in conformance with the Brand Standards Manual and Franchisor's specifications and requirements. All furnishings and equipment and any leasehold improvements that are needed must be done in a professional manner, as approved by Franchisor. Any construction work must be completed in accordance with all applicable zoning and other requirements of local authorities. Franchisee must commence the operation of the AvenueWest Business at the Premises no later than 90 days after the date of this Agreement or within 30 days of completion of the initial training program, whichever is later. Franchisee may not open the AvenueWest Business until: (1) Franchisor notifies in writing that all of Franchisee's pre-opening obligations have been fulfilled; (2) Franchisee has completed the initial training program to Franchisor's satisfaction; (3) all amounts due to Franchisor have been paid; (4) Franchisor has been furnished with copies of all insurance policies and certificates required by this Agreement, or other documentation of insurance coverage and payment of premiums Franchisor requests; (5) Franchisee notifies Franchisor that all approvals and conditions stated in this Agreement have been met; and (6) Franchisee has received all required permits and licenses.

11. RECORDS AND REPORTS.

11.1. Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the AvenueWest Business in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the AvenueWest Business including uniform reports as may be required by Franchisor. Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may request to evaluate or compile research data on any operational aspect of the AvenueWest Business. Franchisor reserves the right to require that Franchisee make its Business Records available by way of an Internet connection. Business Records will also include: (a) tax returns; (b) daily reports; (c) statements of Gross Revenues, to be prepared each month for the preceding month; (d) profit and loss statements, to be prepared at least monthly and by an independent Certified Public Accountant annually; and (e) balance sheets, to be prepared at least annually by an independent Certified Public Accountant. Franchisee must keep accurate records relating to the AvenueWest Business for a period of six years after the termination or expiration of this Agreement.

11.2. Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax, and other documents and information within five business days of Franchisor's request. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be compiled by an independent Certified Public Accountant and be delivered to Franchisor within 90 days after Franchisee's fiscal year end. If Franchisee fails to submit any required report when due, Franchisor may charge Franchisee or debit Franchisee's account the amount of \$100 per occurrence and \$100 per week until the required report is submitted; amounts collected under this provision will be paid to the National Marketing Fund.

11.3. Audits. Franchisee must provide Franchisor or its agents with access to the Premises and computer systems to examine or audit the Business Records of the AvenueWest Business, at any reasonable time without notice. Franchisor will bear the cost of the audit, including any related accounting or legal expenses, unless Franchisee fails to report as required or understates Gross Revenue by two (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on the understated amounts. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

12. FRANCHISEE'S DUTIES.

In addition to those duties and obligations set forth in other parts of this Agreement, Franchisee agrees as follows:

12.1. Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature whatsoever which in any way regulate or affect the operation of its AvenueWest Business, including but not limited to, real estate brokerage laws, (ii) pay all taxes and business expenses when due; and, (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, health, workers' compensation insurance and unemployment insurance. Franchisee agrees to modify its Premises, at its expense, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof. Franchisee is solely responsible for its employee's training, wages, taxes, benefits, safety, work schedules, work conditions, assignments, discipline and termination and for compliance with all workplace laws. Franchisee agrees to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("**Privacy Laws**"). Franchisee also agrees to comply with System standards and policies pertaining to Privacy Laws. If there is a conflict between System standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (a) comply with the requirements of applicable law; (b) immediately give Franchisor written notice of said conflict; and (c) promptly and fully cooperate with Franchisor and its counsel in determining the most effective way, if any, to meet System standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

12.2. System Compliance. Franchisee must comply with the System, the Brand Standards Manual, systems, procedures and forms, as in effect from time to time. All mandatory specifications, standards and operating procedures prescribed by Franchisor in the Brand Standards Manual, or otherwise communicated to Franchisee in writing shall constitute provisions of this Agreement as if fully set forth herein. Accordingly, all references in this Agreement to Franchisee's obligations under this Agreement, including to the Premises, equipment, procedures and materials shall include such mandatory specifications, standards, and operating procedures. Franchisor may require Franchisee to add additional concepts to the AvenueWest Business in the future, at Franchisee's expense. However, while the Brand Standards Manual is designed to protect Franchisor's reputation and the goodwill of the Marks, it is not designed to control the day-to-day operation of the AvenueWest Business.

12.3. Uniformity and Image. To maintain uniform standards of quality, appearance, and marketing, it is essential that Franchisee conform to Franchisor's standards and specifications. While Franchisee will manage its own operations and employees, Franchisee must agree and conform to all the requirements of this Section.

12.4. Operations. Franchisee, or a Designated Manager approved by Franchisor who has completed Franchisor's initial training program as set forth in Section 8.4, must participate personally in the management and operation of the AvenueWest Business. Any Designated Manager must also comply with any state real estate brokerage licensing requirements. All employees or independent contractors hired by or working for Franchisee will be Franchisee's employees or independent contractors alone and will not, for any purpose, be deemed Franchisor's employees or subject to Franchisor's control. Franchisee will be responsible for all hiring and employment decisions and functions relating to the AvenueWest Business, including those related to hiring, firing, training, compensation, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision, and discipline of employees,

regardless of whether Franchisee has received advise from Franchisor on these subjects or not. At no time will Franchisee or Franchisee's employees be deemed to by employees of Franchisor or its Affiliates.

12.5. Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to inspect the operations of the AvenueWest Business. Without any liability to Franchisee, Franchisor may confiscate any materials which Franchisor determines to be either illegal or in violation of this Agreement. Franchisor shall have the right to observe Franchisee and its employees rendering services, to confer with Franchisee's employees and customers; and, to review the operation of the AvenueWest Business for compliance with the standards and procedures set forth in the Brand Standards Manual.

12.6. Restrictions on Services. Franchisee agrees not to offer or sell any services or products not authorized by Franchisor. Franchisee agrees to purchase all equipment, services, supplies and materials required for the operation of the AvenueWest Business from suppliers designated or approved by Franchisor. If Franchisee proposes to offer, conduct or utilize any services, materials, forms, items, supplies or services for use in connection with or sale through the AvenueWest Business which have not been approved by Franchisor, Franchisee shall first request approval in writing from Franchisor. Franchisor has the right, for any reason whatsoever, to withhold such approval; however, to make such determination, Franchisor may require submission of specifications, information or samples of such services, materials, forms, items or supplies. Franchisor will advise Franchisee within 30 days whether such services, materials, forms, items or supplies meet its specifications. If Franchisor inspects or reviews any proposed equipment, product, supplies or service at Franchisee's request, Franchisor may charge Franchisee the cost of the inspection. Franchisor's written approval must be received before Franchisee uses products not purchased from an approved supplier. Franchisor may revoke its approval at any time if Franchisor determines, in its sole discretion, that the supplier no longer meets Franchisor's standards. When Franchisee receives written notice of a revocation, Franchisee must stop selling any disapproved products, and stop purchasing from any disapproved supplier. Approved product descriptions and supplier contact information are prescribed in the Brand Standards Manual. If there is no designated or approved supplier for particular items, Franchisee may purchase from suppliers approved in advance by Franchisor who meet all of Franchisor's specifications and standards as to quality, composition, finish, appearance and service, and who shall adequately demonstrate their capacity and facilities to supply Franchisee's needs in the quantities, at the times, and with the reliability requisite to an efficient operation of the AvenueWest Business.

12.7. Limitations on Supply Obligations. Franchisee acknowledges that nothing in this Agreement shall be construed to be a promise or guarantee by Franchisor as to the continued existence of a particular service or product, nor shall any provision herein imply or establish an obligation on the part of Franchisor or its Affiliates to sell any products or services to Franchisee if Franchisee is in arrears on any payment to Franchisor or its Affiliates or otherwise in default under this Agreement. Franchisor reserves the right to require Franchisee to pay, in advance, in full for any products or services purchased from Franchisor or its Affiliates. In addition, Franchisor may impose interest on any late payments on the terms described in Section 5.

12.8. Insurance. Franchisee must keep in force insurance policies, in such amounts and on such terms, as prescribed by Franchisor in the Brand Standards Manual, by an insurance company authorized to do business in the state where Franchisee's AvenueWest Business is located and must be approved by Franchisor and acceptable to Franchisor at all times during the Term of this Agreement and any Successor Terms. Such insurance company must also be rated "A" or better by A.M. Best & Company. Franchisee is free to obtain additional insurance coverage and should consult with its legal or business advisor about this issue.

Each type of insurance must be maintained in an amount per occurrence of not less than such amount set forth in the Brand Standards Manual and as may be adjusted by Franchisor periodically. Insurance policies must insure Franchisee, Franchisor and Franchisor's Affiliates (if any), its officers, directors, and all other parties designated by Franchisor, as additional named insureds against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the AvenueWest Business. The policies must also require that Franchisor shall receive a 30 day prior written notice of cancellation. Original, duplicate or certified copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Franchisor, including original endorsements effecting the coverage required by this Section, shall be furnished to Franchisor together with proof of payment within ten days of issuance thereof. Franchisee shall also furnish Franchisor with certificates and endorsements evidencing such insurance within ten days after each of the following events: (i) at all policy renewal periods, no less often than annually; and, (ii) at all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. If Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but is not obligated to purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice. Franchisee shall reimburse Franchisor for the full cost of such insurance, along with a reasonable service charge in the amount of 20% of the premium to compensate Franchisor for the time and effort expended to secure such insurance within five days of the date Franchisor delivers an invoice detailing such costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Section 13 of this Agreement. Franchisee shall also procure and pay for all other insurance required by state or federal law.

12.9. Appearance and Customer Service. Franchisee and its employees shall (i) maintain a clean and attractive appearance, (ii) give prompt, courteous and efficient service to the public, and (iii) otherwise operate the AvenueWest Business in strict compliance with the policies, practices and procedures contained in the Brand Standards Manual so as to preserve, maintain and enhance the reputation and goodwill of the System. Franchisee may not alter, change, or modify the System, including the Premises or services, in any way without the prior written consent and approval of Franchisor. Franchisee must abide by the Standard Customer Service Guarantee requirements set forth in the Brand Standards Manual. Franchisor may, in its sole discretion, remedy any issues with customers of the AvenueWest Business, including reimbursement of any fees paid to Franchisee. Franchisee is required to reimburse Franchisor for any such remedy.

12.10. Signs. Any signs to be used on or in connection with the AvenueWest Business must be approved in writing by Franchisor prior to their use by Franchisee.

12.11. Training. Franchisee or its Designated Manager must complete Franchisor's initial training program described in Section 8.4 above. Franchisee shall train its employees according to standards and procedures established by Franchisor.

12.12. Correction of Problems. Should Franchisor notify Franchisee at any time of problems, deficiencies or unsatisfactory conditions in the appearance or conduct of the AvenueWest Business, Franchisee shall correct immediately any such items. Franchisee shall establish and maintain an image and reputation for the AvenueWest Business consistent with the standards set forth in this Agreement, the Brand Standards Manual, or as otherwise specified by Franchisor. Franchisee shall keep its Premises clean and in good order and repair at all times.

12.13. Indemnification. Franchisee shall, during the Initial Term and any Interim Period, and after the termination or expiration of the Franchise, indemnify Franchisor and its officers, directors and

employees, collectively (“**Franchisor Parties**”), and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys’ fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by Franchisee or any of its property) (collectively, “**Damages**”) for which Franchisor Parties are held liable, or which Franchisor Parties incur (including attorney’s fees and costs, travel, investigation and living expenses of attorneys, employees and witness fees) in any litigation or proceeding as a result of or arising out of:

12.13.1. a breach of this Agreement, or any other agreement between the parties, or any breach of the lease or other instrument by which the right to occupy the Premises is held, by Franchisee;

12.13.2. any injury to, or loss of property of, any person in, or on, the Premises or other AvenueWest Business premises;

12.13.3. Franchisee’s taxes, liabilities, costs or expenses of its AvenueWest Business;

12.13.4. any negligent or willful act or omission of Franchisee, its employees, agents, servants, contractors or others for whom it is, in law, responsible;

12.13.5. Franchisee’s employment or other contractual relationship with its employees, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that Franchisor is an employer or joint employer of Franchisee’s employees;

12.13.6. any advertising or promotional material distributed, broadcast or in any way disseminated by Franchisee, or on its behalf unless such material has been produced, or approved in writing, by Franchisor; and

12.13.7. any fees, costs, or liabilities incurred by Franchisor on Franchisee’s behalf, including fees and costs incurred by Franchisor to recover amounts due to Franchisee on Franchisee’s behalf.

12.14. Electronic Communication, Cameras and Computer Systems. Franchisee must acquire, maintain, and upgrade mobile telephones, digital cameras, computers, printers, information processing and communication systems, including all applicable hardware, software, and Internet and other network access providers, as prescribed in the Brand Standards Manual. Franchisee must also procure corporate housing management software from suppliers Franchisor approves and maintain the associated online property database and informational pages on Franchisee’s territorial website that connects to Franchisor’s website to promote Franchisee’s AvenueWest Business. At this time there are no other requirements for Franchisee to purchase or procure any particular computer hardware or software. Franchisee must use any credit card vendors and accept all credit cards and debit cards that Franchisor determines. The term “credit card vendors” includes, among other things, companies that provide services for electronic payment, such as near field communication vendors (for example, “Apple Pay” and “Google Wallet”). Franchisor may change which credit card vendors is/are approved in its sole discretion and Franchisee must use only an approved credit card processing service provider at all times. There may be fees due to the credit card vendors as they provide in their agreement(s) that Franchisee must pay. Franchisee must comply with the then-current Payment Card Industry Security Standards, or the standards of any successor organization that Franchisor may reasonably specify. Franchisee acknowledges that changes to technology are dynamic and not predictable within the term of this Agreement. Franchisor reserves the right to require that Franchisee purchase or otherwise acquire computer hardware or software, and other communications equipment, and to specify other computer-related and communications standards in the future. Franchisee must comply

with any separate software or other license agreement that Franchisor or its designee uses in connection with providing these services. Franchisor reserves the right to implement a technology or software fee in the future upon 30 days' notice in order to implement any future technology related services or licensed software or applications. Franchisor will provide a national 800 number that connects to Franchisee's local office. Franchisor will also provide Franchisee with up to five e-mail addresses, a general market address, and a specific market domain. Franchisee must regularly check its electronic mailbox and any portion of Franchisor's System website devoted to franchise owners.

12.15. Computer Problems, Viruses, and Attacks. Franchisee acknowledges and understands that computer systems are vulnerable to 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. Franchisor has taken reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12.16. Franchisor's Right to Operate the AvenueWest Business. To assure protection of the public, the Marks and System for the benefit of Franchisor and all other franchisees, Franchisee hereby grants Franchisor, or Franchisor's designee ("Interim Manager"), the right (but not the obligation) to act as Franchisee's true and lawful attorney-in-fact, with the powers set forth hereafter, which Franchisor or the Interim Manager may exercise if any of the following events occurs: (i) upon Franchisee's, the Managing Owner's, or the Designated Manager's absence, termination, death, or disability; (ii) Franchisee is indicted for or charges are filed against Franchisee alleging that Franchisee committed a criminal act that could involve imprisonment for more than 30 days; (iii) charges are brought by any federal, state or local authority that could affect any license of the AvenueWest Business; (iv) Franchisee or Designated Manager become mentally or physically incapacitated; or (v) Franchisee commits any of the acts set forth in Sections 13.1.3, 13.1.4, 13.1.5, 13.1.6, 13.1.9, or 13.1.16. Upon the occurrence of any of the foregoing events, Franchisor may, but is not obligated, to take possession and control of and operate the AvenueWest Business for Franchisee's benefit, but only in accordance with real estate brokerage laws of the state in which Franchisee operates. All provisions of this Section 12.16 shall be subject to such laws and will be implemented only to the extent allowed by such laws. Such right shall continue only for such period of time as the reason or reasons for Franchisor's taking possession and control of the AvenueWest Business, as set forth above, continues. Franchisor shall act diligently, in good faith and honestly in its actions hereunder. In furtherance of the foregoing, Franchisor may:

12.16.1 collect any and all revenues due and payable to the AvenueWest Business and endorse Franchisee's name on checks received;

12.16.2 charge Franchisee a Management Fee of \$250 per day plus any and all expenses incurred to operate the AvenueWest Business including, but not limited to, wages, salaries and other compensation to Franchisee's employees, to persons Franchisor employs on Franchisee's behalf to manage the AvenueWest Business and to others for professional services;

12.16.3 pay any amounts due to Franchisor or Franchisor's Affiliates, including Unit Fees, National Marketing Fees, amounts due for purchases of any products and supplies and amounts due under any financing agreements;

12.16.4 incur debts in the ordinary course of business for inventory, materials, supplies and other items needed for the operation of the AvenueWest Business;

12.16.5 execute documents or instruments on Franchisee's behalf;

12.16.6 receive a reasonable fee for Franchisor's services hereunder;

12.16.7 institute legal or administrative proceedings on behalf of and defend actions brought against the AvenueWest Business; and

12.16.8 take any other action Franchisor deems necessary or appropriate in furtherance of this provision.

Franchisor shall maintain separate books and records of its actions hereunder in accordance with the format required by the System. The net proceeds, if any, from Franchisor's operation of the AvenueWest Business shall be deposited into a separate bank account or accounts under Franchisor's direction and control as trustee for Franchisee. Upon Franchisor's termination of the rights granted hereunder, such net proceeds, if any, shall be distributed to Franchisee or as Franchisee directs. Franchisor shall not be liable to Franchisee except for willful misconduct or gross negligence. Franchisee shall indemnify and hold Franchisor and the Interim Manager harmless from and against any loss, claim, expense, damage, liability or other obligation of any nature, including legal fees and expenses arising from or in any manner connected with Franchisor's actions hereunder, excepting only those arising from or connected with Franchisor's willful misconduct or gross negligence. Franchisee's appointment of Franchisor as attorney-in-fact is irrevocable and is coupled with an interest. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination of this Agreement.

13. DEFAULT AND TERMINATION.

13.1. Termination by Franchisor without Prior Notice. Franchisor shall have the right to terminate this Agreement and all rights granted Franchisee hereunder, subject to the provisions of applicable state law governing franchise termination and renewal, effective upon receipt of notice by Franchisee, addressed as provided in Section 19.10, upon the occurrence of any of the following events:

13.1.1. Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of Franchisor's Brand Standards Manual or any other Trade Secrets or Confidential Information;

13.1.2. Franchisee or its Designated Manager has failed to complete the training program to the satisfaction of the Franchisor;

13.1.3. Franchisee fails to operate the AvenueWest Business for five business days, unless such failure to operate is due to fire, flood, earthquake or other similar causes beyond Franchisee's control and not related to the availability of funds to Franchisee; or Franchisee notifies Franchisor that it intends to discontinue operation of the AvenueWest Business;

13.1.4. Franchisee becomes insolvent or is adjudicated a bankrupt; or any action is taken by Franchisee, or by others against Franchisee under any insolvency, bankruptcy or reorganization act, or if Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed for Franchisee;

13.1.5. Any material judgment (or several judgments which in the aggregate are material) is obtained against Franchisee and remains unsatisfied or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against Franchisee's business or any of the property used in the operation of the AvenueWest Business and is not discharged within five days; or if the real or personal property of Franchisee's business shall be sold after levy thereupon by any sheriff, marshal or constable;

13.1.6. Franchisee or any owner of greater than 20% of Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of Franchisor, to materially and unfavorably affect Franchisor, System, Marks, goodwill or reputation thereof;

13.1.7. Franchisee fails to pay any amounts due Franchisor or affiliates within ten days after receiving written notice that such amounts are overdue;

13.1.8. Franchisee misuses or fails to follow Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within ten days after notification from Franchisor;

13.1.9. Franchisee sells, transfers or otherwise assigns the Franchise, an interest in the Franchise or Franchisee entity, this Agreement, the AvenueWest Business or a substantial portion of the assets of the AvenueWest Business owned by Franchisee without complying with the provisions of Section 14;

13.1.10. Franchisee submits on two or more occasions during the Initial Term or any Interim Period, a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than two percent (2%), unless Franchisee demonstrates that such understatement resulted from inadvertent error;

13.1.11. Franchisee fails or refuses to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits such reports more than five days late on two or more occasions during the Initial Term or any Interim Period, unless due to circumstances beyond the control of Franchisee;

13.1.12. Franchisee sells or offers for sale any unauthorized merchandise, product or service;

13.1.13. No Premises has been designated and accepted within the time required under Section 8.2;

13.1.14. Franchisee loses possession or the right of possession of all or a significant part of the Premises through condemnation, casualty, lease termination, mortgage foreclosure or otherwise and the AvenueWest Business is not relocated and reopened in new Premises approved in accordance with Section 10 within 50 days, however, Franchisor may, in its sole discretion, extend this period;

13.1.15. Franchisee contests in any court or proceeding the validity of, or Franchisor's ownership of the Marks;

13.1.16. Franchisee is a corporation or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate such entity without Franchisor's prior written consent; or

13.1.17. Franchisee receives from Franchisor during the Initial Term, any Successor Term or any Interim Period, two notices of default with respect to Franchisee's obligations hereunder within a 12 month period, or 3 or more notices of default regardless whether such notices of default relate to the same or different defaults, or whether such defaults have been remedied by Franchisee.

13.2. Termination by Franchisor with Prior Notice. Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days written notice to Franchisee, if Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30 day period. In that event, this Agreement will terminate without further notice to Franchisee, effective upon expiration of the 30 day period. Defaults shall include, but not be limited to, the following:

13.2.1. Franchisee engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark which is confusingly similar to the Marks;

13.2.2. Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

13.2.3. Franchisee fails or refuses to comply with the then-current requirements of the Brand Standards Manual;

13.2.4. Franchisee fails to maintain compliance with real estate brokerage license requirements or other related laws of the state in which it operates;

13.2.5. Franchisee defaults under any term of any other franchise agreement with Franchisor or any other agreement material to the AvenueWest Business and such default is not cured within the time specified in such lease, other franchise agreement or other agreement;

13.2.6. Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor and does not correct such failure within ten days (or 30 days if this is the first non-compliance or breach) after written notice from Franchisor (which shall describe the action that Franchisee must take) is delivered to Franchisee.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30 day period and Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30 day period, Franchisee shall be given an additional reasonable period of time to cure the same, but in no event longer than 30 additional days, and this Agreement shall not terminate. All of Franchisor's costs and expenses arising from the default, including reasonable legal and accounting fees and reasonable administrative costs shall be paid to Franchisor by Franchisee within five days after cure or upon demand by Franchisor if the default is not cured.

13.3. Termination by Franchisee. Franchisee may terminate the Agreement for any grounds permitted by state law. A termination or attempted termination of this Agreement by Franchisee without

grounds under state law shall be deemed to be a termination without cause and a breach hereof, by Franchisee.

13.4. Effect of Termination or Expiration. Upon the effective date of any termination or expiration of this Agreement (unless a Successor Agreement is entered into between Franchisor and Franchisee or during the Interim Period), all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, and indemnity, will remain in effect, and Franchisee must follow any reasonable procedures established by Franchisor to ensure the expiration or termination of this Agreement creates the least disruption possible to the System, including:

13.4.1. promptly pay all amounts owed to Franchisor based on the operation of the AvenueWest Business through the effective date of termination or expiration;

13.4.2. return to Franchisor all copies of the Brand Standards Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the AvenueWest Business, and all items containing any Marks, Copyrights, Confidential Information, Trade Secrets and other proprietary items;

13.4.3. within five days cancel or assign all registrations relating to Franchisor's use of any of the Marks. Franchisee must notify the telephone, Internet, email, electronic network, directory and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer to Franchisor or any new franchisee as directed by Franchisor. Franchisee acknowledges as between Franchisor and Franchisee, Franchisor has the sole rights to and interest in all telephone numbers, e-mail addresses, domain names, locators, directories and listings used by Franchisee to promote the System. Franchisee irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing. Such appointment is evidenced by **Attachment 2**. Franchisee must reimburse Franchisor for any amounts reasonably incurred by Franchisor in de-identifying the AvenueWest Business;

13.4.4. cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as an AvenueWest Business franchisee;

13.4.5. allow Franchisor or its representatives access to the AvenueWest Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;

13.4.6. allow Franchisor or its representatives to make a final inspection and audit of Franchisee's computer system, books, records and accounts;

13.4.7. abide by the terms of the non-competition covenant set forth in Section 16; and

13.4.8. execute a general release of all claims Franchisee may have against Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their

corporate and/or individual capacities. This release shall include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and shall be in a form satisfactory to Franchisor.

13.4.9. If this Agreement is terminated because of Franchisee's default or Franchisee abandons the AvenueWest Business, Franchisor and Franchisee agree that it would be difficult if not impossible to determine the amount of damages that Franchisor would suffer. Therefore, Franchisee agrees to pay to Franchisor liquidated damages determined by multiplying the combined monthly average of Minimum Franchise Fees and National Marketing Fees (without regard to any fee waivers or other reductions) that are owed by Franchisee to Franchisor, beginning with the date Franchisee opens the AvenueWest Business through the date of early termination, multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Agreement, except that liquidated damages will not, under any circumstances, be less than \$30,000. The parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of damages. The liquidated damages provision only covers Franchisor's damages from the loss of cash flow from the Minimum Franchise Fees and National Marketing Fees; it does not cover any other damages, including damages to Franchisor's reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Minimum Franchise Fee and National Marketing Fees sections. Franchisee and each of Franchisee's Owners agree that the liquidated damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Minimum Franchise Fee and National Marketing Fees. Liquidated damages are due within 15 days following termination.

13.5. Failure to Cease or Remove Identification. If, within 30 days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the Premises which are identified or associated with the System, Franchisor may enter the Premises to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. If, within 30 days after termination or expiration Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

13.6. Other Claims. Termination or expiration of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether such claims or rights arise before or after termination.

14. TRANSFER.

14.1. Prohibited Acts. Any unauthorized Transfer or other conveyance by operation of law or otherwise, or any attempt to do so, by Franchisee shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor.

14.2. Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor has the right to unconditionally assign and transfer this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer or assignment, and may transfer or assign free of any responsibility or liability whatsoever to Franchisee. Franchisor may also:

14.2.1. sell or issue its stock, other ownership interests, or assets, whether privately or publicly;

14.2.2. merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or

14.2.3. undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.3. Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, subfranchised, encumbered or transferred in any way without the prior express written approval of Franchisor.

14.4. Conditions for Transfer or Assignment. No Transfer of the AvenueWest Business will be approved by Franchisor or be effective unless and until all of the following are satisfied:

14.4.1. Franchisee is not in default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to transfer the AvenueWest Business or at the time of the transfer;

14.4.2. Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor, and all principals and Affiliates of Franchisor, from all claims that may be brought by Franchisee or any principal;

14.4.3. the proposed transferee pays Franchisor a transfer fee ("**Transfer Fee**") of 50% of the Initial Franchise Fee, including a \$1,000 non-refundable deposit at the time the request for transfer is submitted with the balance due at the time the transfer is approved;

14.4.4. the proposed transferee executes a Franchisor's then-current form of franchise agreement and any related documents;

14.4.5. within 30 days before or after the intended transfer date, the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees, unless the transferee is a current franchisee in good standing in the System;

14.4.6. the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee of the transferee's franchise agreement, jointly and severally guaranteeing the performance of the proposed transferee's obligations;

14.4.7. the proposed transferee demonstrates to Franchisor's satisfaction that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the franchised AvenueWest Business, complies with all state real estate brokerage laws, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted; and

14.4.8. Franchisee reimburses Franchisor upon receipt of Franchisor's invoice for any broker, finder's fees, placement fees, or similar charges Franchisor incurs as a result of the transfer.

14.5. Transfer to an Entity. Notwithstanding the preceding section, Franchisee may Transfer its rights and obligations under this Agreement without Franchisor's consent, to an entity in which Franchisee owns 100% of the outstanding stock, provided:

14.5.1. Franchisee remains a party to the Agreement and the entity is added as a co-party;

14.5.2. Franchisee's operational partner approved by Franchisor, continues to devote his or her full time and best efforts to manage the daily operations of the AvenueWest Business;

14.5.3. the entity's activities are confined exclusively to operating the AvenueWest Business; and

14.5.4. the entity assumes joint and several liability with Franchisee of all obligations under the Franchise Agreement.

14.6. Death of Franchisee. Upon the death of an individual Franchisee, the rights granted by this Agreement may be transferred (without payment of any Transfer Fee) to the next of kin or legatees, provided that Franchisee's legal representatives will within 120 calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer Franchisee's rights under this Agreement to the next of kin or legatee. At all times the AvenueWest Business must comply with any state real estate brokerage laws if operating. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees. Franchisor or its Interim Manager may manage the AvenueWest Business according to the terms set forth in Section 12.16.

14.7. Uncompleted Transfer. Franchisee must reimburse Franchisor for any fees or expenses Franchisor incurs for any transfer that is not completed.

15. OPTION TO PURCHASE — RIGHT OF FIRST REFUSAL.

15.1. Franchisor's Right to Purchase. Unless otherwise explicitly provided by this Agreement, Franchisor shall be entitled to exercise the rights provided in this Section immediately upon:

15.1.1. The expiration or termination of this Agreement (unless a Successor Agreement is entered into between Franchisor and Franchisee or during the Interim Period);

15.1.2. Any breach, default or other event that gives Franchisor the right to terminate this Agreement, after expiration of any applicable notice and cure period; or

15.1.3. The receipt by Franchisor of a copy of a Purchase Offer.

15.2. Assets to be Purchased. Upon any event described in Section 15.1, Franchisor shall have the option to purchase all of Franchisee's rights, title and interest in the AvenueWest Business, and all its improvements, furniture, fixtures, and equipment, and all of Franchisee's accounts, contract rights, work in progress and other business assets.

15.3. Franchisor's Purchase Price. The purchase price for assets itemized in Section 15.2 will be: (i) the current fair market value if Section 15.1.1 or 15.1.2 is applicable; or (ii) the price specified in the

Purchase Offer received by Franchisee if Section 15.1.3 is applicable. If Franchisee and Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by Franchisee and Franchisor and an average of the two appraised values will be the purchase price. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to Franchisee. If Franchisor elects to exercise any option to purchase provided in this Section 15, Franchisor will have the right to set off all amounts due from Franchisee under the Franchise Agreement and the cost of the appraisal, if any, against any payment.

15.4. Notice of Intent. Franchisor will notify Franchisee of its intention to exercise its rights to purchase (“**Notice of Intent**”) within 60 days following an event described in Section 13.1. The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by Franchisor. Franchisee will have 14 days following receipt of Franchisor’s Notice of Intent to object to any of the prices specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 15.3. If Franchisor declines to exercise its rights under this Section within 60 days, Franchisee may thereafter, sell or dispose of the AvenueWest Business to a third party, but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, and subject to the prior written permission of Franchisor and satisfaction of the other conditions to assignment set forth in Section 14.4. If Franchisor fails to exercise its right to purchase following a Purchase Offer, and the AvenueWest Business is not subsequently sold to the proposed purchaser for any reason, Franchisor shall continue to have, under the same conditions, a right to purchase following any subsequent Purchase Offer. Franchisor has the right to assign its right to purchase.

15.5. Closing of Purchase. The purchase and sale contemplated in this Section shall be consummated as soon as practicable but not more than 60 days after determination of the purchase price under Section 15.3. Following the delivery of a Notice of Intent as specified in Section 15.4, Franchisor or Franchisee’s designee shall have the right to take possession of the AvenueWest Business and to carry on and develop the AvenueWest Business for the exclusive benefit of Franchisor or its designee.

16. RESTRICTIVE COVENANTS.

16.1. Confidential Information. Franchisee acknowledges that its entire knowledge of the operation of the AvenueWest Business is derived from Franchisor’s Confidential Information. Such Confidential Information is proprietary and constitutes valuable Trade Secrets of Franchisor. Franchisee acknowledges and agrees that all of the Confidential Information is the property of Franchisor and that Franchisor has the right to use the Confidential Information in any manner it wishes at any time. Franchisor has the right to contact any of Franchisee’s customers, suppliers and other service providers for quality control, market research and such other purposes as Franchisor deems appropriate. Franchisee shall maintain the confidentiality of the Confidential Information and will not use the Confidential Information in an unauthorized manner or disclose the same to any unauthorized person without first obtaining Franchisor’s written consent. Franchisee acknowledges that the Marks and System have valuable goodwill attached to them, that the protection and maintenance thereof is essential to Franchisor; and, that any unauthorized use or disclosure of the Marks, the System or the Confidential Information will result in irreparable harm to Franchisor.

16.1.1. Franchisee acknowledges that the Confidential Information is a valuable asset of Franchisor’s, includes Trade Secrets of Franchisor and is disclosed to Franchisee on the condition that Franchisee and Franchisees’ owners and employees who have access to the Confidential Information agree that during and after the Initial Term, any Interim Period or Successor Term they: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written or

other tangible form; and, (4) will adopt and implement all reasonable procedures Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information including requiring employees and owners who have access to the Confidential Information to execute nondisclosure and non-competition agreements as Franchisor may require periodically, and provide Franchisor, at Franchisor's request, with signed copies of each of those agreements.

16.1.2. The restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) information and knowledge which are or become generally known in the field of real estate brokerage and corporate housing within the Territory, other than through disclosure Franchisee makes (whether deliberate or inadvertent); and, (b) the disclosure of the Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose the information, if Franchisee has notified Franchisor before disclosure and afforded Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to Franchisor of confidential treatment for the Confidential Information required to be disclosed.

16.2. Competitive Business. Franchisee covenants and agrees that during the Initial Term, any Interim Period or Successor Term, it will not, without the prior written consent of Franchisor, either individually or in partnership, jointly or in conjunction with any other person, firm, association, syndicate or corporation, as principal, agent, shareholder or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business that (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Territory (including, but not limited to, the services we authorize), but excludes an AvenueWest business operating pursuant to a franchise agreement with us ("**Competitive Business**"). A Competitive Business does not include an AvenueWest Business operating pursuant to a franchise agreement with Franchisor.

16.3. Non-Competition.

16.3.1 For a period of two years after the termination or expiration of the Initial Term, the Interim Period or any Successor Term, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee nor its owners will have any direct or indirect interest (i.e., through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, in any Competitive Business within 50 miles of the AvenueWest Business (including the premises of the AvenueWest Business) and/or within a 50-mile radius from all other AvenueWest businesses that are operating or under construction as of the beginning of the two year period.

16.3.2 If any person restricted by this provision refuses to comply with the foregoing obligations voluntarily, the two year period will commence with the entry of any order of a court or arbitrator enforcing this provision. Franchisee expressly acknowledges that it possesses skills and abilities of a general nature and has other opportunities to exploit such skills. Consequently, enforcement of the covenants set forth above will not deprive Franchisee of the ability to earn a living.

16.3.3 The parties have attempted in this Section 16.3 to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of Section 16.3 is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify Section 16.3 to the extent that it deems necessary to make such provision enforceable under applicable law. In addition, Franchisor reserves the right to

reduce the scope of said provision without Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee.

16.4. Non-Solicitation of Customers. For a period of two years after the termination or expiration of this Agreement, any successor term, or Franchisee's transfer, sale or assignment of the AvenueWest Business, Franchisee shall not attempt to attain an unfair advantage over other franchisees, Franchisor or any affiliates thereof by soliciting any customer of such franchisees, Franchisor or any such affiliates.

16.5. Ownership of Publicly Held Company. Nothing in this Section shall prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five (5%) of the outstanding stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934.

16.6. Injunctive Relief for Breach. Franchisee acknowledges that, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section 16 will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right, without prior notice to Franchisee and without a bond, to obtain immediate injunctive relief without limiting any other rights or remedies.

16.7. Application. In the event that Franchisee is not an individual, this Section 16 will also apply to the officers, directors, stockholders, partners, members, trustees, beneficiaries and/or principals of Franchisee, Franchisee, and any persons controlled by, controlling or under common control with Franchisee.

17. DISPUTE RESOLUTION.

17.1. Negotiation. The parties will attempt to resolve any dispute relating to or arising out of this Agreement by negotiation. Franchisor will provide a procedure for internal dispute resolution as set forth in the Brand Standards Manual, and this procedure may be revised periodically by Franchisor.

17.2. Right to Relief. To protect Franchisor and Franchisee from violations that would cause immediate loss and damages, each has the right to seek from a court of competent jurisdiction:

17.2.1. an order of injunctive relief and any related incidental damages;

17.2.2. an action for disputes or claims related to or based on the Marks;

17.2.3. an order enforcing any covenant not to compete; and

17.2.4. an order to prevent the disclosure of or misuse of Confidential Information or Trade Secrets.

17.3. Arbitration.

17.3.1. Except as otherwise provided in Section 17.2, any claim, controversy or dispute arising out of, or relating to the franchise or this Agreement including, but not limited to, any claim by Franchisee or any person in privity with or claiming through, on behalf of or in the right of Franchisee, concerning the entry into, performance under, or termination of this Agreement

or any other agreement entered into by Franchisor, or its subsidiaries or Affiliates, and Franchisee; any claim against a past or present employee, officer, director, member, shareholder or agent of Franchisor; any claim of breach of this Agreement; and, any claim arising under State or Federal laws shall be submitted to final and binding arbitration as the sole and exclusive remedy for any such controversy or dispute. **“Persons in privity”** with or claiming through, on behalf of or in the right of Franchisee include but are not limited to, spouses and other family members, heirs, executors, representatives, successors and assigns. Any arbitration shall take place according to the JAMS Arbitration rules then currently in effect by a sole JAMS arbitrator who shall be chosen by Franchisor. If JAMS Arbitration or any successor is no longer in existence at the time arbitration is commenced, Franchisor and Franchisee will agree on another arbitration organization to conduct the arbitration proceeding. The arbitration before a single arbitrator shall be held in the principal city closest to Franchisor’s principal place of business (currently Denver, Colorado). Each party will bear its own portion of the arbitrator’s fees and its own costs; provided, however that the arbitrator will have the right to include in his or her award attorney fees and costs. The parties expressly consent to personal jurisdiction in the state of Franchisor’s principal place of business (currently the State of Colorado) and agree that such court(s) will have exclusive jurisdiction over any determination of the “prevailing party” in accordance with such issues not subject to arbitration.

17.3.2. Parties to arbitration under this Agreement shall not include, by consolidation, joinder or in any other manner, any person other than Franchisee and any person in privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor, unless both parties consent in writing. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between Franchisor and Franchisee or any person in privity with or claiming through, in the right of or on behalf of Franchisee or Franchisor.

17.4. Survival. This dispute resolution clause shall survive the termination or expiration of this Agreement.

17.5. Governing Arbitration Law. Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

17.6. Governing Law/Consent to Venue and Jurisdiction. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement shall be interpreted under the laws of the state of Colorado and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers or partners (collectively, **“Franchisee Affiliates”**) and Franchisor, its parent, subsidiaries or affiliates and their respective officers, directors and sales employees (collectively, **“Franchisor Affiliates”**) pursuant to Section 17.2 the parties agree that the exclusive venue for disputes between them shall be in the United States District Court or the state district court closest to Franchisor’s principal place of business (currently Denver, Colorado), and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of the state of Franchisor’s principal place of business, currently

Colorado. Franchisor, Franchisor Affiliates, Franchisee and Franchisee Affiliates each waive their rights to a trial by jury.

17.7. Attorneys' Fees. In any dispute between the parties to this Agreement, including arbitration under Section 17.3 or any other action under Section 17.2, and any dispute involving an officer, director, employee or managing agent of a party to this Agreement, in addition to all other remedies, the non-prevailing party will pay the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in any legal action or other proceeding as a result of such dispute, plus interest at the lesser of two percent (2%) per month or the highest rate allowable by law, accruing from the first date such dispute was submitted to any dispute resolution process including mediation, arbitration or litigation.

17.8. Limitations on Actions. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

18. RELATIONSHIP OF THE PARTIES.

18.1. Independent Contractor. Franchisee is an independent contractor and is not an agent, partner, joint venturer, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee. Neither party will be bound or obligated by the other, except as set forth in this Agreement. Franchisee may not act as an agent in Franchisor's name or on behalf of Franchisor for any purpose whatsoever. Franchisor is not an employer of Franchisee, Franchisee's employees or Franchisee's independent contractors. Franchisor shall have no responsibility to ensure that the AvenueWest Business is developed and operated in compliance with all applicable laws, ordinances and regulations and shall have no liability in the event that the operation of the AvenueWest violates any law, ordinance, or regulation.

18.2. Operations and Identification. Franchisee must conspicuously identify the AvenueWest Business in all public records and all dealings with the public as "independently owned and operated" and separate from Franchisor. Franchisee's employees are employees of Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor, and within seven days of Franchisor's request, Franchisee and each of its employees must sign an employment acknowledgment form stating that Franchisee alone is the employee's employer and that Franchisee alone operates the AvenueWest Business. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports.

19. MISCELLANEOUS.

19.1. Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that it furnished to Franchisee.

19.2. Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Brand Standards Manual may be periodically modified by Franchisor and shall be enforceable against Franchisee.

19.3. Waiver. Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind; and any delay, forbearance or omission by Franchisor to execute will not affect or impair Franchisor's rights as to any future exercise of those rights.

19.4. Severability. If any part of this Agreement is declared invalid by an arbitrator or court for any reason, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

19.5. Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required to comply. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect.

19.6. Section Headings. Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

19.7. Obligations. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

19.8. Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

19.9. Covenant of Good Faith. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on its assessment of its own interests and balancing those interests against the interests of its franchisees generally, and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised.

19.10. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified mail, return receipt requested, first-class postage prepaid, or sent by facsimile (provided that the sender confirms the facsimile by sending an original confirmation copy by certified mail or expedited delivery service within three business days after transmission) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:

Angela Healy
AvenueWest Global Franchise, LLC
13949 W Colfax Ave, Suite 270
Lakewood, CO 80401
Fax: 303-825-7624

Notices to Franchisee:

Any notice shall be deemed to have been given at the time of personal delivery, including via national overnight carrier, or, in the case of facsimile, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or certified mail, three business days after the date and time of mailing. Business days for the purpose of this Agreement excludes Saturdays, Sundays and national holidays on which federally chartered banks are authorized to close.

19.11. Joint and Several Liability. If two or more persons or entities or any combination sign this Agreement, each will have joint and several liability. All owners and controllers of an entity or association which comprise Franchisee are jointly and severally liable for the obligations of Franchisee under this Agreement.

19.12. Cumulative Remedies. Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

19.13. Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

19.14. Payments. All payments by Franchisee will be applied in such order as Franchisor may designate from time to time. Franchisee agrees that it may not designate an order for application of any fees different from that designated by Franchisor and expressly acknowledges and agrees that Franchisor may accept fees paid pursuant to different instructions without any obligation to follow such instructions, even if such payment is made by its terms conditional on such instructions being followed. This provision may be waived only by written agreement signed by Franchisor, which written agreement must be separate from the check or other document or medium constituting or transmitting payment.

19.15. Completion of Agreement. The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement.

20. ACKNOWLEDGEMENT.

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:

FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE SYSTEM AND RECOGNIZES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES

BUSINESS RISK AND WILL LARGELY DEPEND UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON.

FRANCHISEE HAS, OR HAS MADE FIRM ARRANGEMENTS TO ACQUIRE FUNDS TO COMMENCE, OPEN AND OPERATE THE AVENUEWEST BUSINESS AND IT IS FINANCIALLY AND OTHERWISE ABLE TO ACCEPT THE RISKS ATTENDANT UPON ENTERING INTO THIS AGREEMENT.

ALL STATEMENTS MADE BY FRANCHISEE IN WRITING IN CONNECTION WITH ITS APPLICATION FOR THIS FRANCHISE WERE, TO THE BEST OF ITS KNOWLEDGE, TRUE WHEN MADE AND CONTINUE TO BE TRUE AS OF THE DATE OF THIS AGREEMENT.

FRANCHISEE HAS NO MATERIAL FINANCIAL OBLIGATIONS, WHETHER ACTUAL OR CONTINGENT, WHICH ARE OUTSTANDING AS OF THE DATE OF THIS AGREEMENT OTHER THAN THOSE DISCLOSED TO FRANCHISOR IN WRITING.

FRANCHISEE IS NOT A PARTY TO OR SUBJECT TO ANY COURT OR ADMINISTRATIVE ORDER OR ACTION OF ANY GOVERNMENTAL AUTHORITY WHICH WOULD LIMIT OR INTERFERE WITH THE PERFORMANCE BY FRANCHISEE OF ITS OBLIGATION HEREUNDER IN ANY WAY.

FRANCHISEE IS NOT A PARTY TO ANY LITIGATION OR LEGAL PROCEEDINGS OTHER THAN THOSE WHICH HAVE BEEN DISCLOSED TO FRANCHISOR IN WRITING.

FRANCHISEE IS NOT A PARTY TO OR SUBJECT TO AGREEMENTS THAT MIGHT CONFLICT WITH THE TERMS OF THIS AGREEMENT AND AGREES NOT TO ENTER INTO ANY CONFLICTING AGREEMENTS DURING THE INITIAL TERM, INTERIM PERIOD, OR ANY SUCCESSOR TERMS.

FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement (which may be in 2 or more counterparts) on the day and year first above written.

FRANCHISOR:

AVENUEWEST GLOBAL FRANCHISE, LLC

By: _____

Printed Name

Title: _____



FRANCHISEE:

If Entity:

Printed Entity Name

By: _____

Printed Name

Title: _____

If an Individual:

Signature

Print Name

**ATTACHMENT 1
TO FRANCHISE AGREEMENT**

ADDENDUM

THIS ADDENDUM to the AvenueWest Global Franchise, LLC Franchise Agreement (“**Agreement**”) dated _____, 20____ between **AvenueWest Global Franchise, LLC** (“**Franchisor**”) and _____ (“**Franchisee**”), is made effective as of the date of the Franchise Agreement.

1. **Effective Date of the Franchise Agreement:** _____, 20____.
2. **Premises.** Franchisee’s approved Premises is (if known): _____

3. **Initial Franchise Fee.** Franchisee shall pay an Initial Franchise Fee pursuant to Section 5.2 of the Agreement of \$_____.

4. **Territory.** As described in Section 4.1 the Franchisee’s Premises for its AvenueWest Business must be located within the area described as:

Fully executed this _____ day of _____, 20____.

FRANCHISOR:

FRANCHISEE:

AVENUEWEST GLOBAL FRANCHISE, LLC

By: _____

Individually

Printed Name

Printed Name

Title: _____

OR IF ENTITY

Company Name

By: _____

Title: _____



**ATTACHMENT 2
TO FRANCHISE AGREEMENT**

**COLLATERAL ASSIGNMENT OF
TELEPHONE NUMBERS, ADDRESSES, AND LISTINGS**

THIS ASSIGNMENT is entered into this ____ day of _____, 20____, in accordance with the terms of that certain AvenueWest Global Franchise, LLC Franchise Agreement (“**Franchise Agreement**”) between _____ (“**Franchisee**”) and AvenueWest Global Franchise, LLC, a Colorado limited liability company (“**Franchisor**”), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate an AvenueWest Franchise located at _____ (“**AvenueWest Business**”).

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor all telephone numbers, addresses, domain names, locators, directories and listings (collectively, the “**Numbers, Addresses, and Listings**”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the AvenueWest Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment, unless Franchisor notifies the telephone, Internet, email, electronic network, directory, and listing entities that Franchisee has dealt with (all such entities are collectively referred to herein as “**Provider Companies**”) to effectuate the assignment pursuant to the terms hereof.

Upon termination or expiration of the Franchise Agreement (unless a Successor Agreement is entered into between Franchisor and Franchisee or during the Interim Period), Franchisor shall have the right and is hereby authorized to effectuate the Assignment of the Numbers, Addresses, and Listings and, in such event, Franchisee shall have no further right, title or interest in the Numbers, Addresses, and Listings, but shall remain liable to the Provider Companies for all past due fees owing to the Provider Companies on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Numbers, Addresses, and Listings, and Franchisee appoints Franchisor as Franchisee’s true and lawful attorney-in-fact to direct the Provider Companies to assign same to Franchisor, and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisor can direct the Provider Companies to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Provider Companies may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the Numbers, Addresses, and Listings upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Provider Companies’ receipt of such notice from Franchisor. The parties further agree that if the Provider Companies require that the parties execute the Provider Companies’ assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor is authorized to execute such forms or documentation on behalf of Franchisee to effectuate Franchisee’s consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

(Signatures on following page)

ASSIGNEE:

ASSIGNOR/FRANCHISEE:

AVENUEWEST GLOBAL FRANCHISE, LLC

By: _____

By: _____

Printed Name

Printed Name

Its: _____

Its: _____

**ATTACHMENT 3
TO FRANCHISE AGREEMENT
STATEMENT OF OWNERSHIP**

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership
(Check One)

_____ Individual _____ Partnership _____ Corporation _____ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed and a copy of the Partnership Agreement certified by the Secretary of State for the State in which the Partnership was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state in which the Limited Liability Company was formed and a copy of the Operating Agreement certified by the Secretary of State for the State in which the LLC was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each and a copy of the Articles of Incorporation certified by the Secretary of State for the State in which the corporation was formed.

Franchisee acknowledges that this Statement of Ownership applies to the AvenueWest Business authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to Franchisor in writing.

Date

Name

Print Name



**ATTACHMENT 4
TO FRANCHISE AGREEMENT**

OWNERS AGREEMENT

As a condition to the execution by AvenueWest Global Franchise, LLC (“we” or “us”), of a Franchise Agreement with _____ (“Franchisee”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in Franchisee, as well as their respective spouses, covenant and agree to be bound by this Owners Agreement (“Owners Agreement”).

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of _____, 20____ (“Franchise Agreement”). Capitalized words not defined in this Owners Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Role of Owners. Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee’s owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Owners Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Owners will be jointly and severally liable for any breach of this Owners Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with each obligation as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data, which we designate as confidential, will also be deemed Confidential Information for purposes of this Owners Agreement.

2.2 Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Owners also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

3. Covenant Not To Compete and To Not Solicit.

3.1 Non-Competition and Non-Solicitation During and After the Term of the Franchise Agreement. Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition and solicitation both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Owners Agreement by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Owners Agreement as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Owners Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Owners Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners 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 Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Owners Agreement, without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified.

4. Guarantee.

4.1 Payment. Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement on the date and times and in the manner required in the relevant agreement.

4.3 Indemnification. Owners will indemnify, defend and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Owners acknowledge and agree that we will not be obligated to proceed against Franchisee or exhaust any security from Franchisee or pursue or exhaust any remedy, including any legal or equitable relief against Franchisee, before proceeding to enforce the obligations of the Owners as guarantors under this Owners Agreement, and the enforcement of such obligations can take place before, after, or contemporaneously with, enforcement of any of Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Owners. Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Owner's Death. Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death; and the obligations of any other Owners will continue in full force and effect.

5. Transfers.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Owners Agreement and the Franchise Agreement.

6. Notices.

6.1 Method of Notice. Any notices given under this Owners Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Owners Agreement is:

AvenueWest Global Franchise, LLC
13949 W Colfax Ave, Suite 270
Lakewood, CO 80401

The current address of each Owner for all communications under this Owners Agreement is designated on the signature page of this Owners Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Owners Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Owners Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Owners Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Owners Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Owners Agreement, and any other claim or controversy between the parties, will be governed by the choice of law and jurisdiction and venue provisions of the Franchise Agreement.

7.3 Provisional Remedies. We have the right to seek from an appropriate court any provisional remedies, including temporary restraining orders or preliminary injunctions to enforce Owners' obligations under this Owners Agreement. Owners acknowledge and agree that there is no adequate remedy at law for

Owners' failure to fully comply with the requirements of this Owners Agreement. Owners further acknowledge and agree that, in the event of any noncompliance, we will be entitled to temporary, preliminary, and permanent injunctions and all other equitable relief that any court with jurisdiction may deem just and proper. If injunctive relief is granted, Owners' only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Owners Agreement constitutes the entire, full and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Owners Agreement, other than those in this Owners Agreement. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Owners Agreement may be implied into this Owners Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Owners Agreement), no amendment, change or variance from this Owners Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Owners Agreement, and any portions thereof, will be considered severable. If any provision of this Owners Agreement or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Owners Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e. to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Owners Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Owners Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Owners Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Owners Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Owners Agreement 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

8.5 Binding Effect. This Owners Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Owners Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

8.6 Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Owners Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or

default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Owners Agreement shall be cumulative.

8.8 No Personal Liability. You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Owners Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

8.9 Owners Agreement Controls. In the event of any discrepancy between this Owners Agreement and the Franchise Agreement, this Owners Agreement shall control.

(Signatures on following page)

IN WITNESS WHEREOF, the parties have entered into this Owners Agreement as of the effective date of the Franchise Agreement.

OWNERS:

[Insert Name of Owner]

[Insert Name of Spouse]

[Insert Name of Owner]

[Insert Name of Spouse]

[Insert Name of Owner]

[Insert Name of Spouse]

[Insert Name of Owner]

[Insert Name of Spouse]

AvenueWest Global Franchise, LLC hereby accepts the agreements of the Owner(s) hereunder.

AVENUEWEST GLOBAL FRANCHISE, LLC

By: _____

Title: _____

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT C

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2021:

Last Name	First Name	Entity Name	Address	City	State	Zip Code	Phone	E-mail
Vost*	Meghan	AvenueWest Phoenix**	8155 N. 24 th Avenue, Suite D	Phoenix	AZ	85012	602.753.2412	Phoenix@AvenueWest.com
Lopes	Tamara	AvenueWest Sacramento, LLC	3104 O Street #306	Sacramento	CA	95816	916.900.2575	sacramento@avenuewest.com
Minks*	Wayne & Cindy	Minks, LLC / AvenueWest Colorado Springs	1870 Dublin Blvd., #A	Colorado Springs	CO	80918	719.442.4337	ColoradoSprings@AvenueWest.com
Mancey	Robert	AvenueWest Denver South	PO Box 3436	Littleton	CO	80161	303.532.1466	DTC@AvenueWest.com
Davis	Kristi & Jason		3340 Peach Tree Rd, #1800	Atlanta	GA	30326	770.927.8400	atlanta@avenuewest.com
Allen	Stephanie	Allen Management LLC AvenueWest St. Louis	856 Waterbury Falls Dr.	O'Fallon	MO	63368	314.682.8999	St.Louis@AvenueWest.com
De Montano and Montano-Carrera	Saundra and Jordi	AvenueWest Las Vegas LLC	400 S. 4 th St.	Las Vegas	NV	89101	702.907.7409	LasVegas@AvenueWest.com
Pittman*	Caleb	Realos LLC, / AvenueWest Dallas	2346 Victory Park Ln	Dallas	TX	75219	214-740-3886	Dallas@AvenueWest.com
Davis	Kristi & Jason	Iroko Properties / AvenueWest Raleigh	4208 Siz Forks Rd, Suite 1000	Raleigh	NC	27609	919-825-4883	Raleigh@AvenueWest.com

*We acquired the rights to the Franchise Agreements for these outlets when we purchased the assets of our predecessor, AW Global, LLC (also formerly known as "Avenue West Global Franchise, LLC") in May 2017.

**Ms. Vost operates three locations in Arizona, serving the Phoenix, Tucson and Scottsdale areas from the same physical office location.

Franchisees with Unopened Outlets as of December 31, 2021:

None

Former Franchisees:

The name and last known address of every franchisee who had an AvenueWest Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our during the period January 1, 2021 to December 31, 2021, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

None.

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT D

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

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	California Department of Financial Protection and Innovation One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 1-866-275-2677	California Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344 1-866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230	Connecticut Banking Commissioner Same Address
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000	Same
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790	Same
HAWAII	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities 335 Merchant Street, Room 203 Honolulu, HI 96813 808-586-2722	Commissioner of Securities of the State of Hawaii Dept. of Commerce and Consumer Affairs Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465	Illinois Attorney General Same Address
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389	Same
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900	Same
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671	Same
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360	Maryland Securities Commissioner Same Address
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, MI 48913 517-373-7117	Michigan Department of Commerce Corporations and Securities Bureau Same Address
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 500 St. Paul, MN 55101 651-539-1500	Minnesota Commissioner of Commerce Same Address
NEBRASKA	Department of Banking and Finance Bureau of Securities/Financial Institutions Division 1526 K Street, Suite 300 Lincoln, NE 68508-2732 P.O. Box 95006 Lincoln, Nebraska 68509-5006 Tele: 402-471-2171	Same
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641	Same
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21 st FL New York, NY 10005 212-416-8222	Secretary of State of New York 99 Washington Avenue Albany, New York 12231

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924	Secretary of State Secretary of State's Office Same Address
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140	North Dakota Securities Commissioner Same Address
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515	Same
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451	Same
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387	Director Department of Insurance and Finance Same Address
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048	Director, Rhode Island Department of Business Regulation Same address
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166	Same
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 605-773-3563	Director of the South Dakota Division of Securities Regulation Same Address
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769	Same

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001	Same
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9 th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9051	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762	Director, Dept. of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507 360-902-8760
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557	Wisconsin Commissioner of Securities Same Address

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT E

**STATE ADDENDA
AND AGREEMENT RIDERS**

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR AVENUEWEST GLOBAL FRANCHISE, LLC

The following modifications are made to the AvenueWest Global Franchise, LLC (“**Franchisor**,” “**us**,” “**we**,” or “**our**”) Franchise Disclosure Document (“**FDD**”) given to Franchisee (“**Franchisee**,” “**you**,” or “**your**”) and may supersede certain portions of the Franchise Agreement between you and us (“**Franchise Agreement**”). When the term “**Franchisor’s Choice of Law State**” is used, it means Colorado. When the term “Supplemental Agreements” is used, it means none.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FDD.

California Corporations Code Section 31125 requires us to give to you a FDD approved by the Department of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor’s Choice of Law State. 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 the Franchise Agreement or Supplemental Agreements restricting venue to a forum outside the State of California. The Franchise Agreement may contain a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator’s fees.

The Franchise Agreement and Supplemental Agreements require the application of the law of Franchisor’s Choice of Law State. This provision may not be enforceable under California law.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

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 or Supplemental Agreements contain a provision that is inconsistent with the California Franchise Investment Law, the California Franchise Investment Law will control.

The Franchise Agreement and Supplemental Agreements may provide for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement contains, and if applicable, the Supplemental Agreements may contain, a covenant not to compete provision which extends beyond the termination of the Franchise. Such provisions may not be enforceable under California law.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Supplemental Agreements may not be enforceable.

You must sign a general release of claims if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

Our website has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

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

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED

**TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS
AND OBLIGATIONS OF BOTH US AND YOU.**

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed on the third page of the FDD on the page entitled, "State Effective Dates".
2. States which have refused, by order or otherwise, to register these Franchises are:

None
3. States which have revoked or suspended the right to offer the Franchises are:

None
4. States in which the proposed registration of these Franchises has been withdrawn are:

None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act.”

Item 17.w, Choice of Law, of the FDD is revised to include the following: “provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act”.

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

FRANCHISOR

FRANCHISEE (If an Individual):

BY:_____

BY:_____

Name:_____

Name:_____

Title:_____

Title: _____

Date:_____

Date:_____

If a corporation, limited liability
company or partnership

Name of corporation, limited liability
company or partnership:

By:_____

Print Name:_____

Title:_____

INDIANA

Item 8 of the FDD is amended to add the following:

Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.

Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The “Summary” column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two (2) years within the Territory.

The “Summary” column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The “Summary” column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor’s Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The “Summary” column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor’s Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor’s Choice of Law State law, if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement

relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.
4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).
5. The following provision will be added to the Franchise Agreement:

No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three (3) business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten (10) business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within twenty (20) days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to AvenueWest Global Franchise, LLC, 13949 West Colfax Avenue, Suite 270, Lakewood, Colorado 80401, or send a fax to AvenueWest Global Franchise, LLC at (303) 825-7624 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND SUPPLEMENTAL AGREEMENTS

Item 17 of the FDD and the Franchise Agreement are amended to state: “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Representations in the Franchise Agreement are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Item 17 of the FDD and sections of the Franchise Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

The Franchise Agreement and Franchisee Disclosure Questionnaire are amended to state that all representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to, nor shall they act as, a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on your right to join an association of franchisees.
- (b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.

(c) A provision that permits us to terminate a Franchise prior to the expiration of its term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the Franchise business are not subject to compensation. This subsection applies only if: (i) the term of the Franchise is less than five (5) years; and (ii) you are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the Franchise or you do not receive at least six (6) months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us to refuse to renew a Franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits us to refuse to permit a transfer of ownership of a Franchise, except for good cause. This subdivision does not prevent us from exercising a right of first refusal to purchase the Franchise. Good cause shall include, but is not limited to:

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

(iii) the unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us a right of first refusal to purchase the assets of a Franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.
2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.
3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.
4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.
5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.
7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.
8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three (3) years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.
9. Item 6 of the FDD and Section 5.8 of the Franchise Agreement is hereby amended to limit the Insufficient Funds Charge to \$30 per occurrence pursuant to Minnesota Statute 604.113.

NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

Except as provided above, with regard to Franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the Franchise System or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge, or within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunction 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.

The following is added to the end of Item 4:

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.

The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for Franchisee to renew or extend,” and Item 17(m), entitled “Conditions for Franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

The following language replaces the “Summary” section of Item 17(d), titled “Termination by Franchisee”:

You may terminate the agreement on any grounds available by law.

The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by Franchisor”:

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.

The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of Forum”, and Item 17(w), titled “Choice of Law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the Franchisor or upon the Franchisee by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

The following applies to franchises and franchisees subject to North Dakota statutes and regulations. Item numbers correspond to those in the main body:

1. 17(i): Item 17(i) which requires you to consent to termination or liquidated damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law.
2. 17(r): Item 17(r), which restricts competition, is generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and is amended accordingly to the extent required by law. Covenants not to compete such as those mentioned in Item 17 are generally considered unenforceable in the State of North Dakota.
3. 17(u): Notwithstanding anything contained in Section 17.3 of the Franchise Agreement, any arbitration proceeding will take place in the city nearest to your Business in which the American Arbitration Association maintains an office and facility for arbitration, or at such other location as may be mutually agreed upon by the parties.
4. 17(v): Any claims under the North Dakota Franchise Investment Law may be brought in the State of North Dakota. The North Dakota Securities Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.
5. You must sign a general release if you renew your franchise. This provision may be unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law.
6. 17(w): The laws of the State of North Dakota will govern the agreements between the parties.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials _____ Date _____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five (5) business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten (10) business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return

them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to AvenueWest Global Franchise, LLC, 13949 West Colfax Avenue Suite 270, Lakewood, Colorado 80401, or send a fax to AvenueWest Global Franchise, LLC at (303) 825-7624 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____

Print Name: _____

Its: _____

RHODE ISLAND

The following information applies to franchises and franchisees subject to the Rhode Island Franchise Investment Act. Item numbers correspond to those in the main body:

Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The Franchise Agreement is amended consistent with Section 19-28.1-14 of the Rhode Island Franchise Investment Act, which provides as follows:

“A provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

SOUTH DAKOTA

Intentionally left blank.

VIRGINIA

The following information applies to franchises and franchisees subject to the Virginia Retail Franchising Act. Item numbers correspond to those in the main body:

Special Risks Factor Page. The following is added to the Special Risks Factor Page:

Estimated Initial Investment. The franchisee will be required to make an initial investment ranging from \$60,750 to \$100,000. This amount exceeds the franchisor's stockholder's equity as of December 31, 2021, which is \$(30,850).

Item 5. The following is added to Item 5:

"The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement."

Item 17(h). The following is added to Item 17(h):

"Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for AvenueWest Global Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds 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.

WASHINGTON

Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, General Release and Supplemental Agreements

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

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

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or

mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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

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.

Item 11 of the Franchise Disclosure Document is hereby amended to include the following:

"Franchisees who receive financial incentives to refer franchise prospects to franchisor may be required to register as franchise brokers under the laws of Washington State."

Pursuant to RCW 19.100.180(1), RCW 19.100.180(2)(g) and RCW 19.100.220(2) the following sections do not apply to Washington franchisees and are hereby deleted in their entirety from the Franchise Agreement:

"Section 13.4.9: The parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of damages.

Franchisee and each of Franchisee's Owners agree that the liquidate damages provision does not give Franchisor an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Minimum Franchise Fee and National Marketing Fees."

"Section 16.3.2: Franchisee expressly acknowledges that it possesses skills and abilities of a general nature and has other opportunities to exploit such skills. Consequently, enforcement of the covenants set forth above will not deprive Franchisee of the ability to earn a living."

"Section 17.8: Limitation of Actions: Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding."

"Section 19.9: Covenant of Good Faith: If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, Franchisee agrees that: (i) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (ii) Franchisor will use its judgment in exercising the discretion based on its assessment of its own interests and balancing those interests against the interests of its franchisees generally, and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (iii) Franchisor will have no liability to Franchisee for the exercise of Franchisor's discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for Franchisor's judgment so exercised."

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

Exhibit G-1, Sample General Release Agreement is hereby amended to state that the General Release does not apply to claims arising under the Franchise Investment Protection Act, chapter 19.100 RCW, or the rules adopted thereunder.

Exhibit G-2, Sample System Protection Agreement does not apply to Washington State Franchisees, pursuant to RCW 19.100.180(2)(g) and RCW 19.100.220(2) is hereby amended to remove the following sections:

Section 7, Covenants Reasonable. You acknowledge and agree that: (1) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE ENFORCEABLE.**

Section 9.d, You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area.

Exhibit H: Franchisee Disclosure Questionnaire is hereby amended to state that it does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100 and the rules adopted thereunder.

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 20____.

FRANCHISOR

FRANCHISEE

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states (“**Addenda**”) is checked as an “Applicable Addenda” below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

<input type="checkbox"/>	California	<input type="checkbox"/>	Michigan	<input type="checkbox"/>	Rhode Island
<input type="checkbox"/>	Hawaii	<input type="checkbox"/>	Minnesota	<input type="checkbox"/>	South Dakota
<input type="checkbox"/>	Illinois	<input type="checkbox"/>	New York	<input type="checkbox"/>	Virginia
<input type="checkbox"/>	Iowa	<input type="checkbox"/>	North Dakota	<input type="checkbox"/>	Washington
<input type="checkbox"/>	Indiana	<input type="checkbox"/>	Ohio	<input type="checkbox"/>	Wisconsin
<input type="checkbox"/>	Maryland				

Dated: _____, 20____

FRANCHISOR:

AVENUEWEST GLOBAL FRANCHISE, LLC

By: _____

Title: _____

FRANCHISEE:

By: _____

Title: _____

Rev. 031516

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT F

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AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT G

CONTRACTS FOR USE WITH THE AVENUEWEST FRANCHISE

The following contracts contained in Exhibit G are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the AvenueWest Business. The following are the forms of contracts that AvenueWest Global Franchise, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked “Sample,” they are subject to change at any time.

EXHIBIT G-1

AVENUEWEST FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

(a) This Waiver and Release of Claims ("Release") is made as of _____, 20____ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of AvenueWest Global Franchise, LLC, a Colorado limited liability company ("Franchisor," and together with Releasor, the "Parties").

(b) **WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate an AvenueWest business;

WHEREAS, [Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement] or [the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release], and Franchisor has consented to such [transfer/successor franchise agreement/amendment/termination/other reason]; and

WHEREAS, as a condition to Franchisor's consent to [transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason], Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without

limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party in connection with a third party claim.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Agreement to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State of Colorado.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

(Signatures on following page)

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a

By: _____

Printed Name: _____

Title: _____

FRANCHISEE'S OWNERS:

Date _____

Signature

Typed or Printed Name

Signature

Typed or Printed Name

Rev. 061518

EXHIBIT G-2

AVENUEWEST FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement (“Agreement”) is entered into by the undersigned (“you” or “your”) in favor of AvenueWest Global Franchise, LLC, a Colorado limited liability company, and its successors and assigns (“us”, “we” or “our”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*Competitive Business*” means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by you in and/or from the Franchisee Territory (including, but not limited to, the products we authorize); or (ii) provides or offers to provide services the same as or similar to the type of services sold by you in and/or from the Franchisee Territory (including, but not limited to, the services we authorize), but excludes an AvenueWest business operating pursuant to a franchise agreement with us.

“*Copyrights*” means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of an AvenueWest business or the solicitation or offer of an AvenueWest franchise, whether now in existence or created in the future.

“*Franchisee*” means the AvenueWest franchisee for which you are a manager or officer.

“*Franchisee Territory*” means the territory granted to you pursuant to a franchise agreement with us.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of an AvenueWest business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of an AvenueWest business, which may be periodically modified by us.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an AvenueWest business, including “AVENUEWEST,” and any other trademarks, service marks, or trade names that we designate for use by an AvenueWest business. The term “Marks” also includes any distinctive trade dress used to identify an AvenueWest business, whether now in existence or hereafter created.

“*Prohibited Activities*” means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

“Restricted Period” means the two-year period after you cease to be a manager or officer of Franchisee’s AvenueWest business; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the *“Restricted Period”* means the nine month period after you cease to be a manager or officer of Franchisee’s AvenueWest business.

“Restricted Territory” means the geographic area within: (i) a 50-mile radius from Franchisee’s AvenueWest business (and including the premises of the approved location of Franchisee); and (ii) a 50-mile radius from all other AvenueWest businesses that are operating or under construction as of the beginning of the Restricted Period; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the *“Restricted Territory”* means the geographic area within a 25-mile radius from Franchisee’s AvenueWest business (and including the premises of the approved location of Franchisee).

“System” means our system for the establishment, development, operation, and management of an AvenueWest business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the AvenueWest business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee’s AvenueWest business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition during Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee’s AvenueWest business by engaging in any Prohibited Activities.

5. Unfair Competition after Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have

violated the terms of this Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

7. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

8. Breach. You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other AvenueWest franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action that you may have against us, our owners or our affiliates, or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

c. Each section of this Agreement, including each subsection and portion thereof, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration, and geographic area.

d. You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration, and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory, and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

EXHIBIT G-3

AVENUEWEST FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement (“Agreement”) is entered into by the undersigned (“you”) in favor of AvenueWest Global Franchise, LLC, a Colorado limited liability company, and its successors and assigns (“us”), upon the terms and conditions set forth in this Agreement.

1. Definitions. For purposes of this Agreement, the following terms have the meanings given to them below:

“*AvenueWest Business*” means a business that provides complete temporary housing solutions within a stable residential setting, offering short-term, furnished accommodations in the form of corporate housing within a specified geographic area and using its established real estate property management system and other related products and services using our Intellectual Property.

“*Copyrights*” means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow AvenueWest franchisees to use, sell, or display in connection with the marketing and/or operation of an AvenueWest Business, whether now in existence or created in the future.

“*Franchisee*” means the AvenueWest franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

“*Intellectual Property*” means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

“*Know-how*” means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of an AvenueWest Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

“*Manual*” means our confidential operations manual for the operation of an AvenueWest Business.

“*Marks*” means the logotypes, service marks, and trademarks now or hereafter involved in the operation of an AvenueWest Business, including “AVENUEWEST” and any other trademarks, service marks, or trade names that we designate for use by an AvenueWest Business. The term “Marks” also includes any distinctive trade dress used to identify an AvenueWest Business, whether now in existence or hereafter created.

“*System*” means our system for the establishment, development, operation, and management of an AvenueWest Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Agreement. In order to avoid such damage, you agree to comply with this Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the AvenueWest Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of AvenueWest Global Franchise, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

4. Immediate Family Members. You acknowledge you could circumvent the purpose of this Agreement by disclosing Intellectual Property to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Intellectual Property to family members. Therefore, you agree you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Intellectual Property. However, you may rebut this presumption by furnishing evidence conclusively showing you did not disclose the Intellectual Property to the family member.

5. Covenants Reasonable. You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE, OR OTHERWISE UNENFORCEABLE.**

6. Breach. You agree that failure to comply with this Agreement will cause substantial and irreparable damage to us and/or other AvenueWest franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense, or cause of action you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

7. Miscellaneous.

a. Although this Agreement is entered into in favor of AvenueWest Global Franchise, LLC, you understand and acknowledge that your employer/employee, independent contractor,

agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Agreement will be governed by, construed, and enforced under the laws of Colorado, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

d. Each section of this Agreement, including each subsection and portion, is severable. If any section, subsection, or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection, or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

EXECUTED on the date stated below.

Date _____

Signature

Typed or Printed Name

EXHIBIT G-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
<input type="checkbox"/> Checking <input type="checkbox"/> Savings		
Bank Account No.	(check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)	Bank Phone No.	

Authorization:

Franchisee hereby authorizes AvenueWest Global Franchise, LLC (“Franchisor”) to initiate debit entries to Franchisee’s account with the Bank listed above, and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee’s account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature: _____ Date: _____
Name: _____
Its: _____

Federal Tax ID Number: _____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.



EXHIBIT G-5

AVENUEWEST FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment (“**Agreement**”) is entered into this ____ day of _____, 20____, between AvenueWest Global Franchise, LLC (“**Franchisor**”), a Colorado Limited Liability Company, _____ (“**Former Franchisee**”), the undersigned owners of Former Franchisee (“**Owners**”) and _____, a [State] [corporation/limited liability company] (“**New Franchisee**”).

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20____ (“**Former Franchise Agreement**”), in which Franchisor granted Former Franchisee the right to operate an AvenueWest franchise located at _____ (“**Franchised Business**”); and

WHEREAS, Former Franchisee desires to assign (“**Requested Assignment**”) the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Agreement, including that New Franchisee sign Franchisor’s current form of franchise agreement together with all exhibits and attachments thereto (“**New Franchise Agreement**”), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement (“**Franchisor’s Assignment Fee**”).

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Agreement, and conditioned upon New Franchisee’s signing the New Franchise Agreement pursuant to Section 5 of this Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor’s Assignment Fee from Former Franchisee and the mutual execution of this Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement and waives any obligation for Former Franchisee to enter into a subordination agreement pursuant to the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee’s rights to operate the Franchised Business are terminated and that from the date of

this Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of an AvenueWest franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("**Transaction**") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to the approval of Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee, and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Agreement, the term "**Affiliates**" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Colorado.

IN WITNESS WHEREOF, the parties have executed this Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

AVENUEWEST GLOBAL FRANCHISE, LLC

By: _____

Printed Name: _____

Title: _____

FORMER FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

NEW FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

Rev. 082418



AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT H

FRANCHISE DISCLOSURE QUESTIONNAIRE

FRANCHISE DISCLOSURE QUESTIONNAIRE

As you know, AvenueWest Global Franchise, LLC (“we” or “us”), and you are preparing to enter into a Franchise Agreement for the operation of an AvenueWest franchise. The purpose of this questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate, or misleading, to be certain that you have been properly represented in this transaction, and to 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.** 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 in the table provided below.

1. Yes___ No___ Have you received and personally reviewed the Franchise Agreement and each attachment or exhibit attached to it that we provided?
2. Yes___ No___ Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3. Yes___ No___ Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4. Yes___ No___ Do you understand all the information contained in the Franchise Disclosure Document and Franchise Agreement?
5. Yes___ No___ Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6. Yes___ No___ Have you had the opportunity to discuss the benefits and risks of developing and operating an AvenueWest Franchise with an existing AvenueWest franchisee?
7. Yes___ No___ Do you understand the risks of developing and operating an AvenueWest Franchise?
8. Yes___ No___ Do you understand the success or failure of your AvenueWest Franchise 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 competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
9. Yes___ No___ Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement must be arbitrated in Colorado, if not resolved informally or by mediation?
10. Yes___ No___ Do you understand that you must satisfactorily complete the initial training program before we will allow your AvenueWest Franchise to open or consent to a transfer of the AvenueWest Franchise to you?

11. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating an AvenueWest Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
12. Yes___ No___ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
13. Yes___ No___ Do you agree that no 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 an AvenueWest Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?
14. Yes___ No___ Do you understand that the Franchise Agreement, including each attachment or exhibit to the Franchise Agreement, contains the entire agreement between us and you concerning the AvenueWest Franchise, meaning any prior oral or written statements not set out in the Franchise Agreement or the attachments or exhibits to the Franchise Agreement will not be binding?
15. Yes___ No___ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

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)

Date _____

Date _____



EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

AVENUEWEST GLOBAL FRANCHISE, LLC

EXHIBIT I

STATE EFFECTIVE DATES AND RECEIPTS

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	May 16, 2022
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Pending
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	July 20, 2022
Washington	Pending
Wisconsin	Not Registered

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.

RECEIPT
(Retain This 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 AvenueWest Global Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

Under Iowa law, if applicable, AvenueWest Global Franchise, LLC must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires AvenueWest Global Franchise, LLC to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If AvenueWest Global Franchise, 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, DC 20580, and the appropriate state agency identified on Exhibit D. AvenueWest Global Franchise LLC authorizes the respective state agencies identified on Exhibit D to receive service of process on its behalf in the particular state.

The name, principal business address, and telephone number of each franchise seller offering the franchise is:	
Angela Healy, 13949 W. Colfax Ave., Suite 270, Lakewood, CO 80401; (303) 825-7625	
Timothy Healy, 13949 W. Colfax Ave., Suite 270, Lakewood, CO 80401; (303) 825-7625	

Issuance Date: April 11, 2022

I received a disclosure document issued which included the following exhibits:

Exhibit A	Financial Statements
Exhibit B	Franchise Agreement
Exhibit C	List of Current and Former Franchisees
Exhibit D	List of State Administrators/Agents for Service of Process
Exhibit E	State Addenda and Agreement Riders
Exhibit F	Brand Standards Manual Table of Contents
Exhibit G	Contracts for use with the AvenueWest Franchise
Exhibit H	Franchise Disclosure Questionnaire
Exhibit I	State Effective Dates and Receipts

_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.



**RECEIPT
(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.

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_____	_____	_____
Date	Signature	Printed Name
_____	_____	_____
Date	Signature	Printed Name

Please sign this copy of the receipt, date your signature, and return it to AvenueWest Global Franchise, LLC, 13949 W. Colfax Ave., Suite 270, Lakewood, CO 80401.

